



New Government Decree cutting down business conditions to facilitate investment in Vietnam

On 15 January 2018, the Government promulgated Decree No. 08/2018/ND-CP (**Decree 08**) amending a number of (other) governmental decrees relating to investment and business conditions under the administration of the Ministry of Industry and Trade (**MOIT**). This Decree was promulgated based upon a proposal submitted by MOIT to the Government, and was put on a “fast-track process” allowing it to take an immediate effect on the issuance date (i.e. since 15 January 2018).

Decree 08 is expected to give a gentle push to investment in certain sectors under the administration of MOIT, with a cut down of 675 out of 1,216 investment and business conditions, resulting in a reduction of 55% conditions in total. All the reductions listed in Decree 08 falls within 08 sectors under the management authority of MOIT which are: (a) petroleum; (b) tobacco; (c) electricity; (d) franchising; (e) e-commerce; (f) chemicals; (g) industrial explosive materials; and (h) food business.

The highlight of Decree 08 is that a great number of pre-investment conditions has been cut off. Those conditions can be about requirements to have a fixed business location and area limitation (e.g. tobacco sector or food business); declaration of capability to conduct business (e.g. franchising and petroleum); conditions on workforce (e.g. electricity business, tobacco); procedures to earn allowance for investor’s business plans before operation (e.g. electricity; tobacco).

Unfortunately, most of the cutting off in Decree 08 are post-licensing conditions which would not add any facilitation to the licensing procedures. Many pre-licensing conditions, as well as investment and business conditions in other sectors under the administration of MOIT (gas business; industrial re-substances; explosive pre-substances; multi-level marketing activities; alcohol business; logistics activities; goods purchase and sale through goods exchange; and commercial assessment service) have yet to be considered for the cut off. But it is expected that further review into the remaining business and investment conditions under administration of MOIT will be considered by the Government in the future.

In conclusion, although there still remain many proposals to cut off pre-investment conditions from MOIT that have not been approved and promulgated in Decree 08 yet, but with 675 conditions have been cut off, Decree 08 (and previously MOIT's Decision 3610a/QD-BCT dated 20 September 2017) still offers an unprecedented open-gate to promote investments into abovementioned business sectors.

Key contacts

If you have any questions, or would like to know how this might affect your business, please contact these key contacts.



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