

RIGHTS

**TO REAL ESTATE OF FOREIGN INDIVIDUALS,
FOREIGN ORGANIZATIONS, ECONOMIC
ORGANIZATIONS WITH FOREIGN INVESTED CAPITAL
AND VIETNAMESE PEOPLE RESIDING ABROAD**

**Vietnam Real Estate
Guide**

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INTRODUCTION

In Vietnam, the real estate market is a pioneer, playing an important role in promoting and developing the economy comprehensively. However, from 2022, the market started facing significant challenges, due to the impact of the global economic recession and negative impacts from the COVID-19 pandemic. This poses challenges to the stability and prospect of the real estate market in the near future.

To address those challenges, the National Assembly has passed significant amendments to the laws, including the Land Law No. 31/2024/QH15 dated 18 January 2024 (“**Land Law 2024**”), the Law on Real Estate Business No. 29/2023/QH15 dated 28 November 2023 (“**LOREB 2023**”), and Law on Housing No. 27/2023/QH15 dated 27 November 2023 (“**LOH 2023**”). Concurrently, many implementing decrees have been urgently prepared and issued by the Government and relevant Ministries. These legal documents are expected to make significant positive changes and create development momentum for the real estate market.

The Land Law 2024 is considered as an important and landmark step in comprehensively revising regulations on land management and use. The changes in this Law not only aim to create favorable conditions for the exercise of rights and obligations of businesses and investors, but also bring greater clarity to legal regulations.

LOREB 2023 and LOH 2023 are expected to create new opportunities for the Vietnamese real estate market, which is currently facing difficulties in the period of post-COVID-19 pandemic and the consequences of unsustainable rapid growth. The new regulations of the LOREB 2023 will establish better management mechanisms, enhance transparency regarding real estate projects and investors, thereby protecting buyers' rights, minimizing legal risks, and ultimately promoting a stable market development.

This guide provides foreign individuals, foreign organizations, foreign-invested economic organizations, and Vietnamese residing abroad (regardless of whether they retain Vietnamese nationality) with an overview and detailed insights into the issues of land use rights, ownership rights, and real estate business in Vietnam. By summarizing and clearly presenting the current legal provisions, we hope this guide helps the relevant parties understand their rights and obligations to make informed investment decisions, and contribute to improving the transparency, minimizing legal risks and facilitating investment activities in the real estate sector in Vietnam.

ANALYSIS

1. Governing scope of the laws

The LOREB 2023, the LOH 2023 and the Land Law 2024 simultaneously took effect from **01 August 2024**. These laws and their implementing decrees collectively govern important aspects of estate-related activities in Vietnam, specifically:

- (i) The LOREB 2023 regulates business activities, the rights and obligations of organizations and individuals in this field, as well as state management of real estate business;
- (ii) The LOH 2023 governs the ownership, development, management, operation, use, and transactions related to housing, along with State management of housing; and
- (iii) The Land Law 2024 stipulates the land ownership regime, the authority and responsibility of the State in representing the owner of land for the entire people, the land management and use regime, and the rights and obligations of citizens and land users in Vietnam.

These laws and their guiding documents collectively create a legal framework to regulate and manage activities related to real estate, housing, and land, contributing to the sustainable and efficient development of the real estate market in Vietnam.

2. Related definitions

2.1 Foreign individuals

Currently, legal documents in the field of real estate do not specifically define “foreign individuals”. However, based on the features mentioned in the LOH 2023 and the LOREB 2023, foreign individuals can be understood as foreign individuals allowed to enter Vietnam¹, do not benefit from diplomatic, consular privileges and immunities as per the law² and currently reside legally in Vietnam³.

According to the Law on Vietnamese Nationality, foreign individuals residing in Vietnam include (i) foreign citizen and (ii) stateless persons permanently or temporarily reside in Vietnam⁴.

Concerning the requirement for **being allowed to enter Vietnam**, Law on Entry, Exit, Transit, and Residence of Foreigners in Vietnam stipulates that a foreigner shall be granted entry into Vietnam when all of the following conditions are satisfied⁵:

¹ Article 17.1(c) of the LOH 2023

² Article 18.3 of the LOH 2023

³ Article 15.4 of the LOREB 2023

⁴ Article 3.1 and 3.5 of the Law on Vietnamese Nationality 2008 (amended and supplemented in 2014)

⁵ Article 20 of the Law on Entry, Exit, Transit, and Residence of Foreigners in Vietnam 2014 (amended and supplemented in 2019, 2023)

- (i) Having a passport or valid documents for international travel and visa, except for cases of visa exemption as specified in this Law;
- (ii) If entering under unilateral visa exemption, the passport must be valid for at least 06 months; and
- (iii) Not being subject to entry prohibition, including: children under 14 years of age without guardians, persons forging papers to obtain entry permit, person suffering from a mental disease or infectious disease, person deported from Vietnam within the last 03 years, compelled to leave Vietnam within the last 06 months, for reasons of epidemic prevention, natural disasters, national defense, national security, social order, and social safety.

2.2 Foreign organizations

Under the Law on Enterprise 2020, foreign organization means an organization established overseas under the laws of foreign country⁶. When an organization operates as a foreign organization in one or more other countries, this organization will enjoy civil legal status prescribed by the law of the host country for foreign organizations in its territory.

In the field of real estate business, the Land Law 2024, LOREB 2023, and LOH 2023 do not specifically and uniformly define “foreign organization”. While the Land Law 2024 and LOREB 2023 do not have a definition of “foreign organization”, LOH 2023 regulates foreign organizations including organizations operating in Vietnam as follows⁷:

- (i) Foreign-invested economic enterprises;
- (ii) Branches, representative offices of foreign enterprises, foreign investment funds; and
- (iii) Branches of foreign banks.

In general, the three laws regulating activities related to real estate are not consistent when it comes to "foreign organizations" compared to the regulations on enterprises. Based on the above analysis, it can be seen that the legal corridor on land use rights, real estate business and housing ownership of "foreign organizations" still has many limitations and needs to be improved.

2.3 Foreign-Invested Economic Organizations

⁶ Article 4.32 of the Law on Enterprise 2020

⁷ Article 17.1(b) of the LOH 2023

Under the Law on Investment Law 2020, an economic enterprise establishing in Vietnam with foreign investors as members or shareholders is regarded as “foreign-invested company”⁸ (“FIC”). The term “foreign-invested company” was not used in the Land Law 2013, Law on Housing Law 2014, or Law on Real Estate Business 2014, leading to inconsistent interpretation between these real estate laws and investment law.

To overcome this shortcoming, the Law on Real Estate Business 2024, the LOH 2023 and Land Law 2024 have been adjusted to uniformly use the concept of FIC, in accordance with the law on investment and enterprises, accordingly:



- a. According to Land Law 2024, FIC is “an economic organization that have to meet the requirements and conduct the investment procedures applicable to foreign investors in accordance with regulations of the Law on Investment to carry out land-using projects”⁹.

According to the Law on Investment 2020, it can be understood that the FIC according to the provisions of the Land Law 2024 only includes: the FIC in which over 50% of its charter capital held by (i) foreign investors; (ii) economic organizations where foreign investors hold more than 50% of charter capital; or (iii) foreign investors and economic organizations holding more than 50% of charter capital¹⁰. In addition, under the Land Law 2024, “domestic organizations” include economic organizations as prescribed by the Law on Investment 2020 but excluding FIC¹¹. Thus, as per the Land Law 2024, a FIC is not required to carry out investment procedures applicable to foreign investors according to the provisions of the Law on Investment 2020 will still being considered as domestic organizations. Accordingly, it has the same rights and obligations as domestic organizations and individuals.

- b. The LOREB 2023 do not has the definition of FIC. However, this law stipulates that FICs that are **not required** to meet the conditions and carry out investment procedures applicable to foreign investors according to the provisions of the Investment Law 2020 can do real estate business in the same forms applicable for

⁸ Article 3.22 of the Law on Investment Law 2020

⁹ Article 3.46 of the Land Law 2024

¹⁰ Article 23.1 of Law on Investment Law 2020

¹¹Article 4.1 of the Land Law 2024

domestic organizations and individuals¹². For FICs **subject to** meeting the conditions and carry out investment procedures applicable to foreign investors according to the provisions of the Law on Investment 2020, they can only do real estate business in the same forms as applicable for Vietnamese residing abroad who no longer have Vietnamese nationality¹³.

Thus, similar to the Land Law 2024, economic organizations, even though they have foreign investment capital but **not subject** to the investment procedures requiring for foreign investors under Law on Investment Law 2020, will still be considered a **domestic organization**, and will be able to conduct real estate business activities similar to domestic organizations and individuals.

- c. According to the LOH 2023, FIC is considered a "foreign corporation" according to the content of this law. Accordingly, the LOH 2023 has regarded the concepts of *FIC, branches or representative offices of foreign enterprises, foreign investment funds and branches of foreign bank*, that are operating in Vietnam, collectively as "*Foreign Organizations*"¹⁴.

Thus, unlike the Land Law 2024 and the LOREB 2023, the LOH 2023 does not distinguish and consider whether FIC must meet the conditions and carry out investment procedures applicable to foreign investors under the Law on Investment or not. Accordingly, FIC can be understood in a broad sense as prescribed by the Law on Investment 2020, including economic organizations with foreign investors as members or shareholders.

2.4 Vietnamese residing abroad

The LOH 2023 and the LOREB 2023 do not define "*Vietnamese residing abroad*" but refer to provisions of nationality laws for determination¹⁵. Accordingly, Vietnamese residing abroad are (i) Vietnamese citizens and (ii) individuals of Vietnamese origin who permanently reside in foreign countries¹⁶ - means persons **used to** have Vietnamese nationality which had been determined at the time of their birth on the consanguinity principle and their offsprings and grandchildren are permanently residing in foreign countries¹⁷.

The Land Law 2024 clearly stipulates two separate legal frameworks for Vietnamese residing abroad and individuals of Vietnamese origin residing abroad. Specifically, Vietnamese residing abroad are the citizens of Vietnam who are regarded as domestic individuals and subject to the same land use regulations as this group¹⁸. In contrast,

¹² Article 10.5 of the LOREB 2023

¹³ Article 10.4 of the LOREB 2023

¹⁴ Article 17.1.b of the LOH 2023

¹⁵ Article 10.2 of LOREB 2023 and Article 8.1.b) of the LOH 2023

¹⁶ Article 3.3 of Law on Vietnamese Nationality 2008 (amended and supplemented in 2014)

¹⁷ Article 3.4 of Law on Vietnamese Nationality 2008 (amended and supplemented in 2014)

¹⁸ Article 4.3 of the Land Law 2024

individuals of Vietnamese origin residing abroad are considered independent land users and are not classified within the "*domestic individuals*" category¹⁹.

In general, the laws consistently classify Vietnamese residing abroad into two groups, i.e. those who retain Vietnamese citizenship (Vietnamese citizens) and those who do not retain Vietnamese citizenship (non-Vietnamese citizens).

Within the scope of this guideline, for the convenience of the reader in referring to subsequent sections, the relevant definitions shall be understood as follows:

- "*Foreign individual*" means an individual who holds foreign nationality, or a stateless person who has legally entered Vietnam;
- "*Foreign organization*" means an organization that is legally established and operates abroad, exclusive of foreign organizations with diplomatic functions as prescribed by the Land Law 2024²⁰;
- "*FIC*" refers to an economic company with foreign investors as members or shareholders;
- "*Vietnamese residing abroad*" refers to Vietnamese citizens residing abroad; and
- "*Individuals of Vietnamese origin residing abroad*" refers to individuals who are residing abroad, are not Vietnamese citizens, and previously held Vietnamese nationality at birth based on the consanguinity principle, as well as their children and grandchildren who are residing and living long-term abroad and have legally entered Vietnam.

3. Rights to real estate of foreign individuals and foreign organizations

3.1 Land use rights ("LURs")

As a matter of principle, land is under ownership by the entire people, with the State acting as the representative owner and exercising unified management, and the State grants LURs to land user²¹. Therefore, in Vietnam, organizations and individuals do not have the right to "*own land*," and the State only recognizes the "*land use rights*" for entities that meet certain requirements. According to the provisions of the Land Law over various periods, foreign individuals and organizations (exclusive of foreign organizations with diplomatic functions as prescribed by the Land Law 2024²²) are not recognized as "*land users*" who are entitled to land use rights. Thus, it can be affirmed that foreign individuals and organizations do not have the land use rights in Vietnam.

¹⁹ Article 4.6 of the Land Law 2024

²⁰ Article 4.5 of Land Law 2024

²¹ Article 12 of the Land Law 2024

²² Article 4.5 of the Land Law 2024

3.2 Housing ownership rights

According to the provisions of the LOH 2023, foreign organizations are not permitted to own houses in Vietnam. Meanwhile, foreign individuals being allowed to enter Vietnam is one of the subjects being allowed to own a house in Vietnam²³. Therefore, this section only presents the contents of housing ownership rights in Vietnam for foreign individuals.



a. Forms of housing ownership of foreign individuals

Foreign individuals may own residential houses, including apartments and individual houses in Vietnam through the following forms²⁴:

- (i) **Form 1:** (i) purchasing, (ii) lease-purchasing commercial residential houses from the investor of the residential construction investment project, (iii) receiving gifts, (iv) inheriting residential houses **in commercial projects of residential construction investment not in areas** requiring national defense and security assurance;
- (ii) **Form 2:** (i) purchasing, (ii) lease-purchasing residential houses from foreign individuals having owned residential houses under Form 1.

Additionally, although they do not have land use rights, foreign individuals still have ownership rights over residential houses and will be issued a Certificate of ownership for their legally owned residential houses²⁵ when they have sufficient documentation regarding the housing transaction as prescribed by law.

In practice, foreign individuals only need a visa to enter Vietnam (regardless of visa type, including tourist visas), and a self-commitment statement not exempt

²³ Article 17.1 of the LOH 2023

²⁴ Article 17.2 of the LOH 2023

²⁵ Article 148.5.a of the Land Law 2024

from diplomatic immunity to own houses that are allowed to be sold to foreigners in Vietnam.²⁶

Regarding the lawful residence period in Vietnam, a foreigner is considered to have lawful residence in Vietnam if he presents in Vietnam within the period specified on his visa or temporary/permanent residence card. As current law does not require a minimum residency period for foreign individuals being eligible to own houses, it can be understood that foreigners only need to prove their permission to enter Vietnam through a valid visa or residence card to meet the conditions for purchasing and owning houses in Vietnam.

b. Limitations on foreign individuals' ownership of residential houses in Vietnam

Due to national defense and sovereignty concerns related to land ownership and residency, foreign individuals owning residential houses in Vietnam face limitations regarding the areas of residences, quantity, and ownership duration as follows:

- (i) Regarding the areas where residential houses can be owned in Vietnam²⁷: Foreign individuals are only permitted to own residential houses within **residential construction investment projects** that do **not fall within areas requiring national defense and security assurance** as stipulated by Vietnamese laws. The Ministry of National Defense and the Ministry of Public Security are responsible for notifying areas that need to ensure national defense and security so that the Provincial People's Committee can identify and publicly announce on the website of the Provincial People's Committee and the provincial housing management agency (Department of Construction) the list of housing construction investment projects in the area that allow foreign individuals to own houses. Therefore, foreign individuals should be highly vigilant before proceeding to enter into agreements with developers by checking the website of the People's Committee and the local Department of Construction to confirm whether the intended residential project is included in this list. This helps save time and ensures initial legal security for foreign individuals.
- (ii) Regarding the quantity of residential houses owned: Foreign individuals are only allowed to purchase, lease-purchase, receive gift, inherit, and own up to a maximum of **30%** of the total number of apartments in a condominium building. For detached houses including villas, semi-detached houses, they can purchase, lease-purchase, receive as donation, inherit, and own up maximum to **250 houses** in an area equivalent to a ward in terms of

²⁶ Refer to the spirit in the article <https://thuvienphapluat.vn/chinh-sach-phap-luat-moi/vn/ho-tro-phap-luat/bat-dong-san/10932/nhap-canh-mot-ngay-duoc-mua-nha>

²⁷ Article 16 of the LOH 2023

population scale²⁸. This limitation also applies in cases where an area with a population equivalent to a ward having multiple condominiums, or for individual houses on the same street.

In this context, the population equivalent to that of a ward is understood as 10,000 people according to the approved planning by the competent authorities²⁹. Accordingly, when approving the planning, the provincial-level planning management authority will publish the population equivalent to a ward on its official electronic portal.

In addition, the housing law does not regulate the number of houses that each foreign individual can own³⁰. Therefore, foreign individuals can own many apartments in an apartment building, many individual houses in an area with a population size equivalent to a ward, provided that foreign ownership limits in that area are met.

In case a foreign individual receives a gift or an inheritance that exceeds the prescribed limit, or is not eligible for ownership, located in a national defense and security area, the foreign individual is entitled to enjoy the value of the house³¹.

- (iii) Regarding the term of ownership: Foreign individuals are entitled to own houses as agreed in transactions of purchase, lease-purchase, donation, or inheritance, but not exceeding **50 years** from the date of issuance of the Certificate of Land Use Rights and Ownership of Assets Attached to Land ("**Certificate**"), extendable once for up to another 50 years if necessary. The term of ownership must be clearly stated in the Certificate³². Thus, the total term of housing ownership in Vietnam for foreign individuals is no more than 100 years.

In addition, foreign individuals should be aware that upon expiration of the ownership term as stipulated by the LOH 2023, the property owner may directly or authorize another organization or individual to exercise the right of donation, selling their residential property to individuals eligible to own residential houses in Vietnam (including other foreign individuals)³³. In cases where the recipient of the gift, buyer, or inheritor of the residential property is a foreign individual, the LOH 2023 does not clearly specify whether such individuals will be entitled to own the property for 50 years, extendable once for another 50 years from the date of issuance of a new Certificate, or for the

²⁸ Article 19 of the LOH 2023

²⁹ Article 5.1 of Decree 95/2024/ND-CP detailing some articles of the LOH 2023

³⁰ Refer to the Ministry of Construction's instructions at Official Dispatch No. 5027/BXD-QLN, accessed at <https://moc.gov.vn/vn/tin-tuc/1285/74091/huong-dan-ve-so-luong-can-ho-chung-cu-ma-to-chuc--ca-nhan-nuoc-ngoai-duoc-so-huu.aspx>

³¹ Article 20.2.b of the LOH 2023

³² Article 20.2 of the LOH 2023

³³ Article 20.2.dd of the LOH 2023

remaining term stated in the original Certificate of the former foreign individuals. Therefore, we should await further governmental guidance on the implementation of the LOH 2023 to gain a precise understanding of these scenarios.

In the event of not exercising this right of sale or donation, the residential property will become State-owned assets. Therefore, foreign individuals should take note of this regulation to avoid their property becoming State-owned. However, in practice, the terms of 50 years, and 100 years (in cases where extension is granted once) are quite long compared to the average lifespan of a person, hence the risk in such cases is relatively low.

c. Some other considerations:

If a foreign individual **marries a Vietnamese citizen** residing in Vietnam, they are entitled to own residential property and enjoy the rights of property ownership similar to Vietnamese citizens. Therefore, they are not restricted by ownership term, ownership area, or quantity regarding foreign individuals as mentioned in Section 3.2.b.

In the case of marrying a **Vietnamese residing abroad** being permitted to enter Vietnam, the foreign individual is entitled to own residential property and enjoy property ownership rights similar to Vietnamese residing abroad. However, depending on whether the Vietnamese residing abroad retains Vietnamese citizenship, the rights of the foreign individual as the spouse will have a corresponding accordingly. Thus, if the spouse of the foreign individual is a Vietnamese residing abroad who retains Vietnamese citizenship, the scope of property ownership rights for that foreign individual will be expanded similar to domestic individuals, as analyzed in Section 5 below.

3.3 Real estate business rights

Under the provisions of the law, real estate property includes land, houses, and buildings attached to land, other assets attached to land, houses, buildings, and other assets as stipulated by law³⁴.

Real estate business is an activity aimed at seeking profits through investing capital to create houses, construction works, land use rights with technical infrastructure in real estate projects for sale, transfer; lease, sublease, lease-purchase of houses, construction works; lease, sublease land use rights with technical infrastructure in real estate projects; transfer of real estate projects; real estate service business³⁵, collectively referred to as "**real estate business**".

³⁴ Article 107.1 of Civil Code 2015

³⁵ Article 3.1 of the LOREB 2023

As explained in Section 3.1, foreign organizations are not considered as "*land users*" and are not eligible to own residential property in Vietnam. Therefore, in principle, foreign organizations do not have the right to conduct real estate business in Vietnam.

For foreign individuals, although they do not have the right to use land under the regulations of land laws, they can own residential houses through forms analyzed in Section 3.2 above. Accordingly, foreign individuals are entitled to own residential houses in Vietnam under certain conditions and limitations, and they also have the rights of homeowners like Vietnamese citizens, including selling, leasing, purchasing, leasing-purchasing, donating, exchanging, inheriting, contributing capital with houses, transferring contracts for the sale and purchase of houses, leasing, lending, allow others for stay, authorizing house management and other rights as prescribed by law³⁶. However, these activities shall not be considered as "real estate business activities" under real estate business laws. The LOREB 2023 specifically stipulates the scope of real estate business rights of subjects that are domestic organizations and individuals, Vietnamese people residing abroad, and FIC, excluding "foreign individuals"³⁷. Besides, the LOREB 2023 specifies that organizations and individuals engaging in real estate business **must establish enterprises** in accordance with the laws on enterprises and must register the business lines of real estate business³⁸. Therefore, it can be concluded that foreign individuals cannot directly engage in real estate business activities in Vietnam. Instead, they may indirectly conduct real estate business activities by becoming owners, members, or shareholders of an economic organization authorized to engage in real estate business in Vietnam.

In addition, concerning the exercise of the right to lease residential houses owned legally, foreign individuals may lease them for purposes not prohibited by law. However, the owner must provide written notification of the lease of the residential house to the housing management authority at the district, urban district, town, city under provincial administration, city under central authority, and must pay taxes payable from this rental activity as stipulated by law³⁹.

3.4 Summary notes

	Foreign individuals	Foreign organizations	Note
Land use rights	Do not have land use right, except for foreign organizations with diplomatic functions as prescribed by the Land Law 2024		
House ownership			

³⁶ Article 20.2 and Article 10.1 of the LOH 2023

³⁷ Article 10 of the LOREB 2023

³⁸ Article 9.1 of the LOREB 2023

³⁹ Article 21.2 of the LOH 2023

	Foreign individuals	Foreign organizations	Note
Owning a house in Vietnam	✓		Foreign individuals have rights similar to domestic organizations and individuals regarding property ownership in Vietnam, but these rights are subject to limitations on quantity and location as analyzed in Section 3.2.b. If these limits are exceeded, they are only entitled to the houses value.
House transfer	✓		
House rental	✓		
Giving/receiving gifts	✓		
Inheriting/receiving inheritance	✓		
Capital contribution	✓		
Mortgaging	✓		
Real estate business rights	No real estate business right		

4. Rights to real estate of FIC

4.1 Land use rights

As mentioned above, FIC are **not subject** to the investment procedures for foreign investors as stipulated in the Law on Investment 2020, when implementing projects using land, will be regarded as domestic organizations. Accordingly, they will have the same rights and obligations concerning land as domestic organizations, as specifically stipulated in Section 2, Chapter III of the Land Law 2024.

The following section will outline the scope of LURs for FIC that must meet the conditions and follow the investment procedures for foreign investors according to the Law on Investment 2020.

Firstly, it must be affirmed that FICs are recognized as "*land users*" under the Land Law 2024⁴⁰. Therefore, in principle, FICs have land use rights in Vietnam within certain scopes and conditions as stipulated by law.

a. Methods of accessing lands for FICs

⁴⁰ Article 4.7 of the Land Law 2024

FICs can acquire LUR in the following cases⁴¹:

(i) Methods of acquiring LURs **from the State**:

- Being **allocated land** by the State for implementing investment projects for housing construction for sale or for sale combined with leasing⁴²;
- Being **compensated with land** when the State recovers land⁴³; and
- **Being leased land** by the State with annual rent payment or one-time rent payment for the entire lease period in cases where land allocation (with or without land use fees) does not apply, as stipulated by the Land Law 2024⁴⁴;

(ii) Methods of acquiring LURs **from the market**:

- FICs acquire land use rights through the transfer of land use rights within industrial zones, industrial clusters, and high-tech zones⁴⁵;
- FICs acquire investment capital in the form of land use rights value⁴⁶; and
- FICs acquire capital contribution in the form of land use rights⁴⁷.

(iii) Acquiring LURs **in other case**⁴⁸:

- According to the successful mediation results of land disputes recognized by competent People's Committees;
- According to agreements in mortgage contracts for debt settlement;
- According to decisions of competent state authorities regarding resolution of land disputes, complaints, accusations concerning land, judgments, court decisions;
- According to decisions of the Vietnam Commercial Arbitration;
- According to documents recognizing the results of auctions of land use rights in accordance with the law; and

⁴¹ Article 28 of the Land Law 2024

⁴² Article 28.1(i)) and Article 119.3 of the Land Law 2024

⁴³ Article 119.4 and Article 98 of the Land Law 2024

⁴⁴ Article 28.1(k) and Article 120 of the Land Law 2024

⁴⁵ Article 28.1(c) of the Land Law 2024

⁴⁶ Article 28.1(d) of the Land Law 2024

⁴⁷ Article 28.1(dd) of the Land Law 2024

⁴⁸ Article 28.1(m) of the Land Law 2024

- According to documents on division, separation of land use rights in accordance with the law for groups of land users who share land use rights.

In addition to the aforementioned forms, for commercial land, service land, and non-agricultural production base land, FICs may also utilize land through methods such as (i) leasing land, re-leasing land from economic organizations, individuals of Vietnamese origin residing abroad; (ii) re-leasing land attached to FIC's infrastructure⁴⁹.

b. Scope of LURs of FIC

As a "*land user*" recognized by the State of Vietnam, FICs will have the common rights of land users, similar to other entities such as⁵⁰: (i) issuance of Certificate when meeting legal conditions regarding land; (ii) enjoyment of labor results, investment results on lawfully used land; (iii) entitlement to benefits when the State invests in protecting, renovating, and developing agricultural land; (iv) State protection against infringement by others on their lawful land rights, interests, and other common rights.

Additionally, corresponding to the forms of receiving LURs, purposes of use, FICs will have rights and obligations in specific cases as follows:

- (i) For group of land leased by the State where **annual rent** is paid, entities including (i) FICs using land for investment projects⁵¹, and (ii) FICs currently using land received through capital contribution by LURs *not* previously used for residential investment projects for sale⁵² will have the following rights:
 - FIC's ownership of property attached to leased land from the State is recognized, thereby having decision-making rights over their property attached to leased land such as (i) **mortgaging** assets at licensed credit institutions in Vietnam; (ii) **contributing capital by assets, selling owed assets** attached to land. In this case, the person receiving the capital contribution by assets or the purchaser of the assets **will continue to be leased the land by the State**. In the case of selling owned assets attached to the land, the assets must be lawfully established, registered in accordance with legal regulations, and constructed in accordance with the approved detailed construction planning and investment project (if any)⁵³.

⁴⁹ Article 206.3 of the Land Law 2024

⁵⁰ Article 26 of the Land Law 2024

⁵¹ Article 41.2 of the Land Law 2024

⁵² Article 42.2.a of the Land Law 2024

⁵³ Article 46 of the Land Law 2024

- Furthermore, in this case, FIC also has the **right to lease** (i) **assets** under their ownership attached to land, and (ii) **land lease rights** under lease contracts with the State.
 - If the land is located in industrial zones, industrial clusters, high-tech zones and has completed infrastructure construction in cases allowed to invest in infrastructure construction, FIC will have the right to **sublease** the land use rights with annually rental fees.
- (ii) For group of land leased by the State where **one-time rent is paid for the entire lease period**, entities including (i) FICs using land for investment projects⁵⁴, (ii) FIC receiving capital contribution by land use rights⁵⁵, (iii) FICs converted from joint ventures where Vietnamese parties contributed land use rights *not* previously used for residential investment projects for sale⁵⁶: the rights of these subjects are *expanded* compared to cases where the State leases land with annual rental payment, including rights over LURs and property attached to land. Accordingly, FICs have the right to:
- **Transfer, lease, sublease** LURs, assets under their ownership attached to land during the land use period;
 - **Mortgage** LURs, assets under their ownership attached to land at credit institutions permitted to operate in Vietnam;
 - **Contribute capital by LURs and assets** under their ownership attached to land.
- (iii) For group of land allocated by the State with **land use fees collected**, entities including (i) FICs using land for investment projects⁵⁷, (ii) FICs receiving capital contribution by LURs⁵⁸, and (iii) FICs converted from joint ventures where Vietnamese parties contributed land use rights *previously used* for residential investment projects for sale⁵⁹, FIC's rights are similar to those for group of land leased by the State with one-time rent is paid for the entire lease period as analyzed above.
- (iv) For **group of land in industrial zones, industrial clusters, high-tech zones** (collectively "**Industrial Zone Land**") leased by FICs with **one-time land use fees for the entire lease period**⁶⁰, FICs will have the following rights:

⁵⁴ Article 41.3 of the Land Law 2024

⁵⁵ Article 42.1 of the Land Law 2024

⁵⁶ Article 42.2.b of the Land Law 2024

⁵⁷ Article 41.3 of the Land Law 2024

⁵⁸ Article 42.1 of the Land Law 2024

⁵⁹ Article 42.2.c of the Land Law 2024

⁶⁰ Article 43.2.a), Article 33.1 and Article 33.3 of the Land Law 2024

- **Transferring** LURs and owned property attached to land;
 - **Re-leasing** LURs and owned property attached to land;
 - **Mortgaging** LURs, owned property attached to land at credit institutions permitted to operate in Vietnam, other economic organizations, or individuals as stipulated by law;
 - **Contributing capital by LURs and assets** under their ownership attached to land with domestic organizations, individuals, Vietnamese nationals residing abroad and FICs as stipulated by the laws; and
 - **Donating** LURs to the State, community for common interests, charitable homes, house of great unity as regulated by the law.
- (v) For **Industrial Zone Land** leased by FIC with **annual rent payment**, FIC primarily has the right to make decisions regarding its owned assets attached to the land, such as **mortgaging assets** at credit institutions permitted to operate in Vietnam, other economic organizations, or individuals as prescribed by law. Compared to *non-industrial zone land* leased by the State with one-time rent payment as analyzed in Section 4.1.b(ii), it can be seen that the entities receiving mortgages of assets attached to FIC's land in Industrial Zone Land are broader, including other economic organizations or individuals as prescribed by law.

Furthermore, in this case, FIC is also entitled to **sell assets, contribute capital by its owned assets, and lease its owned assets** attached to the leasehold rights in the land lease contract during the lease period. The purchaser of assets attached to the land and the leasehold rights in the land lease contract will continue to lease the land for the determined purpose and remaining usage period, while the recipient of capital contribution will also continue to be leased the land by the State for the confirmed purpose within the remaining lease period.

Moreover, the Land Law 2024 stipulates the case where FIC **can receive the transfer** of LURs for Industrial Zone Land⁶¹, but currently lacks specific regulations on the rights of FIC in this case. Meanwhile, the legal framework for individuals of Vietnamese origin residing abroad is clearly stipulated in the Land Law 2024, which is also the subject of receiving the transfer of land use rights for Industrial Zone Land⁶². Therefore, the Government needs to promptly issue clear guiding documents for the implementation of the Land Law 2024 to specifically regulate such cases for practical application.

⁶¹ Article 28.1.c) of the Land Law 2024

⁶² Article 43.1 of the Land Law 2024

4.2 Ownership of houses

FIC is one of the entities eligible to own residential property in Vietnam under the forms and conditions stipulated by housing laws.

As stated in Section 2.3, under the LOH 2023, FIC can be understood similarly to the definition provided in the Law on Investment 2020, including economic organizations with foreign investors as members or shareholders, regardless of whether it is required to undergo investment procedures for foreign investors under the Law on Investment 2020. Additionally, branches or representative offices of foreign enterprises, foreign investment funds, and branches of foreign banks operating in Vietnam will also have housing rights similar to FICs⁶³ as outlined below.

a. Forms of house ownership

According to the LOH 2023, FICs are permitted to own residential property in Vietnam, including both apartments and private houses, in the following forms⁶⁴:

- (i) **Form 1:** FICs invest in residential construction projects in Vietnam and owns residential property through the implementation of such investment projects;

Regarding the subject condition, to execute a residential construction investment project, the LOH 2023 requires FICs to be the project developer of the residential construction investment project according to the provisions of this Law and law on real estate business.

- (ii) **Form 2:** FICs can (i) **purchase**, (ii) **lease-purchase commercial houses** from the project developer of residential construction investment projects, (iii) **receive donations**, and (iv) **inherit commercial houses within residential construction investment projects not located** in areas requiring national defense and security assurance; and

- (iii) **Form 3:** FICs can (i) purchase, and (ii) lease-purchase commercial houses from foreign individuals and FIC owns residential property under Form 2.

Regarding the subject conditions, the LOH 2023 stipulates that for FIC to own residential property in Vietnam under Form 2 and Form 3, it must have an *"Investment Certificate, Investment Registration Certificate, or other relevant documents permitting the operation or establishment in Vietnam that are valid at the time of signing the housing transaction, issued by the competent state authorities of Vietnam according to legal regulations"*⁶⁵. The *"Investment Registration Certificate"* or *"Investment Certificate"* (collectively referred to as **"IRC"**) is a certificate clearly defined in the Law

⁶³ Article 17.1.b) of the LOH 2023

⁶⁴ Article 17.2 of the LOH 2023

⁶⁵ Article 18.2 of the LOH 2023

on Investment 2020⁶⁶, and is typically issued to FICs in the form of investment for establishing economic organizations under the Law on Investment. Thus, FICs with IRC will meet the entity conditions for owning residential properties in Vietnam.

However, the regulation "*other relevant documents permitting the operation or establishment in Vietnam*" remains ambiguous and unclear. Specifically, for domestic economic organizations established under the Law on Enterprise (without foreign capital at the time of establishment), where foreign investors subsequently invest in the form of capital contribution/share purchase/equity purchase, an IRC is not mandatory. The LOH 2023 lacks specific guidance on whether the "*Enterprise Registration Certificate*" ("**ERC**") recording the information of the foreign investor after foreign investor becomes a member is considered as *a document permitting the operation or establishment in Vietnam*. Furthermore, unlike the ERC for limited liability companies, the ERC for joint-stock companies currently does not explicitly record shareholder information (*including domestic or foreign investors*) on the certificate. Instead, when there is a new shareholder being foreign investor, the economic organization without IRC must notify the foreign shareholder under the Law on Enterprise⁶⁷. Thus, *the relevant documents permitting the operation or establishment in Vietnam* in this case are not clearly defined by the LOH 2023, and whether the ERC along with the "*Confirmation of Change in Enterprise Registration Information – Confirmation of Notification of Shareholder Information as Foreign Investor*" is considered appropriate is yet to be determined. Therefore, we need to wait for the Government to issue guiding documents for the LOH 2023 to have a precise and consistent understanding of this matter.

b. Limits on residential property ownership in Vietnam by FIC

Similar to the case of foreign individuals owning residential property in Vietnam as discussed in Section 3.2.b, due to national defense and security issues related to land sovereignty and residence, FICs that meet the conditions for owning residential property in Vietnam are also subject to certain restrictions regarding the areas, quantity, and duration of ownership as follows:

- (i) **Regarding the area:** FICs are only permitted to own residential property within residential construction investment projects, and such projects must not be located in areas designated for national defense and security protection according to Vietnamese law⁶⁸.
- (ii) **Regarding the quantity of houses ownership:** For FICs owning residential property under Forms 2 and 3 as mentioned in Section 4.2.a.(ii) and (iii),

⁶⁶ Article 3.11 and Article 77 of the Law on Investment 2020

⁶⁷ Article 58 of Decree 01/2021/ND-CP

⁶⁸ Article 16.1 of the LOH 2023

FICs is restricted to purchasing, lease-purchasing, receiving as donations, inheriting, and owning no more than **30%** of the total number of apartments in a single apartment building. For separate houses, including villas and terraced houses, FICs are limited to purchasing, lease-purchasing, receiving as donations, inheriting, and owning no more than **250 houses**⁶⁹. This limit also applies to areas with a population equivalent to that of a ward that have multiple apartment buildings, or for separate houses on the same street.

The LOH 2023 does not specify a limit on the ownership of residential property by FICs that are project developers of residential construction investment projects under Form 1 as outlined in Section 4.2.a.(i). Thus, it can be understood that FICs are allowed to build and own houses without limit, aiming to attract foreign investment in the housing sector in Vietnam.

- (iii) **Regarding the duration of residential property ownership:** Unlike foreign individuals who have the right to own a house for no more than 50 years, with a one-time extension not exceeding 50 years, FICs may own residential property according to the terms agreed upon in transactions for purchase, lease-purchase, donation or inheritance, but not exceeding the duration stated in their Investment Certificate, including any extensions⁷⁰. According to the Law on Investment 2020, typically, an investment project outside economic zone will have a term not exceeding 50 years. Investment projects within an economic zone, or outside an economic zone but in areas with difficult or especially difficult socio-economic conditions, or large investment projects with slow capital recovery, may have a term longer but not exceeding 70 years⁷¹. The IRC is generally issued for the duration of the project's operation; therefore, the duration of residential property ownership by FICs will also not exceed this period.

Moreover, as analyzed in Section 4.2.a above, many FICs may not have an IRC. Documents like the Enterprise Registration Certificate (ERC) usually do not specify the operational term of the certified economic entities. Consequently, the LOH 2023 currently lacks specific guidance on the duration of residential property ownership for FICs in such cases. Whether these organizations will be permitted to own property for a term similar to that of foreign individuals or for a long-term and stable period like Vietnamese citizens? It is hoped that the Government's implementing regulations for the LOH 2023 will provide specific guidance for these scenarios.

- (iv) **Regarding the obligations of FIC as residential property owner:** FICs have the obligations of residential property owners similar to Vietnamese

⁶⁹ Article 19 of the LOH 2023

⁷⁰ Article 20.2.(d) of the LOH 2023

⁷¹ Article 44.2 of the Law on Investment 2020

citizens; however, they may only use the residential property to accommodate individuals working for those FICs⁷².

4.3 Real estate business rights

As analyzed in Section 2, the LOREB 2023 has specifically classified two types of FICs corresponding to different conditions, scopes, and forms of real estate business.

- a. **For FIC falling under the conditions and investment procedures required for foreign investors** under the Law on Investment 2020, they are entitled to engage in real estate business activities similar to individuals of Vietnamese origin residing abroad⁷³, including the following forms:
- (i) Investing in the construction of residential houses, construction works attached to LURs for sale, lease, lease-purchase through real estate projects implemented in accordance with the forms, purposes, and land use duration as stipulated by land laws as presented in Section 4.1.b;
 - (ii) Investing in the construction of technical infrastructure within real estate projects to transfer, lease, sublease LURs with completed technical infrastructure in accordance with the forms, purposes, and land use duration as stipulated by land laws as presented in Section 4.1.b;
 - (iii) Leasing residential houses, construction works or portions of construction floor area within the construction works for subleasing; and
 - (iv) Acquiring the transfer of the entire or a part of a real estate project to continue construction and business activities.

Additionally, the LOREB 2023 specifies clearly the entities eligible to purchase, lease, lease-purchase residential houses and existing construction works from real estate business entities. Specifically, these entities are allowed to **purchase or lease residential houses for personal use; lease residential houses for business purposes** as regulated by this Law; **purchase or lease construction works, or portions of construction floor area** within construction works of real estate project investors, real estate business entities for use according to the intended function of the construction works serving their activities; **lease construction works or portions of construction floor area** within construction works for subleasing to use according to the intended function of the construction works⁷⁴.

⁷² Article 21.2(b) of the LOH 2023

⁷³ Article 10.3 of the LOREB 2023

⁷⁴ Article 15.3 of the LOREB 2023

Furthermore, when conducting real estate business activities, these entities must adhere to certain restrictions, including:

- When engaging in the sale and purchase of future houses, payments must not exceed 50% of the contract value before handover⁷⁵; and
- When acquiring the transfer of all or part of a project, after obtaining approval from the investment authority and signing the project transfer contract, all parties must proceed with land procedures in accordance with land laws⁷⁶.

b. **For FICs not falling under the above cases**, they are entitled to engage in real estate business activities similar to domestic organizations and individuals, including⁷⁷:

- (i) Investing in residential houses, construction works for sale, lease, lease-purchase;
- (ii) Investing in technical infrastructure within real estate projects for transfer, lease, sublease of land use rights with existing technical infrastructure;
- (iii) Purchasing, lease-purchasing residential houses, construction works, or portions of construction floor area within construction works for sale, lease, lease-purchase;
- (iv) Acquiring the transfer of land use rights with existing technical infrastructure within real estate projects for transfer, lease;
- (v) Leasing residential houses, construction works, or portions of constructed floor area within construction works for subleasing;
- (vi) Leasing land use rights with existing technical infrastructure within real estate projects for subleasing; and
- (vii) Acquiring the transfer of the entire or a part of a real estate project to continue construction and business activities.

Furthermore, this group of entities also has the right to purchase, lease, or lease-purchase existing residential houses and construction works from real estate business entities. Therefore, these entities have full authority to purchase, lease, or

⁷⁵ Article 25.1 of the LOREB 2023

⁷⁶ Article 42.1 of the LOREB 2023

⁷⁷ Article 10.5 of the LOREB 2023

lease-purchase residential houses, construction works, or portions of construction floor area within construction works for use and business purposes similar to domestic individuals and organizations⁷⁸.

4.4 Summary notes

	FICs		Notes
	Subject to the conditions and investment procedures applicable to foreign investors	Not subject to the conditions and investment procedures applicable to foreign investors	
Land Use Rights			
Being entitled to LUR in Vietnam	✓	✓	
Method of Acquiring LUR			
Being granted land by the State	✓ ⁷⁹	✓	
Being leased land by the State with a one-time or annual rental payment	✓	✓	
Receiving the transfer of LUR outside Industrial Zone Land		✓	
Receiving the transfer of LUR within Industrial Zone Land	✓	✓	
Receiving the transfer of investment capital as value of LUR		✓	
Receiving capital contributions by LUR	✓	✓	
Receiving gifts of LUR		✓	
Receiving inheritance of LUR		✓	
Receiving LUR according to State authority decisions ⁸⁰	✓	✓	
Rights to Land			

⁷⁸ Article 15.1 of the LOREB 2023

⁷⁹ For the purpose of implementing residential construction investment projects for sale or for sale combined with leasing

⁸⁰ According to the results of successful mediation regarding land disputes recognized by the competent People's Committee; agreements in mortgage contracts for debt settlement; decisions of competent state authorities on resolving land disputes, complaints, and denunciations related to land; judgments and decisions of the Court, and enforcement decisions by the enforcement agency that have been executed; decisions or awards of the Vietnam International Arbitration Center; documents recognizing the results of land use rights auctions in accordance with the law; documents on the division or separation of land use rights in accordance with the law for groups of land users who share land use rights.

	FICs		Notes
	Subject to the conditions and investment procedures applicable to foreign investors	Not subject to the conditions and investment procedures applicable to foreign investors	
Transferring LUR	✓ (land (i) leased by the State with a one-time rental payment and (ii) granted by the State with payment of land use fees for investment projects)	✓ (land (i) leased by the State with a one-time rental payment and (ii) granted by the State with payment of land use fees)	
Transferring/Selling owned property attached to land	✓	✓	
Mortgaging LUR at licensed credit institutions	✓ (land (i) leased by the State with a one-time rental payment and (ii) granted by the State with payment of land use fees for investment projects)	✓ (land (i) leased by the State with a one-time rental payment and (ii) granted by the State with payment of land use fees)	
Mortgaging owned assets attached to land at licensed credit institutions	✓	✓	

	FICs		Notes
	Subject to the conditions and investment procedures applicable to foreign investors	Not subject to the conditions and investment procedures applicable to foreign investors	
Mortgaging LUR at economic organizations or other individuals		✓ (Land (i) leased by the State with a one-time rental payment and (ii) granted by the State with payment of land use fees)	
Mortgaging owned assets attached to land at other economic organizations or individuals		✓	
Contributing capital by LUR	✓ (land (i) leased by the State with a one-time rental payment and (ii) granted by the State with payment of land use fees for investment projects)	✓ (Land (i) leased by the State with a one-time rental payment and (ii) granted by the State with payment of land use fees)	
Contributing capital by owned assets attached to land	✓	✓	

	FICs		Notes
	Subject to the conditions and investment procedures applicable to foreign investors	Not subject to the conditions and investment procedures applicable to foreign investors	
Leasing LUR	✓ (land (i) leased by the State with a one-time rental payment and (ii) granted by the State with payment of land use fees for investment projects)	✓ (land granted by State with payment of land use fees)	
Subleasing LUR	✓ (land (i) leased by the State with a one-time rental payment, (ii) granted by the State with payment of land use fees for investment projects, and (iii) leased by the State with annual rental payments for	✓ (land (i) leased by the State with a one-time rental payment for the entire lease period and (ii) leased by the State with annual rental payment for completed infrastructure for Industrial Zone Land)	

	FICs		Notes
	Subject to the conditions and investment procedures applicable to foreign investors	Not subject to the conditions and investment procedures applicable to foreign investors	
	completed infrastructure for Industrial Zone Land)		
Leasing leasehold rights in land lease contracts	✓	✓	
Selling owned assets attached to land and leasehold rights in land lease contracts	✓	✓	
Leasing owned assets attached to land	✓	✓	
Donating LUR to the State; donating LUR to the community for construction of public utility projects or road expansion according to the planning; donating LUR for construction of charity houses, compassion houses, solidarity houses attached to land as per law		✓ (Land (i) leased by the State with a one-time rental payment and (ii) granted by the State with payment of land use fees)	
Inheriting			
Home ownership			
Owing house in Vietnam	✓	✓	
Transferring houses	✓	✓	

	FICs		Notes
	Subject to the conditions and investment procedures applicable to foreign investors	Not subject to the conditions and investment procedures applicable to foreign investors	
Leasing houses	✓	✓	<p>For FICs being as the investor of a housing construction project that builds housing on leased land: they only have the right to lease houses.</p> <p>For other FICs: they have similar rights as domestic organizations and individuals but must not exceed the limitations on quantity and areas as analyzed in Section 3.2.b.</p>
Donating/Receiving gifts	✓	✓	
Inheriting/receiving inheritance	✓	✓	
Contributing capital	✓	✓	
Morgaging	✓	✓	

	FICs		Notes
	Subject to the conditions and investment procedures applicable to foreign investors	Not subject to the conditions and investment procedures applicable to foreign investors	
			If the limits are exceeded, they are only entitled to the value of the property.
Real estate business rights			
Investing in the construction of residential houses, construction works for sale, lease, lease-purchase;	✓ (Through real estate projects, according to the form, purpose, and land use duration as per the Land Law)	✓	
Investing in the construction of infrastructure construction in real estate projects for transfer, lease, or sublease of LUR with infrastructure	✓ (according to the form, purpose, and land use duration as per the Land Law)	✓	
Purchasing, lease-purchasing of residential houses, construction works, portion of construction floor area in construction works for sale, lease, or lease-purchase		✓	

	FICs		Notes
	Subject to the conditions and investment procedures applicable to foreign investors	Not subject to the conditions and investment procedures applicable to foreign investors	
Receiving the transfer of LUR with infrastructure in real estate projects for transferring, leasing		✓	
Leasing residential houses, construction works, portion of construction floor area in the construction works for sublease	✓	✓	
Leasing LUR with infrastructure in real estate projects for Sublease;		✓	
Receiving the transfer of entire or part of real estate projects for continued investment, construction, and business;	✓	✓	

5. Rights to real estate of Vietnamese residing abroad and Individuals of Vietnamese origin residing abroad

5.1 Land use rights

Vietnamese residing abroad are Vietnamese citizens: This group is classified as "*domestic individuals*," being a "*land user*,"⁸¹ and thus they have rights related to land similar to Vietnamese citizens. Therefore, with valid legal documentation confirming Vietnamese citizenship, this group can fully exercise their rights without encountering any limitations due to residing abroad.

Individuals of Vietnamese origin residing abroad: In comparison to Vietnamese residing abroad, this group no longer holds Vietnamese citizenship and therefore enjoys a narrower scope of LURs, specifically as follows:

a. Methods of accessing land of Individuals of Vietnamese origin residing abroad

⁸¹ Article 4.3 of the Land Law 2024

Individuals of Vietnamese origin residing abroad are eligible to receive LURs in the following cases⁸²:

(i) **Methods of obtaining LUR from the State:**

- Being **allocated land** by the State⁸³;
- **Being compensated** with land when the State recovers land⁸⁴; and
- **Being leased** of land by the State⁸⁵.

(ii) **Methods of obtaining LUR from the market:**

- **Receiving the transfer** of LURs in Industrial Zone Land⁸⁶;
- **Purchasing or leasing-purchasing** of residential houses attached to residential land use rights, **receive residential land use rights** in housing development projects;
- **Inheriting residential land use rights** and other types of land on the same land plot with residential houses according to civil law regulations;
- **Receiving donation of residential houses attached to residential land use rights** from inheritors according to civil law regulations⁸⁷.

Considering the above methods of receiving LURs from the market, as a way to attract people of Vietnamese origin residing abroad to return to their homeland Vietnam to live, residential land is the type of land that individuals of Vietnamese origin residing abroad have many ways to receive LURs such as buying, renting and purchasing houses attached to the land, receiving inheritance, receiving gifts.

(iii) **Other methods** of receiving LUR⁸⁸: According to the conciliation results concerning land disputes recognized by the competent People's Committee; agreements in the mortgage contract for debt resolution; decisions of the competent state authority regarding the resolution of land disputes, complaints, accusations concerning land, judgments, court decisions, enforcement decisions of the executing agency that have been enforced; decisions or rulings of the Vietnam International Commercial Arbitration Center; documents acknowledging the auction results of land use rights in

⁸² Article 28 of the Land Law 2024

⁸³ Article 28.1.(i) of the Land Law 2024

⁸⁴ Article 119.4 and Article 98 of the Land Law 2024

⁸⁵ Article 28.1(k) of the Land Law 2024

⁸⁶ Article 28.1(c) of the Land Law 2024

⁸⁷ Article 28.1(h) of the Land Law 2024

⁸⁸ Article 28.1(m) of the Land Law 2024

accordance with the law; documents concerning the division, separation of land use rights in accordance with the law for a group of land users with common land use rights.

b. **Scope of rights of Individuals of Vietnamese origin residing abroad**

The rights related to land for this group are primarily regulated under Article 41 – using land for investment projects, Article 43 - using land in Industrial Zone Land, and Article 44 - using residential land. Therefore, in general, this group is only permitted to use land for two purposes: implementing investment projects inside and outside Industrial Zone Land, and for residential purposes. Compared to Vietnamese residing abroad, this group enjoys a narrower scope of LUR, specifically as follows:

- (i) In cases where land is **allocated by the State with a land use fee** for the implementation of an investment project using land and acquires Industrial Zone Land, individuals of Vietnamese origin residing abroad have most of the rights of land users, including⁸⁹:
 - **Transferring, leasing** LURs and their assets attached to the land;
 - **Mortgaging** LURs and their assets attached to the land at licensed credit institutions, other economic organizations (*excluding FICs that must meet the conditions and carry out investment procedures in accordance with the Law on Investment*), or domestic individuals (*including Vietnamese residing abroad*);
 - **Contributing capital** by LURs and owned assets attached to the land to domestic organizations and individuals (*including Vietnamese residing abroad*), individuals of Vietnamese origin residing abroad, and FICs; and
 - **Donating LURs** to the State and for other community purposes such as expanding transportation roads, building gratitude houses, charity houses, and other cases as prescribed by law.
- (ii) For land **leased by the State with annual land rental payments** to implement an investment project, individuals of Vietnamese origin residing overseas have similar rights as FIC as presented in Section 4.1.b(i).
- (iii) For land **leased by the State with a one-time land rental payment** to implement an investment project, individuals of Vietnamese origin residing overseas have similar rights as FIC as presented in Section 4.1.b(ii).

⁸⁹ Article 41.1, Article 43 and Article 33.1 of the Land Law 2024

- (iv) For cases of **leasing Industrial Zone Land with a one-time land rental payment**, to facilitate these entities to operate in Vietnam when there is a demand for investment and business in industrial parks, industrial clusters, and high-tech zones, individuals of Vietnamese origin residing overseas have similar rights as FIC as presented in Section 4.1.b(iv)⁹⁰.
- (v) For cases of leasing **Industrial Park Land with annual land rental payments**, individuals of Vietnamese origin residing abroad have similar rights as FIC as presented in Section 4.1.b(v)⁹¹.
- (vi) Regarding **residential land**, in principle, individuals of Vietnamese origin residing abroad being permitted to enter Vietnam are allowed to own houses attached to residential land use rights and have residential land use rights obtained through the transfer of residential land use rights in housing development projects⁹². This regulation is also consistent with the current provisions of the LOH 2023.

Accordingly, in this case, individuals of Vietnamese origin residing abroad have the following rights⁹³:

- Transferring residential land use rights when selling, donating, inheriting, or exchanging houses with entities eligible to own houses in Vietnam;
- Donating houses attached to residential land use rights to the State, community, or for purposes such as building gratitude houses, charity houses, or solidarity houses;
- Transferring, leasing, donating, inheriting, or contributing capital with residential land use rights;
- Mortgaging houses attached to residential land use rights at credit institutions licensed to operate in Vietnam.

Additionally, it should be noted that if this group donates or inherits to subjects not eligible to own houses in Vietnam, the recipients of the donation or inheritance are **only entitled to the value of the house** attached to the residential land use rights and will **not be granted a Certificate**.

5.2 Right to own houses

⁹⁰ Article 43.2.a of the Land Law 2024

⁹¹ Article 43.2.b of the Land Law 2024

⁹² Article 44.1 of the Land Law 2024

⁹³ Article 44.2 of the Land Law 2024

Vietnamese residing abroad and individuals of Vietnamese origin residing overseas are entitled to own houses in Vietnam⁹⁴ and own houses attached to residential land use rights in accordance with the provisions of land laws⁹⁵.



It is evident that the LOH 2023 does not differentiate between individuals of Vietnamese origin and Vietnamese residing abroad; thus, it can be concluded that both groups are eligible to own houses in Vietnam with similar rights and obligations. However, to be consistent with the Land Law 2024, as presented in Section 5.1.b.(vi), Vietnamese residing abroad have full rights to use land in addition to the right to own houses, with a broader scope than individuals of Vietnamese origin residing abroad (who are only entitled to land use rights obtained through the transfer of residential land use rights in housing development projects).

5.3 Real estate business rights

a. For Vietnamese residing abroad

In principle, this group has Vietnamese nationality, so they are allowed to conduct real estate business in all forms permitted by law, similar to domestic organizations and individuals, as presented in Section 4.3.b⁹⁶.

It should be noted that, according to regulations, individuals conducting real estate business must establish enterprises under the law on enterprises, or establish cooperatives, unions of cooperatives under the law on cooperatives, and must have real estate business as their business line⁹⁷. However, the requirement to establish enterprises, cooperatives, or unions of cooperatives is not mandatory for individuals conducting real estate business on a **small-scale**⁹⁸, selling houses, construction works, or parts of construction floor area in construction works not for **business purposes** or selling, leasing, leasing-purchasing houses, construction works, or parts of construction floor area in construction works **below the small-scale**, but they must declare and pay taxes according to regulations.⁹⁹. According to Decree 96/2024/ND-CP guiding the LOREB 2023, individuals engaging in real

⁹⁴ Article 8.1.(b) of the LOH 2023

⁹⁵ Article 8.2(b) of the LOH 2023

⁹⁶ Article 10.2 of the LOREB 2023

⁹⁷ Article 9.1 of the LOREB 2023

⁹⁸ Article 9.3 of the LOREB 2023

⁹⁹ Article 9.4 of the LOREB 2023

estate business (i) who are not subject to establishment of investment project according to regulations of construction and housing law, and (ii) whose transactions do not exceed VND 300 billion per contract or more than 10 transactions in a year, will be considered “small-scale”, not for business purposes, and will not be required to establish a company, cooperative, or union of cooperatives to conduct real estate business activities¹⁰⁰.

b. For individuals of Vietnamese origin residing abroad

If this group meets the conditions for being **allowed to enter Vietnam**, they can conduct real estate business in forms similar to FIC that are required to meet conditions and carry out investment procedures applicable to foreign investors under the Law on Investment 2020, as presented in Section 4.3.a¹⁰¹:

In general, the scope of real estate business for individuals of Vietnamese origin residing abroad is significantly narrower compared to Vietnamese residing abroad (who retain Vietnamese nationality). Similar to Vietnamese residing abroad, as this group consists of individuals, they must meet the requirements for establishing enterprises, cooperatives, or unions of cooperatives with real estate business as their business line, as analyzed in Section 5.3.a above.

5.4 Summary notes

	Vietnamese residing abroad	Individuals of Vietnamese origin residing abroad	Notes
Land Use Rights			
Being entitled to land use rights in Vietnam	✓	✓ (in housing development projects)	
Method of acquiring LUR			
Being granted land by the State	✓	✓	
Being leased land by the State with a one-time or annual rental payment	✓	✓	
Receiving the transfer of LUR outside Industrial Zone Land	✓		

¹⁰⁰ Article 7 of Decree 96/2024 guiding the LOREB 2023

¹⁰¹ Article 10.3 of the LOREB 2023

	Vietnamese residing abroad	Individuals of Vietnamese origin residing abroad	Notes
Receiving the transfer of LUR within Industrial Zone Land	✓	✓	
Receiving the gift of LUR	✓		
Receiving inheritance of LUR	✓	✓ ¹⁰²	
Receiving LUR according to State authority decisions ¹⁰³	✓	✓	
Rights to Land			
Transferring LUR	✓ (excluding land leased by the State with annual rental payments)	✓ (Land (i) leased by the State with a one-time rental payment and (ii) granted by the State with payment of land use fees)	
Transferring/Selling owned assets attached to land	✓	✓	
Mortgaging LUR at licensed credit institutions	✓ (excluding land leased by the State with annual rental payments)	✓ (land (i) leased by the State with a one-time rental payment and (ii) granted by the State with payment of land use fees)	

¹⁰² only receive inheritance of residential land use right and other types of land in the same plot of land with houses

¹⁰³ according to the result of successful mediation of land disputes recognized by the competent People's Committee; in mortgage contracts for debt settlement; decisions of competent state authorities on the resolution of land disputes, complaints, and denunciations regarding land; judgments and decisions of the Court; enforcement decisions of the enforcement agency that have been executed; decisions or awards of the Vietnam Commercial Arbitration; documents recognizing the result of land use rights auctions in accordance with the law; documents on the division or separation of land use rights in accordance with the law for groups of land users with shared land use rights.

	Vietnamese residing abroad	Individuals of Vietnamese origin residing abroad	Notes
Mortgaging owned assets attached to land at licensed credit institutions	✓	✓	
Mortgaging LUR at other economic organizations or individuals	✓ (excluding land leased by the State with annual rental payments)	✓ (land (i) granted by the State with payment of land use fees and (ii) leased with a one time rental payment)	
Mortgaging owned assets attached to land at other economic organizations or individuals	✓	✓ (land granted by the State with payment of land use fees)	
Contributing capital by LUR	✓ (excluding land leased by the State with annual rental payments)	✓ (excluding land leased by the State with annual rental payments)	
Contributing capital by owned assets attached to land	✓	✓	
Leasing LUR	✓ (excluding land leased by the State with annual rental payments)	✓ (land (i) granted by the State with payment of land use fees and (ii) leased by the State with one-time rental payment)	
Subleasing LUR		✓	

	Vietnamese residing abroad	Individuals of Vietnamese origin residing abroad	Notes
		(land (i) leased by the State with one-time rental payment and (ii) leased by the State with annual payment for completed infrastructure construction for Industrial Zone Land)	
Leasing leasehold rights in land lease contracts		✓	
Subleasing leasehold rights in land lease contracts	✓		
Leasing owned assets attached to land	✓	✓	
Donating LUR to the State; donation of LUR to the community for construction of public utility projects or road expansion according to the planning; donating LUR for construction of charity houses, compassion houses, solidarity houses attached to land as per law	✓		
Inheriting	✓		
Home ownership			
Ownership of houses in Vietnam	✓	✓	

	Vietnamese residing abroad	Individuals of Vietnamese origin residing abroad	Notes
Transferring houses	✓	✓	
Leasing houses	✓	✓	
Donating/Receiving	✓	✓	
Inheriting/receiving inheritance	✓	✓	
Contributing capital	✓	✓	
Mortgaging	✓	✓	
Real Estate Business Rights			
Investing in the construction of residential houses, construction works for sale, lease, lease-purchase;	✓	✓ (Through real estate projects, according to the form, purpose, and land use duration as per the Land Law)	
Investing in the construction of infrastructure construction in real estate projects for transfer, lease, or sublease of LUR with infrastructure	✓	✓ (according to the form, purpose, and land use duration as per the Land Law)	
Purchasing, lease-purchasing of residential houses, construction works, portion of construction floor area in	✓		

	Vietnamese residing abroad	Individuals of Vietnamese origin residing abroad	Notes
construction works for sale, lease, or lease-purchase			
Receiving the transfer of LUR with infrastructure in real estate projects for transferring, leasing	✓		
Leasing residential houses, construction works, portion of construction floor area in the construction works for sublease;	✓	✓	
Leasing LUR with infrastructure in real estate projects for sublease;	✓		
Receiving the transfer of entire or part of real estate projects for continued investment, construction, and business;	✓	✓	

6. **Conclusion**

Foreign individuals who do not have LURs in Vietnam but have the right to own housing in Vietnam are subject to certain restrictions regarding the number and areas of ownership. The right to own property can be expanded if they marry a Vietnamese citizen or a Vietnamese expatriate who still holds Vietnamese nationality. These individuals are not allowed to engage in real estate business in Vietnam but are permitted to purchase, lease-purchase houses, and existing constructions from real estate business enterprises.

Foreign organizations do not have LURs and are not allowed to own housing or engage in real estate business in Vietnam.

For FICs, the rights and obligations regarding land use, housing ownership, and real estate business in Vietnam vary depending on whether the organization is subject to the conditions and procedures for investment stipulated for foreign investors under the Law on Investment 2020. The changes in regulations on real estate that took effect in early August 2024 have partially resolved the legal issues faced by FIC when conducting transactions in Vietnam. These changes have created a clearer legal framework, making it easier for specialized agencies to apply the regulations.

Vietnamese residing abroad who still hold Vietnamese nationality are considered domestic individuals when it comes to land use, housing ownership, and real estate business. If they no longer hold Vietnamese nationality, stricter regulations will apply; however, their rights remain broader compared to foreign organizations and individuals. This regulation encourages and attracts Vietnamese residing abroad and individuals of Vietnamese origin residing abroad to return to their homeland and settle down as other Vietnamese citizens.

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ABOUT DIMAC

DIMAC is a leading corporate law firm in Vietnam, with a team of experienced experts and lawyers practicing in main areas including (i) Foreign Investment; (ii) Real Estate; (iii) Corporate and M&A; (iii) Labor and Employment; and (iv) Commercial Dispute Resolution.

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We always remind ourselves of reserving great gratitude for the Clients who have chosen and collaborated with DIMAC. Therefore, it is always our joy and mission when DIMAC has a chance to work, support Clients to solve their legal matters and bring them the most satisfaction.

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