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LEGAL UPDATE

August 2025

(01 August 2025 – 31 August 2025)

News in focus

Policies taking effect in September 2025

New legal documents

Remarkable among documents:

Decree No. 214/2025/ND-CP of the Government detailing a number of articles and measures to implement the Law on Bidding on contractor selection.

A – News in focus

Several policies taking effect in September 2025

In September 2025, many prominent new policies on industry, environment, network security and education will officially take effect.

In this legal update, **WIKI LEGAL** reveals several highlights on these remarkable policies.

1. INCENTIVES FOR SUPPORTING INDUSTRY PROJECTS

From September 01, 2025, Decree No. 205/2025/ND-CP takes effect, providing incentives for projects to build facilities and research and development centers serving the production of supporting industrial products. Specifically:

(i) Exemption and reduction of land rent according to land law; supported with investment costs for research equipment from the Supporting Industry Development Program.

(ii) Organizations and individuals conducting applied research and transferring technology to produce supporting industrial products receive incentives from national funds and programs.

(iii) Students, lecturers, researchers, experts, managers, technicians, and technical workers are supported with domestic and foreign training costs.

(iv) Enterprises producing supporting industrial products are supported with funding for testing, inspection, appraisal and certification of product quality.

2. APPLYING NEW WASTEWATER STANDARDS

From September 01, 2025, a series of Circulars issued by the Ministry of Natural Resources and Environment (now reorganized as the Ministry of Agriculture and Environment) are officially applied:

(i) Circular No. 05/2025/TT-BTNMT: National technical regulations on domestic wastewater, applicable to accommodation establishments, hotels, motels, villas, short-term rental apartments, student dormitories, etc.

(ii) Circular No. 06/2025/TT-BTNMT: National technical regulations on industrial wastewater, regulating limits on pollution parameters in wastewater when discharged into receiving sources.

(iii) Circular No. 04/2025/TT-BTNMT: National technical regulations on livestock wastewater; livestock wastewater when connected to urban systems and concentrated residential areas shall meet the requirements of the system management unit or local authorities.

(iv) Circular No. 41/2025/TT-BNNMT: Technical guidance on prevention, response to waste incidents and environmental restoration after incidents.

3. SUPPLEMENTING SANCTIONS FOR HANDLING VIOLATIONS OF NETWORK SECURITY AND CRYPTO PRODUCT MANAGEMENT

Decree No. 211/2025/ND-CP, entering into force from September 09, 2025, supplements Article 93a of Decree 15/2020/ND-CP on violations in trading civil cryptographic products and services. Specificially:

(i) Fine of **30 - 40** million VND: not completing procedures to amend or supplement the Business License when changing the name or legal representative.

(ii) Fine of **40 - 50** million VND: not maintaining the conditions for being granted a License.

(iii) Fine of **50 - 60** million VND: providing incorrect information to apply for a License.

(iv) Trading in civil cryptographic products and services without a License: fine from **50 - 180** million VND depending on the value of the goods.

4.EXPANDING CAPITAL AND MECHANISMS FOR CREATIVE STARTUPS

Decree No. 210/2025/ND-CP, taking into effect from September 01, 2025, amends and supplements regulations on investment for small and medium-sized enterprises and creative startups.

(i) The innovative startup investment fund is mobilized from 02 to a maximum of 30 investors, instead of the narrow scope as before.

(ii) Expanded capital contribution assets: in addition to cash, land use rights, intellectual property rights, technology or other legal assets could also be contribution assets.

(iii) Additional investment mechanism in the form of stock purchase rights and convertible instruments, in addition to direct capital contribution.

(iv) The fund is allowed to make savings deposits and buy deposit certificates from idle capital but must ensure capital safety and proper operation purposes.

(v) The new regulations tighten management and reporting mechanisms, enhance transparency and investor responsibility, and create conditions for startups to access capital more diverse and earlier.

5.SUPPLEMENTARY REGULATIONS ON CREATIVE STARTUP INVESTMENT FUND

From September 15, 2025, Decree No. 210/2025/ND-CP amends and supplements Article 5 of Decree 38/2018/ND-CP on creative startup investment funds. Accordingly:

- The fund has no legal status, with from 02 to a maximum of 30 investors contributing capital to establish.
- The fund is not allowed to contribute capital to other creative startup investment funds.
- Contributed capital includes 06 types: (i) VND; (ii) land use rights; (iii) intellectual property rights; (iv) technology; (v) technical secrets; (vi) other assets that can be valued in VND.

6. STATE BANK TIGHTENS CAPITAL SAFETY RATIO

Circular No. 14/2025/TT-NHNN, taking into effect from September 15, 2025, stipulates capital adequacy ratio (CAR) for commercial banks and foreign bank branches.

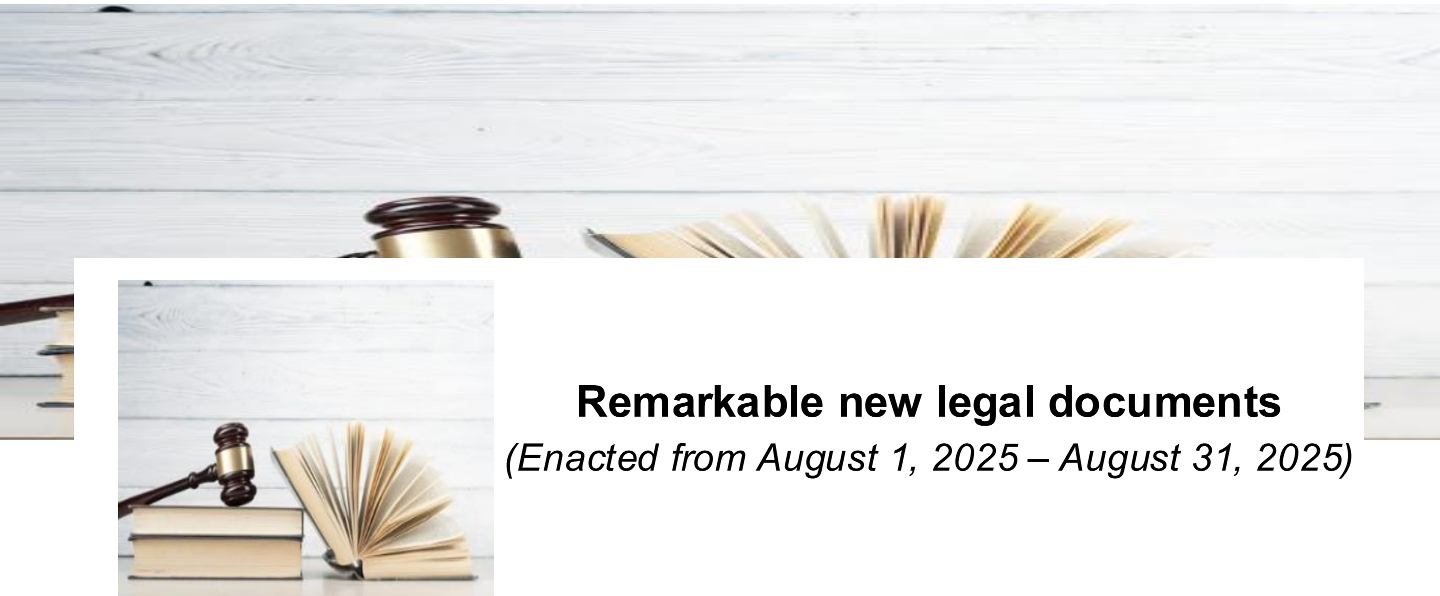
(i) Banks shall maintain at least: core capital level 1 of 4.5%; capital level 1 of 6%; CAR of 8%.

(ii) Banks with subsidiaries must ensure both individual and consolidated ratios.

(iii) Add a capital conservation buffer (CCB) and a countercyclical capital buffer (CCyB), gradually increasing from 0.625% in the first year to 2.5% in the fourth year, bringing the minimum CAR to 10.5%.

(iv) Banks are only allowed to distribute profits when meet all the ratios. The State Bank has the right to require higher ratios if risks are detected, in order to ensure the safety of the financial system.

B – New legal documents



Remarkable new legal documents

(Enacted from August 1, 2025 – August 31, 2025)

No.	Legal documents	
ENTERPRISES		
1	Decision No. 2161/QD-BCT 2025 on the announcement of revised and supplemented administrative procedures in the field of import and export under the management scope of the Ministry of Industry and Trade.	
	Enactment Date: July 25, 2025	Effective Date: August 22, 2025
2	Decree No. 214/2025/ND-CP of the Government detailing a number of articles and measures to implement the Law on Bidding on contractor selection.	
	Enactment Date: August 4, 2025	Effective Date: August 4, 2025
3	Circular No. 79/2025/TT-BTC of the Ministry of Finance guiding the provision and posting of bidding information and bidding document samples on the National Bidding Network System	
	Enactment Date: August 4, 2025	Effective Date: August 4, 2025
4	Decree No. 219/2025/ND-CP of the Government regulating foreign workers working in Vietnam.	
	Enactment Date: August 7, 2025	Effective Date: August 7, 2025

No.	Legal documents	
FINANCE		
5	Decision No.114/QD-BCDTTC of the Steering Committee of the International Financial Center in Vietnam: Issuing the Action Plan to implement the construction of the International Financial Center in Vietnam	
	Enactment Date: August 1,2025	Effective Date: August 1,2025
MEDICAL – SOCIAL		
6	Circular No. 37/2025/TT-BYT amending and supplementing Circular No. 05/2024/TT-BYT dated May 14, 2024 of the Minister of Health stipulating the list of drugs, medical equipment, and testing supplies subject to price negotiation and the process and procedures for selecting contractors for bidding packages subject to price negotiation.	
	Enactment Date: August 7, 2025	Effective Date: August 7, 2025
JUDICIAL – CIVIL STATUS		
7	Decree No. 221/ND-CP stipulates the temporary visa exemption for foreigners who are in special need of incentives to serve socio-economic development.	
	Enactment Date: August 8, 2025	Effective Date: August 15, 2025
LAND – HOUSING		
8	Decree No. 226/2025/ND-CP of the Government amending and supplementing a number of articles of the decrees detailing the implementation of the Land Law.	
	Enactment Date: August 15, 2025	Effective Date: August 15, 2025
9	Decree No. 230/2025/ND-CP of the Government stipulates other cases of exemption or reduction of land use fees and land rents as prescribed in Clause 2, Article 157 of the 2024 Land Law.	
	Enactment Date: August 19, 2025	Effective Date: August 19, 2025
INVESTMENT		
10	Decree No. 225/2025/ND-CP of the Government amending and supplementing a number of articles of the Decrees detailing a number of articles and measures for implementing the Law on Bidding on investor selection.	
	Enactment Date: August 15, 2025	Effective Date: August 15, 2025
11	Resolution No. 04/2025/NQ-CP on removing difficulties and obstacles in implementing IT application projects and tasks using state budget funds.	
	Enactment Date: August 20, 2025	Effective Date: August 20, 2025

C – Q&A

1. How is it determined whether investors meet the conditions for investment rate per land area under the Law on Investment 2020?

Compared to the Law on Investment 2014, the Law on Investment 2020 introduces an additional condition regarding the investment rate per land area for granting an Investment Registration Certificate in cases where the investment project is not subject to approval of investment policies (Point d Clause 2 Article 38 of the Law on Investment 2020).

Pursuant to Point d Clause 3 Article 36 of Decree 31/2021/ND-CP:

- The application of this condition depends on whether the local authority has issued a regulation on the investment rate per land area.
- The investment rate per land area is determined by the provincial People's Committee, based on the actual local conditions, and must be approved by the Standing Committee of the provincial People's Council.

At present, there is no official legal definition of "investment rate per land area." However, reference may be made to Clause 1 Article 25 of Decree 10/2021/ND-CP on "*construction investment rates*," defined as: "the costs necessary for a unit of measurement by area, volume, length, capacity, or service capability of a construction work by design, serving as the basis for determining the preliminary total investment and the total construction investment." By analogy, the investment rate per land area can be interpreted as the total registered investment capital of the investor (including construction costs, equipment purchases, loans, employee salaries, and other lawful expenses) divided by the area of land used for project implementation.

This condition currently applies only to procedures for the issuance of Investment Registration Certificates for foreign investors. In practice, however, most municipalities have not yet issued specific regulations. Some are still in the process of drafting or awaiting further guidance from the Ministry of Planning and Investment.

Therefore, if the locality where the investment project is implemented has not issued a decision on the investment rate per land area, the investor will not be bound by this condition.

C – Q&A

2. Is the representative of the capital contribution of a foreign investor organization exempt from work permits in Vietnam?

Under Article 154 of the Labor Code 2019 and Article 7 of Decree 152/2020/ND-CP, certain categories of foreign employees working in Vietnam are exempt from the work permit requirement, including owners or capital-contributing members of a limited liability company with a capital contribution of at least VND 3 billion. However, this exemption only applies to individual investors and does not extend to representatives of the capital contribution of foreign investor organizations.

Accordingly, a representative of the capital contribution of a foreign investor organization is not exempt from the work permit requirement.

To benefit from an exemption, a foreign-invested enterprise may appoint such representative to positions such as:

- Manager;
- Chief Executive Officer;
- Expert; or
- Technical worker.

In such cases, pursuant to Clause 8 Article 7 of Decree 152/2020/ND-CP, the individual may enter and work in Vietnam without a work permit for a period of less than 30 days at a time and not exceeding 03 times per year. Outside these circumstances, a work permit remains required.