

PANORAMIC

**REAL ESTATE**

Vietnam



LEXOLOGY

# Real Estate

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## GENERAL

### Legal system

#### How would you explain your jurisdiction's legal system to an investor?

Vietnam's legal system is a hybrid of French civil law and modern domestic legislation.

As Vietnam is not a common law jurisdiction, equitable doctrines, such as equitable injunctive relief, are not recognised. Injunctions may be granted in limited cases, such as to preserve assets pending civil litigation or prevent intellectual property infringement where there is a risk of irreparable harm if injunctive relief is not given.

Vietnamese law is still evolving and is typically drafted in broad, general terms, with detailed guidance provided through subordinate regulations. This gives authorities significant discretion, which can lead to inconsistent implementation. The Judicial Council of the Supreme People's Court now selects certain precedents to be binding on lower courts, ensuring consistency. However, their number and quality remain limited compared to those in common law jurisdictions.

Contract law is primarily governed by the Civil Code (2015). Contracts are generally valid if freely agreed by competent parties, even if unwritten, although certain transactions, such as those involving land use rights (LURs) must be in writing, notarised and registered.

Property law reflects Vietnam's constitutional principle that all land, sea and airspace, and natural resources, belong to the people and are managed by the state. As a result, land law is primarily regulated at the national level, while state and provincial authorities handle tasks such as registering LURs. The state grants and may revoke LURs in accordance with the law.

Both individuals and organisations may acquire LURs. These rights generally resemble leasehold rights in common law jurisdictions, except for residential LURs allocated to citizens, which are widely considered to be analogous to freehold title. Buildings may be owned separately from land but must be recorded on the LUR certificate (LURC) to confirm ownership.

The 2024 Land Law (Law No. 31/2024/QH15) introduced many reforms, including:

- harmonising the treatment of foreign-invested entities with other laws;
- permitting the transfer of LURs in industrial parks, industrial clusters and high-tech parks to foreign-invested entities;
- expanding the categories of permitted mortgagors for mortgages over LURs and attached assets;
- replacing the previous five yearly land valuation framework to annual land price lists based on market value;
- limiting the cases in which one-off lump-sum rent payments are available;
- providing flexibility in the use of land by permitting secondary land use; and
- permitting certain land-related commercial disputes to be resolved through arbitration rather than exclusively in court, although the scope of this reform remains unclear.

Other key statutes include the 2023 Real Estate Business Law (Law No. 29/2023/QH15), which regulates real estate activities such as the development, brokerage, trading and management of real estate, and the 2023 Law on Housing (Law No. 27/2023/QH15), which regulates the ownership, development and management of residential developments.

**Law stated - 22 December 2025**

### **Land records**

**Does your jurisdiction have a system for registration or recording of ownership, leasehold and security interests in real estate? Must interests be registered or recorded?**

Under the 2024 Land Law and the Civil Code, documents relating to the exchange, transfer, gift, inheritance, mortgage or capital contribution of LURs, as well as mortgages over assets attached to land, must generally be notarised and registered at the local land registry office, which operates under the provincial Department of Agriculture and Environment (DAE). Upon registration, the DAE will generally endorse or reissue the LURC.

The registry issues LURCs for new LURs, while transfers, industrial zone leases and encumbrances are recorded on the existing LURC. By law, the LURC is the primary document certifying LURs, ownership of attached assets and encumbrances on land. However, registration with the DAE does not guarantee title; other land documents (eg, land allocation or lease decisions and land planning records) should be verified.

Mortgages, including those over assets attached to land, should also be registered to ensure enforceability against a liquidator or creditor of the mortgagor.

There is generally no requirement to record private leases of land.

**Law stated - 22 December 2025**

### **Registration and recording**

**What are the legal requirements for registration or recording conveyances, leases and real estate security interests?**

The registration requirements under the 2024 Land Law apply nationally. Registration requires submission of an application dossier, the content of which is prescribed by law and includes the notarised land documentation for the acquisition of the LUR.

Vietnam is gradually adopting electronic registration systems. The 2024 Land Law also sets out procedures for electronic registration. However, while electronic registration is being introduced, it is not yet universally available and depends on the particular province in which the land is located.

Fees and taxes associated with registrations vary depending on the type of registration. A registration fee of 0.5 per cent of the purchase price applies for registrations of LUR transfers. For mortgages, the registration fee varies by province and nature of the registration. There are also other fees that may apply, such as application dossier appraisal fees and fees for granting an LURC, where applicable. Stamp duty is not applicable in Vietnam.

### Foreign owners and tenants

**What are the requirements for non-resident entities and individuals to own or lease real estate in your jurisdiction? What other factors should a foreign investor take into account in considering an investment in your jurisdiction?**

Foreign-invested companies in Vietnam may lease land or be allocated land by the state for their investments. To invest in Vietnam, foreign investors must ensure their project is not on the list of prohibited business lines and meets applicable market access conditions, which may include limits on foreign ownership, investment form, scope of activities and investor capacity. Vietnam takes a negative list approach, treating foreign investors as domestic investors for sectors outside these requirements.

Vietnam is party to several bilateral and multilateral treaties that may provide preferential market access and investor protections, including its commitments under the World Trade Organization and trade agreements.

A foreign company may also obtain a licence to establish a representative office or branch in Vietnam under Decree No. 07/2016/ND-CP dated 25 January 2016. With the exception of certain regulated services, representative offices may undertake liaison, market research and promotional activities, while branches may provide certain services. Both may lease property for their head office.

The acquisition of land by a foreign-invested company directly from the state requires compliance with investment and bidding or LUR auction rules, which can be challenging. More common options include acquiring land outside industrial zones through M&A transactions, acquiring existing projects and contributing capital through LUR transfers from local owners.

Ownership of residential properties by foreign-invested companies and foreign individuals is generally limited to 30 per cent of apartments in a condominium building or up to 250 houses in areas with a population equivalent to a ward (ie, 10,000 people).

Generally, land in and near areas designated for national defence and security, such as military bases and border regions, is restricted for foreign investors.

### Exchange control

**If a non-resident invests in a property in your jurisdiction, are there exchange control issues?**

Vietnam strictly controls foreign exchange (FX) activities within its territory and in relation to Vietnam residents. FX restrictions include the following:

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All payments and transactions conducted in Vietnam (including investments in real estate) must be denominated and paid in Vietnamese dong except for certain limited cases as provided in the applicable FX regulations.

- Remittances of foreign currency overseas (including for dividends from Vietnam investments) are strictly regulated. Remitting banks will verify documents submitted by customers to ensure remittance is in accordance with FX regulations and reflects the transactions entered into by customers.
- Vietnamese dong can only be converted into foreign currency if the conversion is for a permitted transaction and there is supporting documentation for that transaction. Even if conversion is permitted, the State Bank of Vietnam (SBV) strictly controls the exchange rate between the US dollar and Vietnamese dong.
- Vietnamese law allows an enterprise established in Vietnam to maintain and open foreign-currency offshore accounts with offshore banks. An enterprise may open and use a foreign-currency offshore account to, among other things, acquire foreign loans from foreign lenders. A permit from the SBV is required for opening and using offshore accounts; this permit will record the details and purpose of the account, as well as its inflows and outflows. In practice, it is difficult to obtain this type of permit for anything other than large-scale projects or overseas investments by Vietnamese entities.
- A foreign-invested project company must open a direct investment capital account (DICA) at a licensed bank in Vietnam. Under applicable FX regulations, certain transactions must be conducted through the DICA, including remittance of dividends and proceeds of divestments to foreign investors overseas.

**Law stated - 22 December 2025**

### **Legal liability**

**What types of liability does an owner or tenant of, or a lender on, real estate face? Is there a standard of strict liability and can there be liability to subsequent owners and tenants including foreclosing lenders? What about tort liability?**

While tort law does not form part of the laws of Vietnam, the Civil Code recognises a conceptually similar liability for non-contractual acts that cause physical or mental harm or damage to the life, health, honour, dignity, reputation or property, or that infringe other legitimate rights or interests, of another person.

Vietnam's 2020 Law on Environmental Protection (Law No. 72/2020/QH14) generally requires an investor whose project is likely to cause environmental harm to undertake environmental procedures (for example, an environmental impact assessment for applicable projects) and obtain relevant licences for projects that generate pollution (such as hazardous waste, wastewater, dust, exhaust gases), and enter into a contract for the collection, transportation and disposal of solid waste and hazardous waste. Violation of these requirements can result in administrative sanctions, and civil damages may also be applicable. A breach of Vietnam's environmental laws imposes strict civil liability because proof of fault or negligence is not required.

**Law stated - 22 December 2025**

## Protection against liability

### How can owners protect themselves from liability and what types of insurance can they obtain?

Fire and explosion insurance is generally mandatory for real estate developments and certain assets, such as machinery and equipment, in Vietnam. Insurance may also be obtained to cover other risks, such as third-party and public liability insurance.

Insurance policies obtained from Vietnamese insurers may be reinsured under the Law on Insurance Business. In addition, foreign-invested companies may purchase an insurance policy from foreign insurance companies if:

- the foreign insurance company is headquartered in a country that is a party to an applicable international treaty in which Vietnam has made a commitment to permit the cross-border supply of insurance services; and
- the foreign insurance company meets the following applicable eligibility requirements intended to promote financial stability, regulatory compliance and protection of insurance customers:
  - general requirements, such as obtaining necessary licences and demonstrating compliance with applicable regulations (for at least the preceding three years), in its home jurisdiction;
  - financial criteria, such as minimum assets (US\$2 billion for insurers), credit rating thresholds (at least a BBB rating by S&P or Fitch, a B++ rating by A M Best or a Baa1 rating by Moody's or an equivalent) and profitability requirements (ie, being profitable for at least the preceding three years); and
  - having in place loss control measures, such as complying with deposit requirements (100 billion Vietnamese dong for insurers) and claim settlement processes complying with applicable time limits for handling claims.

Investors can protect themselves from liabilities that arise before the acquisition of interests in land by undertaking due diligence and applying appropriate covenants on the transferor or lessor.

**Law stated - 22 December 2025**

## Choice of law

### How is the governing law of a transaction involving properties in two jurisdictions chosen? What are the conflict of laws rules in your jurisdiction? Are contractual choice of law provisions enforceable?

The Civil Code generally allows the parties to select a foreign law to govern a contract if there is a foreign element in the contract, such as the participation of a foreign entity, provided that the consequence of the application of the foreign law is not contrary to the fundamental principles of Vietnamese law.

Regardless of the law chosen by the parties, the law of the place in which the immovable property is located (ie, Vietnamese law for property in Vietnam) will govern the transfer of ownership rights and other rights in relation to the immovable property, the lease of immovable property and the security created over immovable property. In addition, any minimum guaranteed rights of employees or consumers under Vietnamese law will apply mandatorily. Contracts for public–private partnership projects entered into between Vietnamese state authorities, sponsors and project companies must also be governed by Vietnamese law.

**Law stated - 22 December 2025**

### **Jurisdiction**

**Which courts or other tribunals have subject-matter jurisdiction over real estate disputes? Which parties must be joined to a claim before it can proceed? What is required for out-of-jurisdiction service? Must a party be qualified to do business in your jurisdiction to enforce remedies in your jurisdiction?**

Disputes over commercial activities relating to land may be subject to commercial arbitration rather than resolution solely through the courts (although the scope of this remains unclear). If the dispute is to be resolved through the courts, the court in the ward or province where the property is disputed will generally have jurisdiction, depending on the nature of the claim.

There are no requirements for specific parties to be joined to a claim in Vietnam. However, as in other jurisdictions, a claim will normally involve the plaintiff, defendant and other parties whose rights or obligations are affected.

As Vietnam is a party to the Hague Convention on Private International Law, service of process can be carried out abroad through the Ministry of Justice in accordance with the Convention.

There is no specific requirement for an offshore company to incorporate a local subsidiary or register a representative office or branch to enable it to bring claims or enforce remedies in Vietnam. The Law on Investment guarantees foreign investors the right to resolve disputes in Vietnam, including through the courts.

**Law stated - 22 December 2025**

### **Commercial versus residential property**

**How do the laws in your jurisdiction regarding real estate ownership, tenancy and financing, or the enforcement of those interests in real estate, differ between commercial and residential properties?**

In terms of tenure, LURs allocated for residential purposes by the government to Vietnamese citizens and households can be used on a stable, long-term basis with an indefinite term. However, LURs for commercial projects are limited to 50 years (or up to 70 years in certain areas, such as those with difficult socio-economic conditions, or for projects with large investment capital and slow recovery), and may be extended if certain conditions are met.

Ownership of residential property by foreign-invested companies and foreign individuals is capped at 30 per cent of apartments in a condominium or 250 houses in areas with a population equivalent to a ward (ie, 10,000 people), while LURs for commercial projects may be obtained by foreign-invested enterprises.

Stricter regulations govern the transfer and lease of residential land for consumer protection.

**Law stated - 22 December 2025**

### **Planning and land use**

**How does your jurisdiction control or limit development, construction, or use of real estate or protect existing structures? Is there a planning process or zoning regime in place for real estate?**

Planning and zoning in Vietnam follow a multi-layered regulatory framework, anchored by the national land use master plan, approved by the National Assembly of Vietnam. The current master plan covers 2021–2030 with a vision to 2045 and was approved on 13 November 2021. The plan is implemented through detailed land use plans issued by local authorities such as people's committees at the provincial and commune level.

A developer who wishes to undertake a real estate development will typically require a 1/500 master plan approval, which approves the development and construction plan for that project, as well as an investment policy approval (IPA) under the Law on Investment, which approves the project. Most IPAs are issued by local people's committees, except for certain large-scale projects that require the approval of the Prime Minister. For projects located within industrial parks and export processing zones, the management board of the zone may issue the IPA in specific circumstances.

A construction permit is generally required under the Law on Construction for real estate constructions and alterations of existing structures, except for certain exempted cases. The relevant authority will depend on the location of the project (for example, for developments in industrial zones, the relevant industrial zone authority would issue the permit, while in other areas, the relevant people's committee would issue the permit).

**Law stated - 22 December 2025**

### **Government appropriation of real estate**

**Does your jurisdiction have a legal regime for compulsory purchase or condemnation of real estate? Do owners, tenants and lenders receive compensation for a compulsory appropriation?**

Under the 2024 Land Law, the state has the authority to recover land in several specific circumstances:

- national defence and security: land may be recovered for national defence and security purposes;
- economic and social development: land can be appropriated for projects serving the national public interest, such as the construction of industrial parks, high-tech zones,

non-tariff areas in economic zones and urban areas with integrated technical and social infrastructure;

- legal violations: land may be recovered if it is used in breach of land use laws and regulations; and
- other circumstances, such as: termination of LURs in accordance with laws and regulations, voluntary return of land by the land user, where land use poses a threat to human life or where the land can no longer be used.

In general, land users are entitled to compensation when the state recovers their land, usually by providing new land for the same purpose as the land being recovered, or if this is not possible, by providing monetary compensation. The amount of compensation is determined based on the specific land price at the time that compensation, support and resettlement is approved. The land price is based on an annual valuation based on market price under the 2024 Land Law.

The state may also temporarily requisition land for national defence and security purposes, during times of war or emergencies, or for the prevention and mitigation of natural disasters. The land will be returned to the land user once the requisition period concludes. Monetary compensation may be provided, as determined by a council established by the chairperson of the provincial or commune-level people's committee of the area in which the requisitioned land is situated.

**Law stated - 22 December 2025**

### **Forfeiture**

**Are there any circumstances when real estate can be forfeited to or seized by the government for illegal activities or for any other legal reason without compensation?**

LURs may be forfeited where the LUR holder fails to meet the deadlines for implementation of the project, including commencing and completing construction works (such as those set out in an IPA), subject to any extensions granted by the state.

As in other jurisdictions, lease agreements in Vietnam typically permit forfeiture without compensation where the lease terms are breached.

**Law stated - 22 December 2025**

### **Bankruptcy and insolvency**

**Briefly describe the bankruptcy and insolvency system in your jurisdiction.**

Vietnam's new Law on Recovery and Bankruptcy (Law No. 142/2025/QH15) was passed on 11 December 2025 and will take effect on 1 March 2026, replacing the Bankruptcy Law 2014 (except for limited transitional arrangements).

Under the Bankruptcy Law 2014, only unsecured or partially secured creditors were permitted to file a bankruptcy petition against a debtor. The Law on Recovery and Bankruptcy 2025 expands this right by permitting partly secured creditors to file a bankruptcy request.

Bankruptcy and recovery procedures apply to enterprises and cooperatives established under Vietnamese law, with specific carve-outs for the application of recovery procedures to credit institutions and insurers, which are handled under separate regimes.

There is no concept of receivership under Vietnamese law. However, as an alternative to petitioning the winding up of a company, a lender may sell secured assets to satisfy their debts under the Civil Code and in accordance with their security agreement.

#### Effect of insolvency

Within five working days of acceptance of a bankruptcy application by a court, rights to enforce security will be subject to a temporary suspension. During this period of suspension, enforcement of security is possible only with the permission of the court (where there is a risk of the secured assets being damaged or significantly devalued). Contracts (including those for the sale of real estate) may also be suspended.

After the judge orders the commencement of bankruptcy proceedings, they will determine how enforcement of security interests will be handled in the following cases:

- if unsecured creditors of the company approve a rehabilitation plan under the restoration procedure, and secured creditors agree that secured assets will be used for the company's restoration, enforcement may only occur in accordance with the creditors' conference resolution, including the timeline and asset-use plan;
- if the restoration procedure is not applied, or the secured assets are not necessary for the company's rehabilitation, enforcement may proceed under the applicable security agreement. Where the security agreement is not yet enforceable, the court will suspend it but may permit enforcement before declaring the company bankrupt; or
- if the collateral is at risk of destruction or loss of substantial value, the court can authorise for it to be dealt with immediately.

#### Adjustments of prior transactions

Under the Law on Recovery and Bankruptcy 2025, the following transactions, among others, may be voided if they occur within six months of the commencement of bankruptcy proceedings (or within 18 months if the transaction involves a related party) by order of the court:

- disposal of assets at a price that does not reflect market value;
- set-off of debts that have not yet become due;
- grant of security for existing unsecured debts;
- other acts that diminish the debtor's assets; or
- transactions not for profit-seeking purposes.

#### Priority of payments

Under the Law on Recovery and Bankruptcy 2025, the proceeds from the liquidation of a company will be distributed as follows:

- first, to meet the costs of bankruptcy proceedings;
- second, to pay unpaid wages;
- third, to pay outstanding mandatory insurance, unemployment insurance, health insurance and occupational accident/disease insurance payments;
- fourth, to pay severance and other employee entitlements under collective agreements and labour contracts;
- fifth, to pay debts for the purpose of rescuing the business;
- sixth, to pay financial obligations to the state; and
- last, to pay unsecured debts and the unsecured portions of under-secured claims.

The residue will be distributed among the shareholders and other equity holders.

**Law stated - 22 December 2025**

## INVESTMENT VEHICLES

### Investment entities

**What legal forms can investment entities take in your jurisdiction? Which entities are not required to pay tax for transactions that pass through them (pass-through entities) and what entities best shield ultimate owners from liability?**

Joint stock companies (JSC) and limited liability companies (LLC) are the most common investment vehicles in Vietnam. Both JSCs and LLCs offer limited liability but LLCs are typically used for less complex transactions.

LLCs may have one to 50 members who each contribute capital. Their corporate governance arrangement is simpler than that of JSCs, with legal representatives managing day-to-day operations under the supervision of the owner and the president (in single-member LLCs) or a member's council comprising authorised representatives of the members (in multi-member LLCs).

JSCs follow a governance structure similar to that of corporations in many jurisdictions, with shareholders and a board of directors overseeing management. They must have at least three shareholders, making them less suitable for transactions involving a small number of investors.

Pass-through entities are not common in Vietnam. Corporate partnerships exist but are not treated as pass-through entities, while trusts are not recognised in Vietnam.

**Law stated - 22 December 2025**

### Foreign investors

## What forms of entity do foreign investors customarily use in your jurisdiction?

Foreign investors typically invest in Vietnam through LLCs and JSCs.

Law stated - 22 December 2025

### Organisational formalities

What are the organisational formalities for creating and maintaining the above entities? What requirements does your jurisdiction impose on a foreign entity? Does failure to comply incur monetary or other penalties? What are the tax consequences for a foreign investor in the use of any particular type of entity, and which type is most advantageous?

For certain projects, an investment in principle approval issued by the National Assembly of Vietnam, the Prime Minister or the provincial-level people's committee will be required, depending on the type and size of the project.

The following must be obtained for a foreign investor to establish a company in Vietnam:

- an investment registration certificate (IRC) recording the details of the investment project; this is issued by the provincial Department of Finance (DOF) (previously the Department of Planning and Investment, which merged with the DOF in 2025), or the management board of an industrial zone, processing zone, high-tech zone or economic zone; and
- an enterprise registration certificate (ERC), issued by the provincial DOF, recording the details of the company. The registration fee for an ERC is nominal (approximately 25,000 to 50,000 Vietnamese dong).

Certain requirements apply to investing in projects in Vietnam and obtaining an IRC, namely that the proposed investment project does not fall within the Prohibition List and the foreign investor satisfies any market access conditions applicable to its proposed investment.

In some cases, to make a capital contribution or acquire a stake or shares in a project company, foreign investors must obtain the approval of the provincial DOF (or the management board of an industrial, processing, high-tech or economic zone).

Branches may be established and registered in Vietnam under Decree No. 07/2016/ND-CP dated 25 January 2016.

Foreign-invested enterprises are required to submit certain reports on, among other things, their investment activities in Vietnam. Failure to comply with the reporting obligations may result in administrative sanctions and remedial measures.

At least one legal representative of a company incorporated in Vietnam must be resident in Vietnam (foreign-invested companies commonly have two legal representatives, with one resident in Vietnam).

Vietnam-incorporated companies and branches will generally be liable for corporate income tax at a rate of 20 per cent.

Law stated - 22 December 2025

## ACQUISITIONS AND LEASES

### **Ownership and occupancy**

Describe the various categories of legal ownership, leasehold or other occupancy interests in real estate customarily used and recognised in your jurisdiction.

Individuals and organisations may acquire land use rights (LURs) to use land.

Foreign-invested enterprises may be allocated LURs for residential housing projects by the state or may lease LURs from the state for purposes such as real estate development. They may also sublease land within industrial parks, export-processing zones, high-tech zones or economic zones, or obtain LURs through M&A transactions, existing project acquisitions or transfers within industrial zones, industrial clusters or high-tech zones, or from shareholders who contribute LURs as capital.

Condominium ownership is recognised under the 2023 Law on Housing. Individuals may own units within a larger building while sharing common areas and facilities. Ownership of residential properties by foreign-invested companies and foreign individuals is limited to 30 per cent of the apartments in any condominium.

**Law stated - 22 December 2025**

### **Pre-contract**

What are the typical pre-contractual steps?

The most important pre-contractual step is due diligence. It is essential to undertake a careful examination of the land title, the status of the project and compliance with approvals prior to entering into transaction agreements, as well as to assess corruption, money laundering and terrorism financing risks.

Non-binding agreements (such as letters of intent and memorandums of understanding) are commonly used in Vietnam for real estate transactions. Non-binding agreements will not generally be enforceable. Whether a particular property is taken off the market during negotiation of the transfer instrument is subject to the decision of the parties.

Brokers are generally involved in the acquisition and sale, but not the financing, of real estate. The Real Estate Business Law 2023 requires real estate brokerage services to be offered through real estate brokerage or exchange companies. A brokerage firm must also comply with certain regulatory requirements, including having at least one broker.

**Law stated - 22 December 2025**

### **Contract of sale**

What are typical provisions in a contract of sale?

Real estate sales contracts are generally negotiated on a case-by-case basis, depending on the interests and sophistication of the parties involved. For developer sales, pre-contract payments are subject to statutory caps for off-the-plan transactions:

- any deposit collected by a developer must not exceed 5 per cent of the agreed price;
- the first contractual instalment (including any deposit) must not exceed 30 per cent of the contract value;
- prior to handover, total payments may not exceed 70 per cent (or 50 per cent if the seller is a foreign-invested economic organisation); and
- the seller must not collect more than 95 per cent of the price until the buyer's LUR certificate (LURC) is issued.

If one party to the contract is a developer of a real estate project or a real estate business enterprise subject to the Real Estate Business Law 2023, the prescribed form of sale contract must be used and the model contract must be registered with the relevant authority.

**Law stated - 22 December 2025**

### **Environmental clean-up**

**Who takes responsibility for a future environmental clean-up? Are clauses regarding long-term environmental liability and indemnity that survive the term of a contract common? What are typical general covenants? What remedies do the seller and buyer have for breach?**

According to the 2020 Law on Environmental Protection, the party responsible for causing environmental damage (for example, the land user in the case of soil pollution or the project company in the case of environmental emergencies) is liable for that damage. As in other jurisdictions, however, transfer agreements may include indemnity clauses allocating clean-up responsibility for a defined period.

Sellers commonly require necessary environmental permits to be obtained and to remain valid prior to completion of a transfer.

**Law stated - 22 December 2025**

### **Lease covenants and representation**

**What are typical representations made by sellers of property regarding existing leases? What are typical covenants made by sellers of property concerning leases between contract date and closing date? Do they cover brokerage agreements and do they survive after property sale is completed? Are estoppel certificates from tenants customarily required as a condition to the obligation of the buyer to close under a contract of sale?**

There are no typical representations and warranties with respect to leases in Vietnam – these are transaction-specific and subject to negotiation.

Under the 2023 Law on Housing, a paying tenant has a statutory right of first refusal. The tenant must be advised if the property they lease is to be sold and the seller must receive confirmation that the tenant does not intend to exercise this right before selling the property to a third party.

Estoppel certificates are not used, and equitable principles are not applicable, in Vietnam.

**Law stated - 22 December 2025**

### **Leases and real estate security instruments**

**Is a lease generally subordinate to a security instrument pursuant to the provisions of the lease? What are the legal consequences of a lease being superior in priority to a security instrument upon foreclosure? Do lenders typically require subordination and non-disturbance agreements from tenants? Are ground (or head) leases treated differently from other commercial leases?**

A registered security instrument typically takes priority over any subsequent lease; therefore, the mortgagee's consent should be obtained before a lease is granted. Where a lease is executed prior to the registration of a security interest, the tenant must be notified of the new security. In general, a prior lease (or one protected by a non-disturbance agreement) will survive foreclosure.

**Law stated - 22 December 2025**

### **Delivery of security deposits**

**What steps are taken to ensure delivery of tenant security deposits to a buyer? How common are security deposits under a lease? Do leases customarily have periodic rent resets or reviews?**

Security deposits are commonly required in Vietnam in practice.

For leases longer than one year, the parties may negotiate periodic rent resets or reviews.

**Law stated - 22 December 2025**

### **Due diligence**

**What due diligence should be conducted before executing a contract? Is any due diligence customarily permitted or conducted after contract but before closing? What is the typical method of title searches and are they customary? How and to what extent may acquirers protect themselves against bad title? Discuss the priority among the various interests in the estate. Is it customary to obtain government confirmation, a zoning report or legal opinion regarding legal use and occupancy?**

It is essential to examine the land title, the project's status and compliance with approvals prior to entering into transaction agreements. While parties may defer due diligence until

after execution of the contract but before closing, it is advisable to complete it before contracts are executed. Title insurance is not available in Vietnam.

Due diligence includes reviewing the transferor's title documents, particularly LURCs – the main title document that certifies LURs, ownership of attached assets and encumbrances – and any documentation on LUR acquisition, such as land allocation decisions by the state or records of shareholder contributions. It is also important to confirm that all LUR fees have been paid on schedule. Beyond land title, due diligence should verify that the project complies with all permits (such as the investment policy approval under the Law on Investment, master plans and construction permits) and applicable laws (such as those on mandatory insurance and environmental requirements).

Other important checks including checking corruption, money laundering and terrorism financing risks.

In relation to statutory priority among interests in real estate, a failure to notarise and register instruments relating to interests in immovable property (such as transfers, gifts, mortgages or capital contributions of LURs) will affect their validity.

**Law stated - 22 December 2025**

### **Structural and environmental reviews**

**Is it customary to arrange an engineering or environmental review? What are the typical requirements of such reviews? Is it customary to get representations or an indemnity? Is environmental insurance available?**

Engineering and environmental reviews are possible but not customary. Environmental and engineering representations and indemnities are common in land transfer agreements but are subject to negotiation.

Environmental insurance is available and recommended by the state; it is mandatory for certain projects.

**Law stated - 22 December 2025**

### **Review of leases**

**Do lawyers usually review leases or are they reviewed on the business side? What are the lease issues you point out to your clients?**

Lawyers typically review leases for legal issues and clients or their commercial advisers typically review leases in terms of business-side interests.

The particular issues raised will depend on the type of transaction, the type of property and the particular clients' interests. In general, the longer the lease term, the greater the attention that will need to be paid to legal risks such as the title of the lessor, obtainment of any consents or approvals required for the execution of the lease, whether the LUR can be used for the client's business and the parties' representations and warranties.

Lenders typically require management agreements to be subordinate to financing security instruments.

Law stated - 22 December 2025

### **Other agreements**

#### **What other agreements does a lawyer customarily review?**

In major commercial transactions, lawyers typically review title documents, lease or sublease agreements, licences and other agreements necessary for property use, as well as any encumbrances on the property.

Law stated - 22 December 2025

### **Closing preparations**

#### **How does a lawyer customarily prepare for a closing of an acquisition, leasing or financing?**

Closing of transfer and finance agreements depends on the circumstances of the transaction.

Law stated - 22 December 2025

### **Closing formalities**

#### **Is the closing of the transfer, leasing or financing done in person with all parties present? Is it necessary for any agency or representative of the government or specially licensed agent to be in attendance to approve or verify and confirm the transaction?**

Closing arrangements depend on the parties and nature of the project. There is no requirement for parties to be present but they may choose to attend. Additionally, there is no requirement for a government representative or specially licensed agent to be present.

Law stated - 22 December 2025

### **Contract breach**

#### **What are the remedies for breach of a contract to sell or finance real estate?**

A non-defaulting party may seek compensation for all actual damage resulting from a breach of contract by another party. The contract may also stipulate a penalty for breach, although, under Vietnamese law, the penalty generally cannot exceed 8 per cent of the monetary value of the obligations breached.

Vietnamese courts may require a defaulting party to perform its contractual obligations in the event of its breach under the Civil Code of Vietnam.

Law stated - 22 December 2025

### **Breach of lease terms**

What remedies are available to tenants and landlords for breach of the terms of the lease? Is there a customary procedure to evict a defaulting tenant and can a tenant claim damages from a landlord? Do general contract or special real estate rules apply? Are the remedies available to landlords different for commercial and residential leases?

Breach remedies, such as termination of the lease and repossession of the property, are generally provided in lease agreements. Lease agreements may also cover damages.

A court order may be necessary to evict a defaulting tenant.

Law stated - 22 December 2025

## **FINANCING**

### **Secured lending**

Discuss the types of real estate security instruments available to lenders in your jurisdiction. Who are the typical providers of real estate financing in your country? Are there any restrictions on who may provide financing?

A mortgage is the most common form of security over immovable property. The 2024 Land Law permits domestic enterprises to mortgage land use rights (LURs) and assets attached to land in favour of credit institutions licensed to operate in Vietnam, other domestic economic organisations or individuals. Foreign-invested enterprises may only mortgage LURs and assets attached to land in favour of credit institutions licensed to operate in Vietnam. Accordingly, foreign lenders cannot take security over LURs or assets attached to land under Vietnamese law. A number of structures have been developed to allow foreign lenders to benefit from security over immovable property in practice. Examples include involving a credit institution licensed to operate in Vietnam in a syndicated financing structure that can take security, with enforcement proceeds shared among all lenders. Another approach is to use an onshore security agent in major public–private partnerships (such as in the power sector), subject to special approvals from the Prime Minister and relevant state authorities. In practice, because foreign lenders cannot directly take security over LURs or assets attached to land under Vietnamese law, real estate financing is typically provided through loans by local lenders and local branches of foreign banks.

Law stated - 22 December 2025

### **Leasehold financing**

Is financing available for ground (or head) leases in your jurisdiction? How does the financing differ from financing for land ownership transactions?

Financing for ground (or head) leases is available in Vietnam and is generally structured in a similar way to financing for land ownership transactions.

Law stated - 22 December 2025

### **Form of security**

#### **What is the method of creating and perfecting a security interest in real estate?**

Under the 2024 Land Law, a security interest in real estate is created by executing and notarising a mortgage agreement. It is perfected by registering the mortgage with the local land registry office under the provincial Department of Agriculture and Environment where the land is located.

For buildings attached to land, the same notarisation and registration requirements apply. Failure to register a mortgage will affect enforceability against third parties such as liquidators or creditors of the mortgagor.

**Law stated - 22 December 2025**

### **Valuation**

#### **Are third-party real estate appraisals required by lenders for their underwriting of loans? Are there government or industry standards for appraisals? Must appraisers have specific qualifications or required government or industry certifications? Who is required to order the appraisal?**

Third-party real estate appraisals are typically undertaken by lenders for large commercial loans. A number of real estate appraisers are available to undertake appraisals in Vietnam, including international valuers such as CBRE, Colliers, Cushman & Wakefield, JLL and Savills.

The qualifications of real estate appraisal service providers are set out in article 162 of the 2024 Land Law and include registering the appropriate business lines and having at least three qualified appraisers.

**Law stated - 22 December 2025**

### **Legal requirements**

#### **What would be the ramifications of a lender from another jurisdiction making a loan secured by collateral in your jurisdiction? What is the form of lien documents in your jurisdiction? What other issues would you note for your clients?**

Offshore lenders may provide loans to borrowers in Vietnam; however, they are prohibited from taking security over LURs or assets attached to land. Various structures for onshore security arrangements have been developed to allow foreign lenders to benefit from security over immovable property.

Medium- and long-term offshore loans must be registered with the State Bank of Vietnam (SBV), and confirmation of registration is required before the borrower can draw down or repay the loan. The total outstanding amount of a borrower's medium- and long-term loans must not exceed the difference between the total investment capital and the capital

contribution recorded in the project's investment registration certificate (IRC), or, if no IRC exists, the borrowing demand approved in the business or investment plan.

Additionally, under the 2023 Real Estate Business Law, the owner's equity-to-total investment capital ratio for a real estate project must be at least 20 per cent for projects with a land area of less than 20 hectares and at least 15 per cent for larger projects.

**Law stated - 22 December 2025**

### **Loan interest rates**

**How are interest rates on commercial and high-value property loans commonly set? What rate of interest is legally impermissible in your jurisdiction and what are the consequences if a loan exceeds the legally permissible rate?**

Loan interest rates are commonly calculated by adding a profit margin to the bank's cost of funds. For US dollar-denominated cross-border loans, pricing is commonly based on the secured overnight financing rate, while domestic loans typically use local benchmarks such as SBV reference rates (eg, interbank rates) or domestic banks' deposit rates.

By law, the maximum interest on overdue interest is capped at 10 per cent per year and the maximum interest on overdue principal is capped at 150 per cent of the original contractual interest rate.

In practice, the SBV may review the agreed interest rate when registering a medium- or long-term offshore loan.

**Law stated - 22 December 2025**

### **Loan default and enforcement**

**How are remedies against a debtor in default enforced in your jurisdiction? Is one action sufficient to realise all types of collateral? What is the time frame for foreclosure and in what circumstances can a lender bring a foreclosure proceeding? Are there restrictions on the types of legal actions that may be brought by lenders?**

Before enforcing a mortgage following a default event, the mortgagee must provide notice to the mortgagor and any other registered mortgagees. The notice period is either as agreed in the mortgage agreement or, in the absence of an agreement, a reasonable period (at least 15 days for immovable property). If the mortgaged property is subject to multiple mortgages, it is advisable to register the notice with the applicable registry (eg, the Department of Agriculture and Environment for mortgages over LURs and attached assets) to ensure notice is given to all applicable parties.

Subject to this notice requirement, lenders may enforce remedies through foreclosure, sale of the property (typically by auction), taking title or other methods agreed in the security documents. If the mortgagor does not cooperate, judicial proceedings can be taken.

In practice, enforcement – particularly against immovable property – takes time in Vietnam.

Law stated - 22 December 2025

### **Loan deficiency claims**

Are lenders entitled to recover a money judgment against the borrower or guarantor for any deficiency between the outstanding loan balance and the amount recovered in the foreclosure? Are there time limits on a lender seeking a deficiency judgment? Are there any limitations on the amount or method of calculation of the deficiency?

Lenders are generally entitled to recover any deficiencies between the outstanding loan balance and the amount recovered in the foreclosure from a borrower or its guarantors. The loan documentation may include terms on the recovery.

Under article 429 of the Civil Code of Vietnam, the statutory limitation period for contractual claims (including for a deficiency judgment) is three years, starting from the date the lender knew or should have known of the default.

Law stated - 22 December 2025

### **Protection of collateral**

What actions can a lender take to protect its collateral until it has possession of the property?

The primary method for lenders to protect collateral is by registering the security interest to perfect it. Receiverships are not recognised in Vietnam, and mortgage agreements generally do not allow lenders to take possession of property. If agreed, rent may be collected prior to foreclosure or set aside in escrow, provided the tenant is given notice.

Law stated - 22 December 2025

### **Recourse**

May security documents provide for recourse to all of the assets of the borrower? Is recourse typically limited to the collateral and does that have significance in a bankruptcy or insolvency filing? Is personal recourse to guarantors limited to actions such as bankruptcy filing, sale of the mortgaged or hypothecated property or additional financing encumbering the mortgaged or hypothecated property or ownership interests in the borrower?

Security documents generally provide recourse to the borrower's mortgaged assets only. In practice, lenders often take a package of security interests over identified assets.

Under the Bankruptcy Law 2014, a secured creditor may claim as an unsecured creditor in the borrower's liquidation for any shortfall after deducting the net proceeds from its security.

Any limitations on guarantees will depend on the terms of the guarantee and loan documentation.

Law stated - 22 December 2025

### **Cash management and reserves**

Is it typical to require a cash management system and do lenders typically take reserves? For what purposes are reserves usually required?

The use of cash management systems or reserves depends on the particular transaction and parties.

Law stated - 22 December 2025

### **Credit enhancements**

What other types of credit enhancements are common? What about forms of guarantee?

Bank guarantees are the most commonly used form of credit enhancement in transactions in Vietnam.

Law stated - 22 December 2025

### **Loan covenants**

What covenants are commonly required by the lender in loan documents?

Loan agreements typically include international standard covenants. In addition, Vietnamese loan documentation often includes covenants on:

- the use of loan proceeds;
- compliance with agreed financial ratios (such as debt-to-equity and debt service coverage ratios); and
- information or oversight commitments, including in relation to the borrower's project.

Law stated - 22 December 2025

### **Financial covenants**

What are typical financial covenants required by lenders?

As with loan covenants, international standard financial covenants would generally be required for loan documentation for transactions involving foreign lenders.

Law stated - 22 December 2025

### **Secured movable (personal) property**

**What are the requirements for creation and perfection of a security interest in movable (personal) property? Is a 'control' agreement necessary to perfect a security interest and, if so, what is required?**

Movable property belonging to a project company can be secured by a pledge or mortgage. To perfect a pledge, the pledged property must be delivered to the pledgee, whereas a mortgage does not require transfer of possession.

There is no general requirement to register security interests over movable assets (except for aircraft and ships) for them to be effective. However, mortgages over movable assets must be registered with the National Registration Agency for Secured Transactions to be enforceable against third parties. Security over public company shares that are registered and deposited with the Vietnam Securities Depository and Clearing Corporation (VSDCC) should also be registered with the VSDCC, which will block transactions involving encumbered shares.

Pledges and mortgages may be created over aircraft, and mortgages may be created over ships. Security over aircraft must be registered with the Civil Aviation Authority of Vietnam, and security over ships must be registered with the Vietnam Maritime and Waterway Administration (formed in 2025 from the merger of the Vietnam Maritime Administration and the Vietnam Inland Waterway Administration). There is no requirement to notarise security agreements over ships or aircraft.

A 'control' agreement is not necessary for perfection but may be agreed by the parties.

**Law stated - 22 December 2025**

### **Single purpose entity (SPE)**

**Do lenders require that each borrower be an SPE? What are the requirements to create and maintain an SPE? Is there a concept of an independent director of SPEs and, if so, what is the purpose? If the independent director is in place to prevent a bankruptcy or insolvency filing, has the concept been upheld?**

Whether SPEs are used depends on the particular financing transaction, but this requirement is not common.

There is no requirement for an SPE to appoint an independent director, and the appointment of independent directors is not common.

**Law stated - 22 December 2025**

## **UPDATE AND TRENDS**

### **International and national regulation**

## Are there any emerging trends, international regulatory schemes, national government or regulatory changes, or other hot topics in real estate regulation in your jurisdiction?

Vietnam has attracted substantial investment in recent years, driven by major reforms to land-related laws, including the 2024 Land Law, the 2023 Real Estate Business Law and the 2023 Law on Housing.

These reforms harmonise legal frameworks, strengthen property rights and clarify rules for foreign investment. Foreign investors can now directly obtain land use rights in industrial and high-tech parks, streamlining industrial and logistics projects. In addition, the shift to market-based valuations has improved transparency and predictability in real estate valuations.

Further investment is expected in the coming year as the government implements these reforms.

**Law stated - 22 December 2025**