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Market Access Schedule for Foreign Investors in Vietnam under the Applicable Laws and Regulations

Under the new regulations, who will be the targeted entities?

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Under Decree No. 96/2026/ND-CP, the scope of investment regulation has been redefined to cover the following categories of investors:

- Foreign individuals
- Foreign-invested economic organizations (FDI enterprises with more than 50% foreign ownership)
- Organizations established under foreign laws.

Note: Vietnamese citizens holding dual nationality may elect to be treated either as domestic investors or as foreign investors for investment purposes, in accordance with applicable laws.

Regulations on the Market Access Regime for FDI

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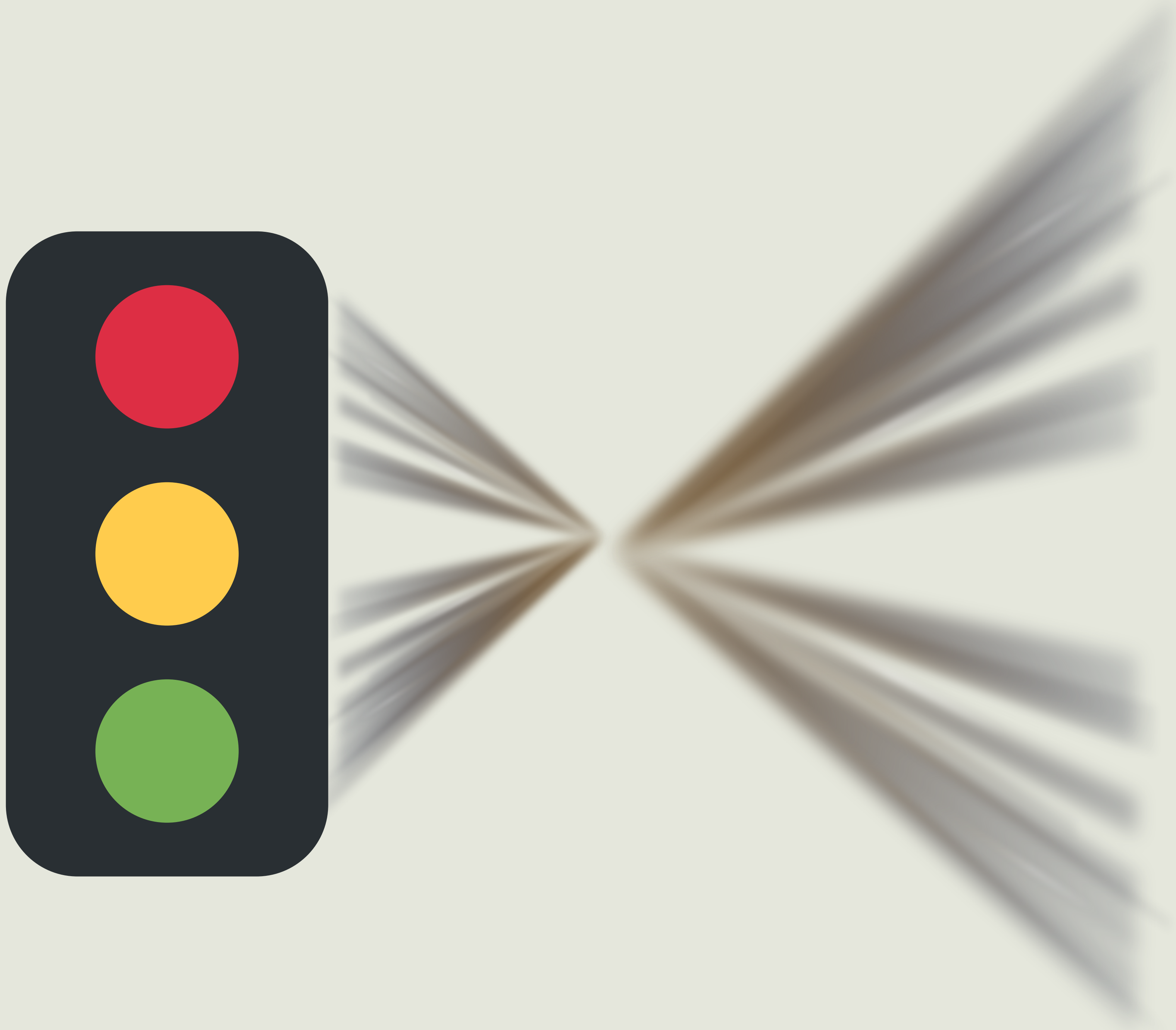

"Closed" Sector: Prohibited Market Access

Comprises 23 business lines in which foreign investors are prohibited from investing under any circumstances or in any form.

"Restricted" Sector: Conditional Market Access

Comprises 62 business lines in which foreign investment is permitted subject to strict market access conditions, including requirements such as obtaining specialized licenses (sub-licenses), establishing joint ventures, or satisfying other statutory conditions.

"Open" Sector: Full Market Access

Foreign investors are granted the same market access as domestic investors, including the ability to establish enterprises with up to 100% foreign ownership, unless otherwise provided by law.

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"Prohibited" Sector: 23 Business Lines Closed to Foreign Investment

STATE MONOPOLY AND NATIONAL SECURITY

- State-monopolized goods and commercial services.
- Press and news gathering activities.
- Investigation, security, and blasting services.

NATURAL RESOURCES AND ENVIRONMENT

- Fishing and exploitation of aquatic resources.
- Exploitation of natural forests.
- Household waste collection services.
- Ship dismantling and recycling services.

MARITIME AND TRADE

- Maritime safety assurance services and vessel inspection/registration.
- Merchanting trade and temporary import for re-export.
- Distribution and import/export of goods on the list of products prohibited for foreign investment.

ADMINISTRATIVE AND LEGAL SERVICES

- Judicial expertise, bailiff, and notarization services.
- Asset auction and bankruptcy administration services.
- Public opinion polling services.

“Restricted” Sector: The Focus of M&A Transactions

A total of 62 business lines are open to foreign investment, subject to compliance with statutory market access conditions before an investment approval may be granted.

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Forms of Market Access Restrictions :

1

Foreign Ownership Cap

The maximum foreign ownership ratio is capped (e.g., 49% or 51%), with the remaining equity required to be held by domestic investors.
→ This directly affects corporate control and decision-making authority.

2

Business Establishment Structure

Wholly foreign-owned enterprises are not permitted. Foreign investors are required to establish a joint venture with a Vietnamese partner.
→ This necessitates extensive partner due diligence and contractual negotiations.

3

Sector-Specific Licensing Requirements

Additional sector-specific licenses or qualification requirements may apply.
→ An IRC alone does not guarantee operational approval.

Industry Name ≠ Market Access Conditions

Not all industries with similar names are subject to the same licensing requirements. Assessing an investment based solely on the industry name is one of the leading causes of application rejection.

Design (VSIC 7410)

- **Status:** 100% foreign ownership permitted.
- **In practice:** A fully open service sector under international commitments (when correctly classified under the CPC).

LOGISTICS

- **Status:** Joint venture and/or foreign ownership restrictions may apply.
- **In practice:** Logistics không phải là một ngành đơn lẻ. Nó chia thành nhiều phân ngành (vận tải, kho bãi, đại lý) với các giới hạn cực kỳ khắc khe.

→ The same industry name may involve entirely different ownership structures and investment requirements.

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Investment Application Process

01 BUSINESS CONCEPT

02 VSIC

Identify the relevant VSIC (Vietnam Standard Industrial Classification) code.

03 CPC

Convert it to the corresponding WTO CPC service classification.

04 WTO/FTA

Review the WTO Schedule of Commitments and applicable FTAs (e.g., CPTPP, EVFTA).

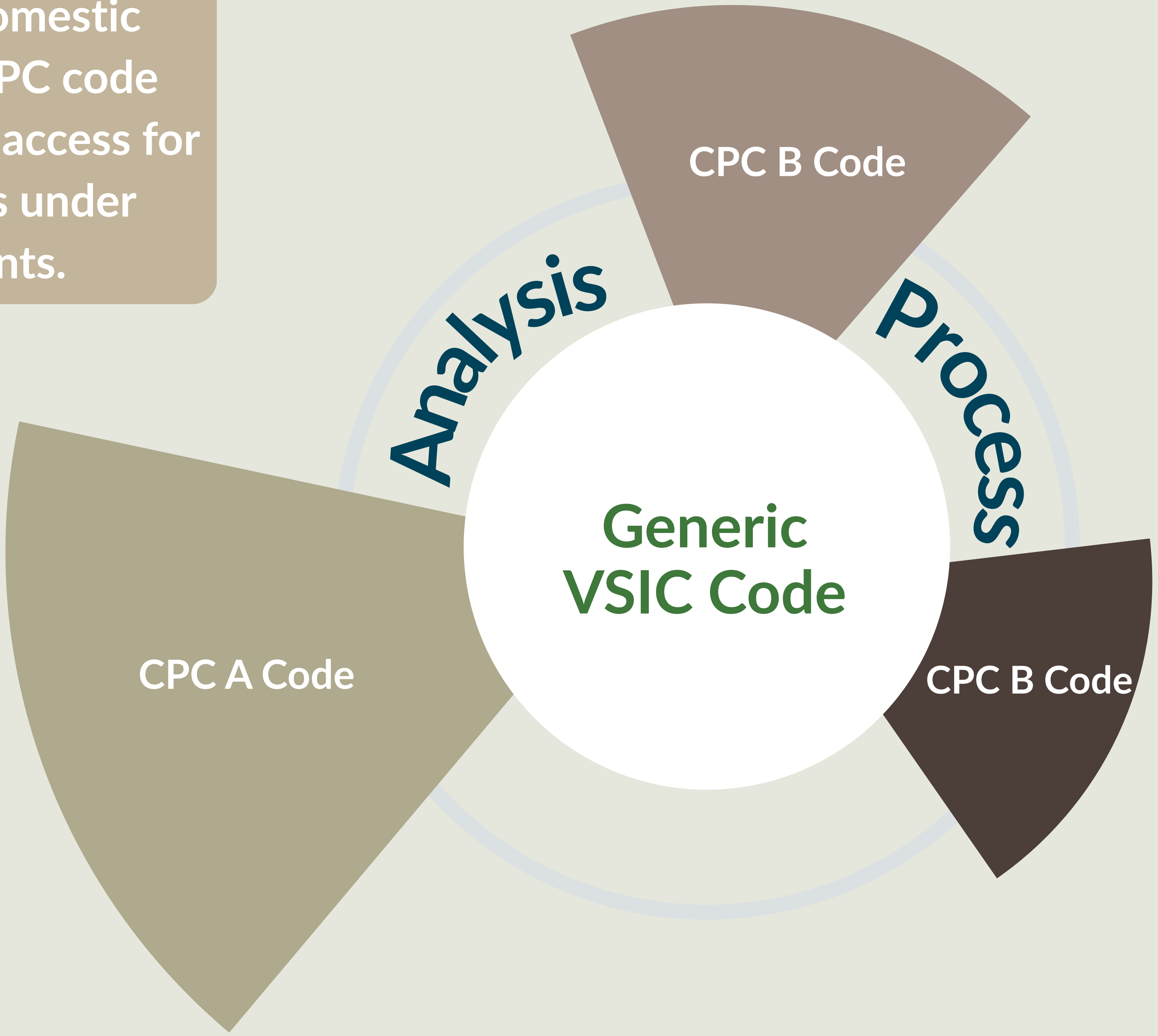
05 CONCLUSION

Determine the appropriate investment structure: 100% foreign-owned, joint venture, or prohibited investment.

06 CORPORATE STRUCTURE

The Importance of CPC Classification

The VSIC code is only the domestic industry classification. The CPC code determines the level of market access for foreign-invested enterprises under international commitments.



A
- Open Service Sector
- 100% foreign ownership permitted

B
- Restricted Service Sector
- Vietnamese Partner Required

C
- Uncommitted / Prohibited Sector
- Application Rejected

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Hierarchy of Vietnam's Foreign Investment Legal Framework

LEGAL STRATEGY

01 Baseline Tier: WTO Commitments

Provide the general framework for market access and the basic investment restrictions undertaken by Vietnam.

02 Top Tier: New-Generation FTAs (EVFTA, CPTPP)

While the WTO may impose restrictions, investors from EU Member States or CPTPP countries may benefit from preferential market access, including 100% foreign ownership under applicable FTAs.

03 Foundation Tier: Vietnam's Sector-Specific Laws

(Land, Telecommunications, Pharmaceuticals, etc.) Often impose the strictest requirements on national security, licensing, and sector-specific conditions.

An effective legal strategy leverages the protections offered by FTAs to overcome limitations under the WTO commitments or domestic laws.

When Is a Joint Venture Required?

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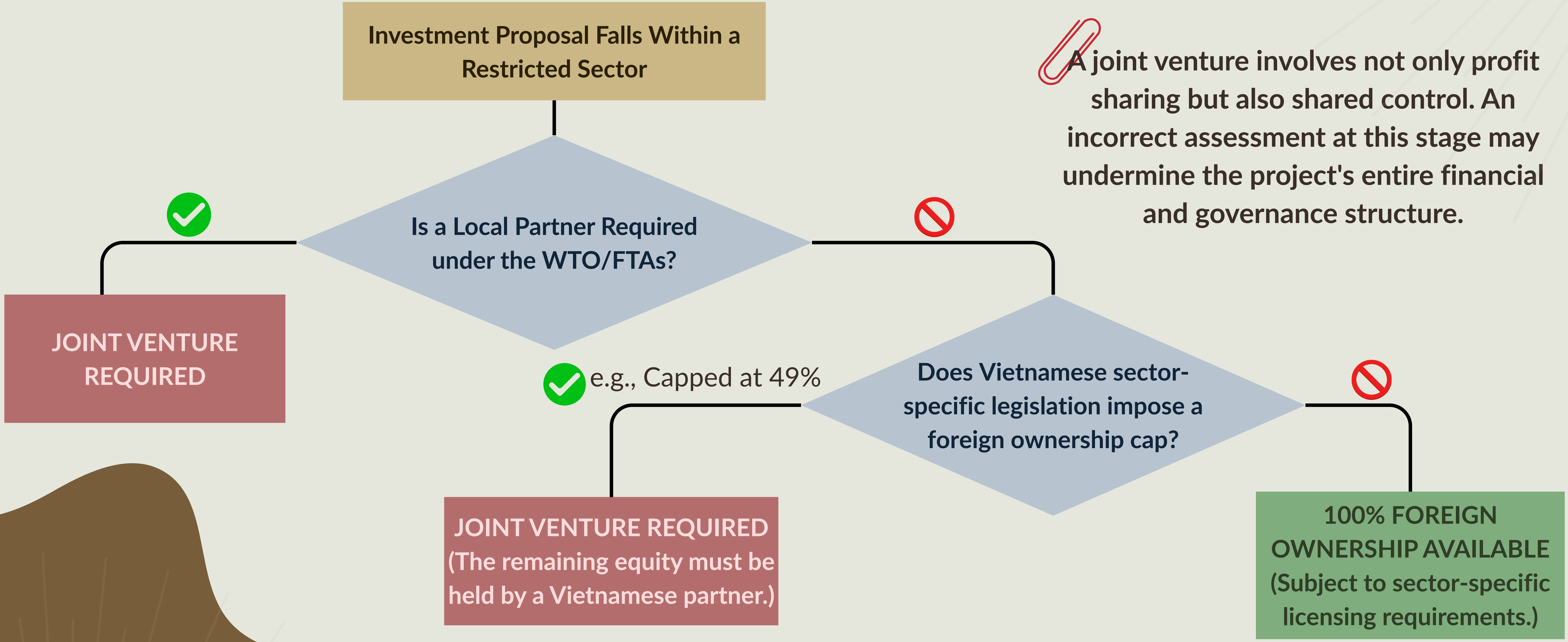

A joint venture involves not only profit sharing but also shared control. An incorrect assessment at this stage may undermine the project's entire financial and governance structure.

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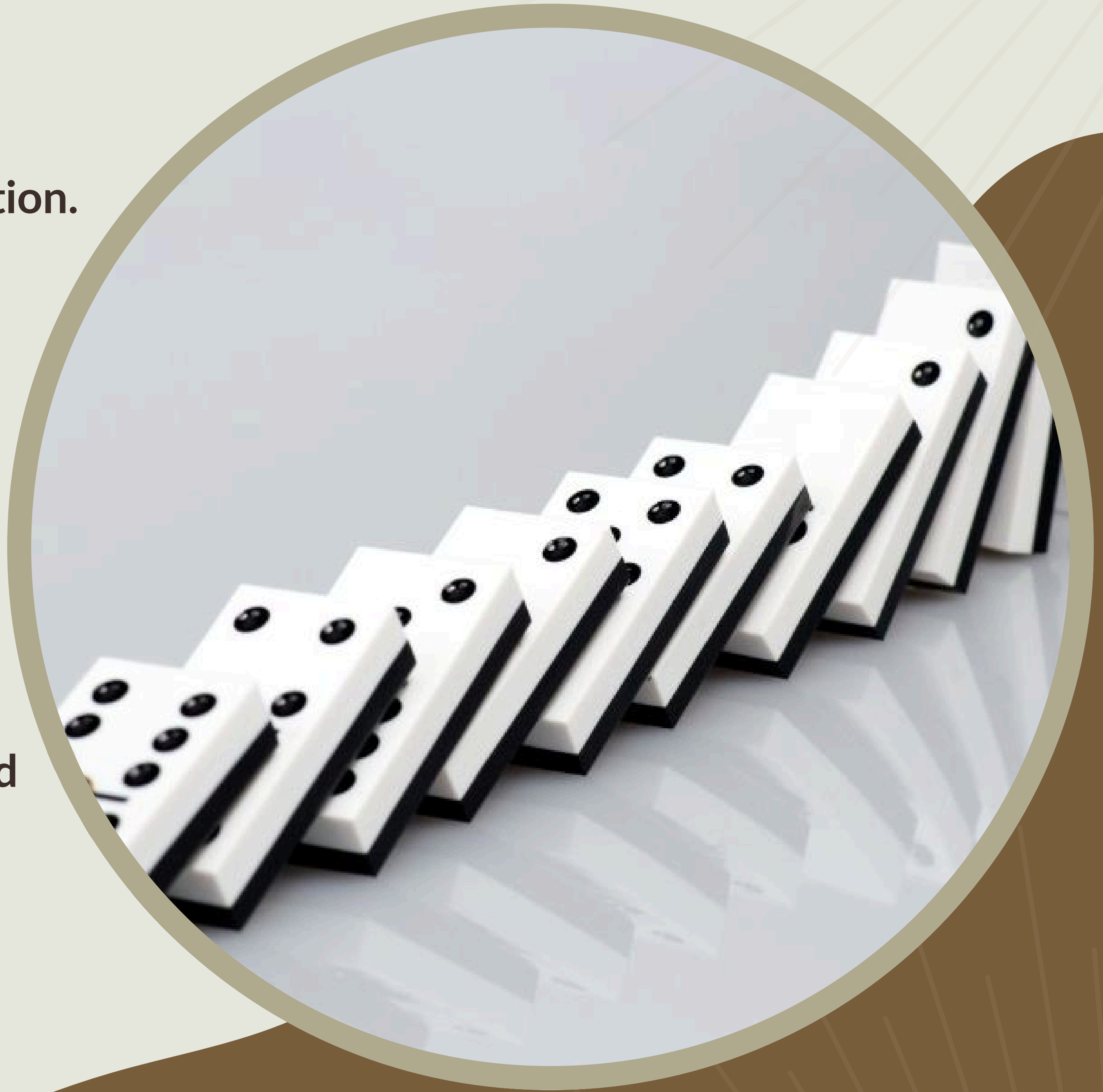
Risks of Incorrect Industry Classification

Incorrect Initial Filing
Submitting an IRC application with the wrong CPC code or insufficient business scope justification.

Regulatory Delays
The application may be rejected or require resubmission with additional explanations.

Time Loss
Project delays of 1–3 months, resulting in additional costs for office leasing, recruitment, and implementation.

Investment Structure Disruption
The ownership structure may need to be revised, requiring the investor to seek a joint venture partner under time pressure.



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Launching an Investment Project Safely

- Have you accurately mapped the VSIC code to the corresponding CPC classification, rather than relying solely on the Vietnamese industry name?
- Have you compared the WTO commitments with applicable FTAs (CPTPP/EVFTA) to identify the most favorable market access?

Do not submit your application until you can answer "YES" to all four questions.

- Have you identified all required sector-specific licenses (sub-licenses) to be obtained after the IRC is issued?
- Have you confirmed the applicable foreign ownership cap for your specific business activity?

THANK YOU!

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