**ARTICLE NO. 6**

**RECENT REFORMS AND UPDATES ON PROVINCIAL INVESTMENT**

**POLICY APPROVAL**

Vietnam's evolving investment legal framework plays a critical role in shaping the country's socio-economic development and attracting both domestic and foreign investors. Central to this framework is the approval of investment policy, a pivotal regulatory milestone that ensures investment projects align with local and national development priorities, land-use planning, environmental protection, and socio-political considerations. The Law on Investment 2020 (“**LOI 2020”)**, which supersedes the earlier Law on Investment 2014 (“**LOI 2014**”), introduces significant reforms to this approval process, particularly decentralizing authority to Provincial People’s Committees (“**PPC**”) for certain categories of projects. This analysis explores the key differences between the 2014 and 2020 laws, delineates the classes of investment projects subject to provincial approval, and elaborates on the procedural requirements and timelines investors must navigate to obtain such approval under the current legal regime, reflecting Vietnam’s ongoing commitment to transparency, administrative efficiency, and sustainable investment.

1. **Differences between the Law on Investment 2020 and the Law on Investment 2014 regarding Approval of Investment Policy**

The concept and procedural framework regarding the approval of investment policy has undergone notable refinement in the Investment Law 2020, replacing prior provisions under the Investment Law 2014.

The LOI 2014 did not provide a definition of what constitutes "approval of investment policy." In Decree No. 118/2015/ND-CP, which guides the implementation of this law, the terms “approval of investment policy” and “decision on investment policy” were merely mentioned without any clear definition. In contrast, the LOI 2020 offers a specific definition of approval of investment policy: it is the act of a competent state authority approving the objectives, location, scale, implementation schedule and duration of an investment project; the investor or the method of selecting the investor; and any special mechanisms or policies (if applicable) for implementing the investment project[[1]](#footnote-1).

From a semantic perspective, the change in terminology more accurately reflects the nature of the process—where the investor submits an “investment policy proposal” for the state authority to consider and “approve.”

1. **Analysis of projects subject to PPC Approval of Investment Policy**

Article 32 of the LOI 2020, as amended by Law No. 90/2025/QH15, Law 57/2024/QH15, delineates the authority of the PPC. This delegation of power is crucial, allowing for more agile local-level decision-making for projects that, while significant, do not rise to the level of requiring Prime Ministerial or National Assembly oversight. The key categories are[[2]](#footnote-2):

1. Investment projects applying for land allocation or lease by the State not through auction, bidding or transfer; projects applying for permission for change of land use purposes, except cases of land allocation or land lease, permission for change of land use purposes of households or individuals for which written approvals of provincial-level People’s Committees are not required in accordance with the land law;
2. Investment projects that comply with the provisions of the law on cultural heritage, regardless of land area or population size, located within Protection Zones I and II of monuments recognized by competent authorities as national monuments or special national monuments, excluding Protection Zone I of special national monuments listed in the World Heritage List; and investment projects, regardless of land area or population size, located in restricted development zones or historic inner-city areas (as defined in urban planning) of special-grade urban centers;
3. Investment projects for the construction of housing (for sale, lease, or lease-purchase) or urban areas, regardless of land use scale or population size;
4. Investment projects for the construction and commercial operation of infrastructure in industrial zones, export processing zones, or centralized digital technology zones;
5. Investment projects for the new construction of ports or port areas within special-grade seaports or Class I seaports;
6. Investment projects of foreign investors or foreign-invested economic organizations on islands or in border communes, wards or townships; coastal communes, wards or townships; or other areas having impacts on national defense and security.
7. Investment projects requiring resettlement of 10,000 people or more in mountainous areas, or 20,000 people or more in other regions;
8. Investment projects for the new construction of airports or airfields; runways of airports or airfields; passenger terminals of international airports; or cargo terminals of airports or airfields with a capacity of 1 million tons/year or more;
9. Investment projects for new business operations in air passenger transport;
10. Investment projects for petroleum processing.
11. **Procedure for obtaining PPC Approval of Investment Policy**

In order to receive the Approval of Investment Policy by the PPC, investors must follow the steps and procedures in accordance with the Law on Investment 2020, specifically:

**Step 1: Preparation of the Application Dossier**

The investor must prepare a comprehensive dossier as stipulated in Clause 1, Article 33 of the LOI 2020. Key components include[[3]](#footnote-3):

1. A written request for implementation of the investment project, including also the investor’s commitments to bear all expenses and risks in case the project is not approved;
2. A document on the legal status of the investor;
3. Proof of financial capacity;
4. The investment project proposal, covering the following principal contents: the investor or form of investor selection; investment objectives and scope, investment capital and capital raising plan, and project implementation site, duration and schedule; information on the actual state of use of land in the project implementation site and proposals for land use demand (if any), labor demand, investment incentives, the project’s socio-economic impacts and benefits; and preliminary assessment of environmental impacts (if any) in accordance with the law on environmental protection. In case the construction law requires the formulation of a prefeasibility study report, the investor may submit a prefeasibility study report as replacement for the investment project proposal;
5. In case the investor does not request the State to allocate or lease land or to permit change of land use purposes, the investor shall submit a copy of the paper on land use rights or another document certifying that the investor has the right to use the project implementation site;
6. Explanations about the technology used in the investment project;
7. The BCC, for investment projects in the form of BCC;
8. Other documents related to the investment project, requirements on conditions and capacity of the investor in accordance with law (if any).

**Step 2: Submission and Procedural Timeline**

The investor submits the complete dossier to the Investment Registration Agency (IRA) of the province where the project is located. Typically, this is the provincial Department of Planning and Investment (DPI). The subsequent timeline, outlined in Article 36 of the LOI 2020, is as follows[[4]](#footnote-4) [[5]](#footnote-5):

1. Within 35 days after receiving a dossier, the investment registration agency shall notify dossier-processing results to the concerned investor.
2. Within 3 working days after receiving a valid dossier, the investment registration agency shall send the dossier to related state agencies for appraisal.
3. Within 15 days after receiving the dossier, the consulted agencies shall send their appraisal opinions on the matters falling within the scope of their state management to the investment registration agency.
4. Within 25 days after receiving the dossier, the investment registration agency shall make an appraisal report covering contents prescribed by the law for submission to the PPC.
5. Within 7 working days after receiving the dossier and appraisal report, the PPC shall approve investment policy; in case of refusal, it shall issue a written reply, clearly stating the reason.
6. The PPC shall consider and approve investment policy covering the contents prescribed by the law.

Investors must recognize that the quality and completeness of the initial application dossier are paramount. A thorough and well-supported investment project proposal, especially concerning financial capacity and alignment with local planning, is essential for successfully navigating this critical legal process. Professional legal counsel is highly recommended to ensure compliance with all requirements and to facilitate a smooth appraisal process.

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| Text Box  **CONTACT:**    **Telephone:**  (+84) 24 2269 3399    **Hotline:**  (+84) 84 400 8484    **Email:**  [info@asialegal.vn](mailto:info@asialegal.vn)    **Website:**  www.asialegal.vn    **Headquarter (Hanoi)**  15th Floor, HT Building, No. 80 Duy Tan,  Cau Giay District, Hanoi, Vietnam. | **ABOUT ASIA LEGAL:**    Asia Legal is one of the reputable business law firms in Vietnam. At Asia Legal, our commitment lies not only in providing conventional legal services but also in delivering tailored legal solutions that align with the business requirements of our clients. Our approach is founded upon an in-depth comprehension of Vietnamese legislation and a thorough understanding of the unique commercial landscape each client operates within.    To ensure the provision of high-quality service to our clients, we focus our endeavors exclusively on catering developing deeply into the service segments as follow:    • Mergers & Acquisitions  • Dispute Resolution  • Foreign Investment  • International Trade  • Energy & Natural Resources  • Real Estate & Construction  • Labor & Employment  • Data Privacy  • Intellectual Property      Text BoxA qr code with a logo  AI-generated content may be incorrect. |

1. Article 3.1 of LOI 2020 [↑](#footnote-ref-1)
2. Article 32 Law on Investment 2020 amended and supplemented in 2022 [↑](#footnote-ref-2)
3. Clause 1 Article 33 Law on Investment 2020 [↑](#footnote-ref-3)
4. Clause 5 Article 31 Decree 31/2021/ND-CP Detailing and guiding the implementation of a number of articles of the Law on Investment [↑](#footnote-ref-4)
5. Article 36 Law on Investment 2020 [↑](#footnote-ref-5)