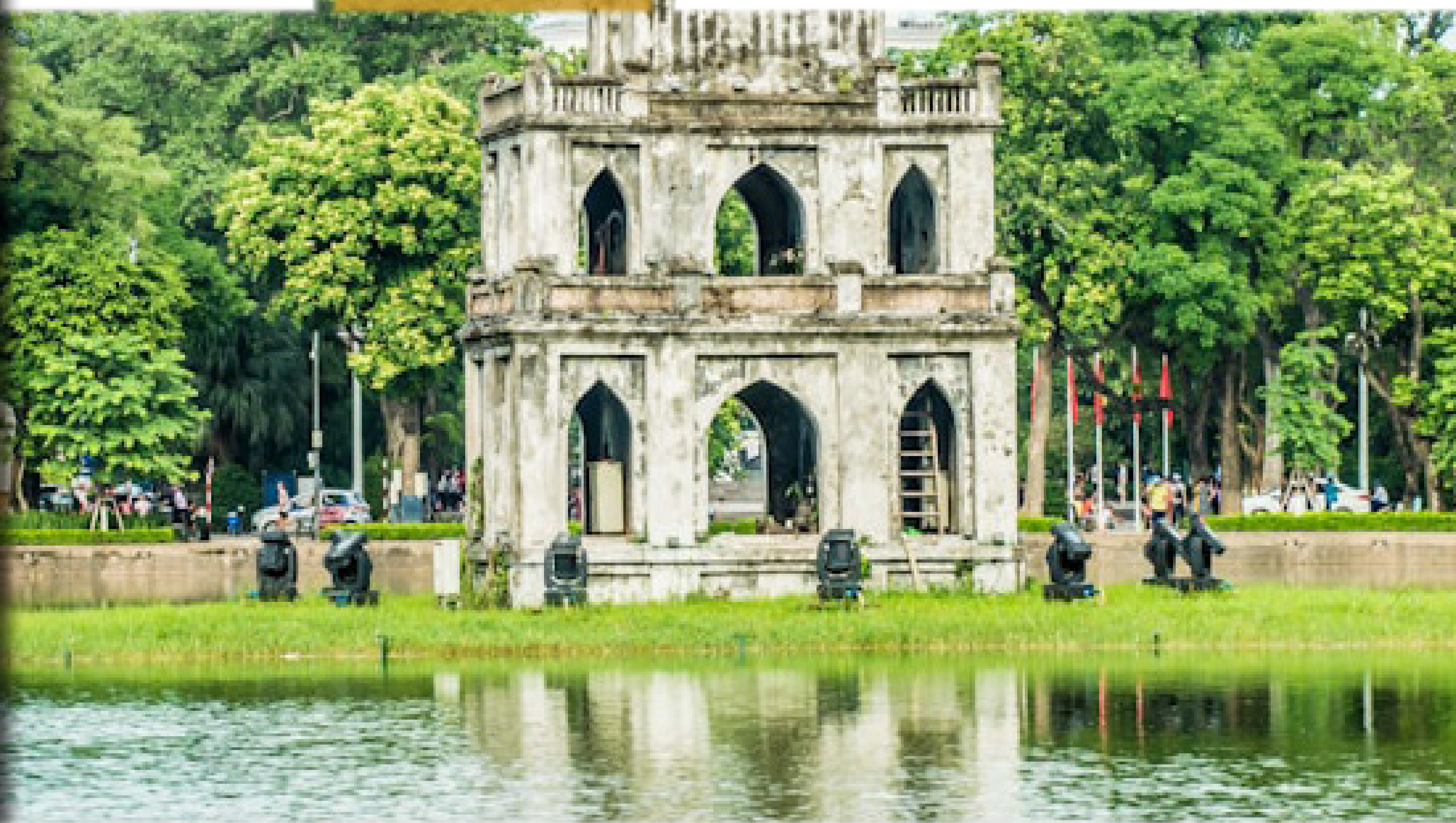
11

2025

BUSINESS
LAW FIRM

LEGAL UPDATE



Business Law Firm

BUSINESS
L A W F I R M

LEGAL DOCUMENT UPDATE

NO. 11/2025

➲ENTERPRISE - COMMERCE

Government Decree No. 307/2025/ND-CP dated November 27, 2025, on the classification of administrative units.

Decree No. 307/2025/ND-CP, issued by the Government and effective from November 27, 2025, specifies the standards, scoring methods, authority, and procedures for classifying administrative units. The core purpose of classification is to assess the scale and level of development to serve as a basis for formulating socio-economic policies, building organizational structures, and determining appropriate staffing levels.

Regarding the classification structure, Hanoi and Ho Chi Minh City are special-category provincial-level units, while other centrally-administered cities are Category I; provinces and communes are divided into three categories (I, II, III), while wards and special zones have an additional special category alongside the three basic categories. The classification is done using a scoring method with a maximum score of 100 based on four groups of criteria: population size, natural area, socio-economic development conditions, and specific factors. Specifically, administrative units are classified as Category I if they achieve 75 points or more, Category II from 60 to under 75 points, and Category III if they are below 60 points; wards and special zones must achieve 90 points or more to be classified as special-category. Furthermore, the Decree stipulates priority bonus points (up to 10 points) for units with a population or area exceeding the standard by 300% or more, or those with a particularly important strategic location in terms of national defense, security, and economy.

Regarding decision-making authority, the Minister of Home Affairs is responsible for recognizing the classification of provincial-level administrative units and special-class wards and special zones; the Chairman of the Provincial People's Committee makes decisions for the remaining commune-level administrative units. The Decree also sets out a transitional roadmap specifically: administrative units formed after the 2025 reorganization must complete their classification before June 30, 2026, while units remaining unchanged must reclassify before April 30, 2026.

➲LAND - HOUSING

Significant amendments to land use fees, land lease fees, and the Land Development Fund.

Government Decree No. 291/2025/ND-CP dated November 6, 2025, amending and supplementing a number of articles of Government Decree No. 103/2024/ND-CP dated July 30, 2024, regulating land use fees and land lease fees, and Government Decree No. 104/2024/ND-CP dated July 31, 2024, regulating the Land Development Fund.

Decree No. 291/2025/ND-CP, issued on November 6, 2025, is an important legal document of the Government aimed at amending and supplementing several articles of two previous foundational decrees: Decree No. 103/2024/ND-CP (regulating land use fees and land lease fees) and Decree No. 104/2024/ND-CP (regulating the Land Development Fund), in order to promptly institutionalize the new regulations of the 2024 Land Law and ensure consistency and transparency in land finance management.

The amendments primarily focus on regulations concerning land use fees and land lease fees in Decree 103/2024/ND-CP. Decree 291/2025/ND-CP supplements and clarifies regulations on determining and collecting supplementary payments as stipulated in the 2024 Land Law when changing land use purposes or planning, clearly defining the principles for determining the timing of supplementary payments. In particular, the Decree delves into adjusting the method of calculating land use fees when issuing land use certificates to households and individuals, including cases where payments were made in advance under the old regulations but were insufficient, or for land areas exceeding the permitted limit, ensuring the rights and financial obligations of land users.

Another highlight is the clarification of how land use fees and land lease fees are calculated in cases of adjustments to the detailed planning of projects for which the State has allocated or leased land, or in cases of changes in land area or purpose of use not caused by the land user. The Decree also provides more detailed regulations on deducting compensation, support, and resettlement costs that land users have advanced from the land use fees and land lease fees payable, including the principles for determining the deductible amount, required documents, and the authority to resolve the matter.

Regarding policies on exemption and reduction of land use fees and land rent, Decree 291/2025/ND-CP amends and supplements regulations on eligible subjects for exemption and reduction (such as households and individuals); clarifies the principles, authority, and procedures for implementing exemption and reduction; and adds regulations on the recovery of exempted or reduced amounts if land users do not meet the conditions stipulated by law. Furthermore, the Decree provides detailed regulations on the deferral of land use fees for households and individuals, expanding the scope of application, conditions, and documentation for deferral.

Finally, the Decree also includes transitional provisions for cases where land prices have been determined, notices of payment have been issued, or land use fees or land lease fees have been paid before the effective date of this Decree.

Regarding Decree 104/2024/ND-CP and Decree 291/2025/ND-CP, these amend several provisions related to the application dossier for reimbursement of advanced capital to the Land Development Fund, aiming to simplify administrative procedures.

Detailed regulations on the National Housing Fund and implementation of Resolution 201/2025/QH15 to promote the development of social housing.

Government Decree No. 302/2025/ND-CP dated November 19, 2025, provides detailed regulations on the National Housing Fund and measures for implementing Resolution 201/2025/QH15 dated May 29, 2025, of the National Assembly on piloting some specific mechanisms and policies for the development of social housing.

Decree 302/2025/ND-CP, issued on November 19, 2025, aims to concretize the establishment and operation of the National Housing Fund, and to implement Resolution No. 201/2025/QH15 of the National Assembly on some specific mechanisms and policies to promote the development of social housing. Accordingly, the National Housing Fund is organized into two levels: the Central Housing Fund, directly under and managed by the Ministry of Construction, and the Local Housing Fund, established and managed by the People's Committees of the provinces. Both types of Funds are designated as public service units, possessing legal personality, their own seals, independent accounting, and the right to open accounts at the State Treasury and commercial banks.

The core objective of the Fund's operations is to focus on investing in and constructing social housing for rent. The Fund can create housing through various forms, including: directly investing in the construction of independent or integrated social housing projects; purchasing social or commercial housing; acquiring and repurposing public housing; ordering and receiving housing from state-owned enterprises or organizations and individuals who voluntarily contribute; or receiving housing for resettlement and temporary housing. The Fund operates on the principles of non-profit, transparency, and accountability, and is only liable for its financial obligations to the extent of its invested capital.

The Fund's operating capital is mobilized from various channels, with state budget funds playing a leading role. Specifically, the initial charter capital of the Central Housing Fund, provided by the central budget from public investment funds, must be at least VND 5,000 billion immediately after establishment and increased to at least VND 10,000 billion within the following three years. For local housing funds, charter capital is provided from the development investment expenditure of the local budget, and is supplemented by an amount equivalent to the value of land allocated for social housing construction (from commercial housing project investors), proceeds from the sale of public housing assets, and proceeds from land use rights auctions according to Resolution 201/2025/QH15.

Regarding eligible tenants, the Fund prioritizes renting social housing to those who are entitled to social housing support policies as stipulated. For housing acquired by the Fund through the purchase of commercial housing, the tenants are officials, civil servants, and employees who do not choose or are not eligible for social housing. The Decree also specifies the order of priority for renting, starting with officials, civil servants, and members of the armed forces affected by administrative unit restructuring, experts, and scientists, followed by employees of state agencies, and workers in industrial zones.

The rental price for social housing built and developed by the Investment Fund is determined according to regulations for social housing invested by the State using public investment capital. For commercial housing purchased for rent, the rental price is calculated to ensure that it covers maintenance costs, capital recovery costs , interest (if any), and a standard profit margin not exceeding 10% of the total development costs.

The Decree also clearly defines the responsibilities of the relevant parties: the Ministry of Construction is the managing agency of the central housing fund; the Ministry of Finance is responsible for reporting on the allocation of charter capital; and the People's Committees of provinces are responsible for establishing and managing local housing funds. The Fund is responsible for developing internal inspection regulations and is subject to periodic or unscheduled inspections by the Ministry of Construction and the Fund's managing agency regarding the management of capital, assets, and operational results. The Decree takes effect from November 19, 2025.

➲LABOR - INSURANCE

Decree 293/2025/ND-CP: Increase the regional minimum wage to a maximum of VND 5,310,000/month from January 1, 2026.

Government Decree No. 293/2025/ND-CP dated November 10, 2025, stipulates the minimum wage for employees working under labor contracts.

Decree 293/2025/ND-CP was issued by the Government on November 10, 2025, and officially came into effect on January 1, 2026. This legal document clearly stipulates the minimum monthly wage and minimum hourly wage applicable specifically to the group of workers employed under labor contracts. The main subjects of application of the Decree include workers employed under labor contracts and employers as stipulated in the Labor Code, such as businesses, agencies, organizations, cooperatives, households, and individuals who hire and employ workers, along with other agencies, organizations, and individuals involved in the implementation of this minimum wage.

The Decree stipulates that the minimum wage is divided into four geographical regions, with specific rates: Region I: 5,310,000 VND/month and 25,500 VND/hour; Region II: 4,730,000 VND/month and 22,700 VND/hour; Region III: 4,140,000 VND/month and 20,000 VND/hour; and Region IV: 3,700,000 VND/month and 17,800 VND/hour. A detailed list of areas belonging to Regions I, II, III, and IV is clearly listed in the Appendix attached to the Decree. In principle, employers operating in a particular region must apply the minimum wage stipulated for that region. In cases where an employer has units or branches operating in multiple locations with different minimum wage levels, the unit or branch in a particular location will apply the minimum wage of that location. It is noteworthy that for units operating in industrial parks, export processing zones, high-tech zones, or digital technology zones located in areas with different minimum wage levels, the highest minimum wage among those areas will be applied.

Regarding the application of minimum wage, the Decree clarifies that the monthly minimum wage serves as the basis for negotiating and paying wages to employees who are paid monthly, ensuring that the wage for a job or position, when working normal hours and meeting quotas, is not lower than the monthly minimum. Similarly, the hourly minimum wage serves as the basis for negotiating and paying wages to employees who are paid hourly, ensuring that the wage per hour is not lower than the hourly minimum. For other forms of wage payment such as weekly, daily, piece-rate, or fixed-rate wages, the wages of these forms, when converted to monthly or hourly rates, must not be lower than the corresponding monthly or hourly minimum wage. The Decree also provides formulas for converting weekly/daily/piece-rate wages into monthly or hourly wages based on normal working hours.

This Decree officially repeals Government Decree No. 74/2024/ND-CP from its effective date and simultaneously repeals Clause 7, Article 15 and Appendix I of Decree No. 128/2025/ND-CP. Employers are responsible for reviewing and adjusting agreements in labor contracts, collective labor agreements, and internal regulations to ensure compliance. The Decree strictly prohibits the elimination or reduction of wage entitlements for overtime work, night work, in-kind compensation, and other entitlements as stipulated by labor law. In particular, agreements already committed in labor contracts or collective labor agreements that are more beneficial to employees (such as higher wages than the minimum wage for work requiring vocational training or work in arduous, hazardous, or dangerous conditions) shall continue to be implemented, unless otherwise agreed upon by the parties.

Finally, the Decree also includes transitional provisions for cases where, due to adjustments in geographical areas, the new minimum wage is lower than the old one as of December 31, 2025. Accordingly, employers must continue to implement the higher minimum wage as of December 31, 2025 for employees recruited before that date until the Government issues new regulations.

➲FINANCE - BANKING

Stricter penalties for securities violations will be imposed, with fines of up to VND 1.5 billion for falsifying offering documents, effective from January 9, 2026.

Government Decree No. 306/2025/ND-CP dated November 25, 2025, amends and supplements several articles of Government Decree No.

156/2020/ND-CP dated December 31, 2020, stipulating administrative sanctions for violations in the field of securities and securities markets (amended and supplemented by Government Decree No. 128/2021/ND-CP dated December 30, 2021), and Government Decree No. 158/2020/ND-CP dated December 31, 2020, on derivative securities and derivative securities markets.

Government Decree 306/2025/ND-CP, issued on November 25, 2025 and effective from January 9, 2026, is a comprehensive legal document amending and supplementing several articles of Decree 156/2020/ND-CP on administrative sanctions in the securities sector and Decree 158/2020/ND-CP on derivative securities. Regarding administrative sanctions, Decree 306/2025/ND-CP expands the scope of regulation to include the Vietnam Stock Exchange and the Vietnam Securities Depository and Clearing Corporation (VSDC) and its subsidiaries, while strengthening the severity of penalties, particularly by extending the suspension period of securities trading and other securities business and service activities to a maximum of 24 months. The decree adds several new mandatory remedial measures, most notably strict regulations on the segregation of customer accounts and assets from intermediary organizations and VSDCs, requiring organizations to provide accurate information, correct information, and report to the General Meeting of Shareholders on early bond repurchases/exchanges.

A significant part of the amendments concerns the penalties for violations related to the offering of shares, convertible bonds, warrants, and other types of private corporate bonds by public companies. The penalties are clearly categorized and can reach up to VND 1.5 billion for forging documents or certifying eligibility for the offering. Violations such as offering securities incorrectly, using funds for purposes other than intended, or violating regulations on determining the qualifications of professional investors are also subject to severe penalties, along with corrective measures such as forced recall of securities and refund of the purchase price plus interest to investors.

Furthermore, the Decree also supplements regulations on penalties for violations related to registration, trading, information disclosure, and services related to individual corporate bonds, along with strengthening sanctions for violations of corporate governance (such as failure to ensure personnel structure, failure to pay approved dividends) and violations by securities companies (such as failure to supervise transactions or business activities without reporting/approval from the State Securities Commission).

Regarding the derivatives market, the Decree amends the conditions on the available capital ratio (a minimum of 260% continuously over the past 12 months) for securities companies wishing to provide clearing and settlement services for derivatives transactions, and adjusts Form No. 02 on the list of personnel involved in derivatives trading. Finally, the Decree also clarifies the authority of the Head of the Inspection Team to impose penalties and the procedures for implementing additional penalty decisions.

➲TAXES - FEES

Stricter penalties for tax and invoice violations, increasing fines up to 50 million VND from January 16, 2026.

Government Decree No. 310/2025/ND-CP dated December 2, 2025, amending and supplementing a number of articles of Government Decree No. 125/2020/ND-CP dated October 19, 2020, stipulating administrative sanctions for violations of tax and invoice regulations.

Decree No. 310/2025/ND-CP, effective from January 16, 2026, amends and strengthens administrative management in the tax and invoice sector, replacing some provisions of the previous Decree 125/2020/ND-CP. The scope of penalties has been significantly expanded, encompassing not only traditional taxes but also other state budget revenues managed by tax authorities. Furthermore, it adds detailed definitions of force majeure events to serve as grounds for exemption from liability.

A significant new point is the expansion of the scope of penalties to include organizations and individuals authorized to fulfill tax obligations or to declare and pay taxes on behalf of taxpayers, as well as entities that declare under the global anti-base erosion regulations.

The Decree also specifies the principles of penalties, stipulating that the highest penalty will be applied to cases where multiple incorrect declarations or multiple late submissions of the same tax return are made on the same day. In particular, the Decree has increased the monetary penalties for many offenses, specifically raising the penalty for submitting tax returns more than 90 days late to 15 million to 25 million VND, and increasing the penalty for giving or selling invoices to 20 million to 50 million VND.

However, in addition to strengthening penalties, the Decree also encourages compliance with the law. Accordingly, no penalties will be imposed for incorrect declarations if the taxpayer proactively submits supplementary declarations and pays the full amount of tax due before the tax authorities announce the inspection or audit decision. For first-time tax evasion, if the taxpayer voluntarily submits supplementary declarations and pays the full amount of tax due before being penalized, this act will be reclassified as an incorrect declaration resulting in underpayment of tax and will only be penalized 20% of the underpaid tax, instead of being penalized 1 to 3 times the amount of tax evaded as generally stipulated, demonstrating a lenient policy and creating conditions for taxpayers to rectify their violations.

Finally, the Decree also adds regulations on handling violations in the electronic environment and adjusts the authority to impose penalties of tax authorities at all levels, aiming for a more modern and transparent tax management system.

➲RESOURCES - ENVIRONMENT

Administrative penalties for water resource violations will be imposed, with a maximum fine of 500 million VND, effective from November 6, 2025.

Decree No. 290/2025/ND-CP dated November 6, 2025, of the Government on administrative sanctions for violations in water resources.

Decree No. 290/2025/ND-CP, issued on November 6, 2025, is a legal document detailing administrative penalties for violations in the field of water resources, applicable to all domestic and foreign organizations and individuals committing violations within Vietnam. The Decree establishes a strict penalty framework, including the main forms of punishment: Warning and Fines, with a maximum fine of VND 250,000,000 for individuals and VND 500,000,000 for organizations.

In addition, supplementary penalties are applied, such as suspending part or all of the exploration, exploitation, and drilling activities for groundwater for 1 to 12 months, and confiscating evidence and means used in the violation. A notable point is that the Decree specifies 18 specific remedial measures to compel violators to comprehensively restore and protect water resources, including: addressing degradation, depletion, pollution, saltwater intrusion, and land subsidence; rectifying damage caused by floods, artificial flooding, and water shortages; requiring declaration, registration, or licensing if continued exploitation is needed; filling in unused wells; relocating wastewater discharge points outside sanitary protection zones; and removing obstacles hindering water flow.

The Decree also clearly stipulates the principles for determining the amount of illegal profits obtained from violations that must be returned, with specific calculation formulas for different exploitation activities (hydropower, clean water production, agriculture, etc.). Regarding procedures, the statute of limitations for penalties is 2 years, and it details the principles for determining violations, the method for calculating the total number of days of violation for acts related to reservoir operation (such as failing to ensure water levels before floods or minimum flow) and exceeding permitted flow rates. Chapter II of the Decree details specific violations, corresponding penalties, and remedial measures, focusing on the following groups of violations: Basic research, Groundwater drilling, Prevention and control of water pollution, degradation, and depletion, Response to and remediation of pollution incidents, and Water resource protection.

Finally, the Decree also addresses cases where no penalties are imposed when violations occur in emergency situations (for example, exceeding the permitted flow rate to ensure domestic water supply during droughts) and stipulates the authority of the Chairpersons of People's Committees at all levels and the Directors of specialized departments to impose penalties, along with transitional provisions and the repeal of related regulations in previous Decrees.

HA NOI HEAD OFFICE
Suite 12B05, M5 Building, 91 Nguyen Chi Thanh, Giang Vo Ward, Ha Noi City

HOCHIMINH OFFICE
115 Dang Van Ngu, Phu Nhuan Ward, HCM City

HAI PHONG OFFICE
161/41 Thien Loi, An Bien Ward, Hai Phong City

CONTACT
Phone: (+84) 24 62751708
Fax: (+84) 24 62751707
Email: info@blf.com.vn
Website: https://blf.com.vn