

Vietnam: New Construction Law to Reduce Red Tape

Construction Law 2025 modernizes the sector by reducing bureaucracy, streamlining permits, redefining projects, and adopting post-inspection oversight

In brief

On 10 December 2025, the new Construction Law (Law No. 135/2025/QH15) ("**Construction Law 2025**") was passed at the 10th meeting, Session XV, of the National Assembly. This is another example of the state's drive to further simplify administrative procedures.

The Construction Law 2025 will take effect from **1 July 2026**.¹ It will replace the laws that make up the current Construction Law, including Construction Law No. 50/2014/QH13, as amended and supplemented by Law No. 03/2016/QH14, Law No. 35/2018/QH14, Law No. 40/2019/QH14, Law No. 62/2020/QH14, Law No. 45/2024/QH15, Law No. 47/2024/QH15, Law No. 55/2024/QH15, Law No. 61/2024/QH15, Law No. 84/2025/QH15, Law No. 93/2025/QH15 and Law No. 95/2025/QH15 (collectively referred to as "**Construction Law 2020**").

Key takeaways

According to the white paper accompanying the new legislation, the Construction Law 2025 aims to reduce administrative burdens in the following ways:

- Reducing the scope of appraisal by the construction authorities in the feasibility study report (Báo cáo Nghiên cứu Khả thi in Vietnamese), e.g., appraisal of the investment policy and environment (The construction authorities only consider the proposed project's compliance with the approved planning and relevant planning laws.)
- Removing the procedure for reviewing construction designs developed after basic designs (thiết kế cơ sở in Vietnamese)
- Supplementing cases where a construction permit is not required, including an exemption if the feasibility study report has already been appraised by the authorities
- Removing the procedure for issuing competency certificates to organizations engaging in construction activities, shifting to "post-inspection," where organizations must self-declare their construction capacity
- Improving transparency in terms of the applicable authorities and procedures set out in the guiding regulations to follow from the Construction Law 2025

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¹ Construction Law 2025, Article 94.

In more detail

Classification of construction investment projects and developers

The Construction Law 2020 classifies projects based on whether the funds are considered public investment funds, state funds (other than from the state budget), Public-Private Partnership (PPP) projects and projects using other funds.² In practice, this creates confusion for projects that have multiple funding sources because the applicable procedures would differ depending on the classification.

To ensure that there is no overlap in the scope of application and the implementation sequence, the Construction Law 2025 classifies construction investment projects by their investment form instead of the source of funds. This includes public investment projects, PPP projects, projects using regular expenditures from the state budget and other state funds, and construction investment projects within the scope of the investment laws.³

Likewise, the concept of a "developer" (chủ đầu tư in Vietnamese) is also classified under the Construction Law 2025 based on the type of project. For projects within the scope of the investment laws, the developer will be the investor that is chosen and approved in accordance with the investment laws, bidding laws, land laws and other related laws.⁴

The contents and appraisal of the feasibility study report

Unlike the Construction Law 2020, the Construction Law 2025 no longer requires that a feasibility study report always include the basic designs. Accordingly, the definition of "basic designs" no longer references the feasibility study report.⁵ Instead, based on the project requirements, the developer can decide whether to use designs that are more detailed than the basic designs in the feasibility study report, including the front-end engineering designs or technical designs.⁶

The Construction Law 2025 largely retains the criteria for projects whose feasibility study report must be appraised by the authorities, including projects that have a "large scale" or contain works that "cause large impacts to community safety and interests."⁷ There will be a list of projects that fit these criteria under a new decree (replacing the current list in Decree 175/2024/ND-CP).⁸

However, the Construction Law 2025 **reduces** the number of items in the feasibility study report to be reviewed by the construction authorities. Namely, the construction authorities will **no longer** be required to assess alignment with the investment policy decisions/approvals and the procedures for environmental protection. The contents to be reviewed are as follows:⁹

1. Construction safety, fire prevention and firefighting measures
2. Compliance with construction standards and technical regulations
3. Compliance with the planning used as the basis for project preparation (e.g., the 1 to 500 scale detailed planning)

This is intended to reduce overlap in the reviews conducted by the authorities (e.g., the environmental authorities), while placing more responsibility on the developer (e.g., ensuring that contractors are properly licensed).

² Construction Law 2020, Article 49.4.

³ Construction Law 2025, Article 17.1.

⁴ Construction Law 2025, Article 9.

⁵ Construction Law 2025, Article 3.11.

⁶ Construction Law 2025, Article 24.4.

⁷ Construction Law 2020, Article 58.

⁸ Construction Law 2025, Article 27.1.

⁹ Construction Law 2025, Article 27.4.

Removal of the procedure to appraise construction designs developed after the basic designs

According to the Construction Law 2025, the investor will carry out the appraisal, control and approval of the detailed construction designs (or the technical designs) after the project is approved.¹⁰ The authorities will no longer issue separate approvals for construction designs developed after the basic designs for any project. This also applies to amendments to these designs.¹¹

Under the transitional provision, in cases where the detailed construction designs developed following the basic designs have already been appraised under the Construction Law 2020, the investor will not be required to submit the designs for reappraisal by the construction authorities if adjustments are made.¹²

Construction permit exemptions

According to the white paper accompanying the Construction Law 2025, the principle is that, for the period from the preparatory stage to the start of construction, the construction authorities would only undertake one examination (i.e., each project should only have to go through one administrative procedure on construction during this period). As such, according to the Construction Law 2025, projects/works whose feasibility study report has already been appraised by the construction authorities will be exempt from the construction permit requirement. This expands the cases where a construction permit is not required.

Currently, the Construction Law 2020 exempts projects/works from the construction permit requirement if their detailed construction designs developed following the basic designs have been appraised **by the construction authorities**. This includes works that "cause large impacts to community safety and interests" and are built in areas without any urban planning, functional zone planning or detailed planning.¹³

The transitional provisions set out the following:¹⁴

- For works that have been issued a construction permit under the provisions of the Construction Law 2020 but fall into the category exempt from construction permits under the provisions of the Construction Law 2025, it is not necessary to amend the construction permit if an adjustment is made to the construction designs.
- For works belonging to a project that was issued a construction permit before 1 January 2026 and whose feasibility study report is later adjusted and appraised/approved by the construction authorities, it is not necessary to amend the construction permit.
- For works belonging to a project whose adjusted feasibility study report has been appraised/approved by the construction authorities according to the Construction Law 2020, a construction permit is not required.

Removal of the procedure for issuing competency certificates to organizations engaging in construction activities

According to the Construction Law 2020, organizations engaging in construction activities (e.g., construction surveying, design, supervision, cost estimation/management, building and acceptance activities)¹⁵ must obtain competency certificates appropriate to the class of construction works (i.e., divided into classes I, II and III).¹⁶

¹⁰ Construction Law 2025, Article 29.

¹¹ Construction Law 2025, Article 31.

¹² Construction Law 2025, Article 95.2.

¹³ Construction Law 2020, Article 83a.

¹⁴ Construction Law 2025, Article 95.3 and Article 95.5.

¹⁵ See Construction Law 2025, Article 3.1, for the definition of "construction activities."

¹⁶ Construction Law 2020, Article 148.

The Construction Law 2025 provides that organizations engaging in construction activities will publish information regarding their competency online, through a website hosted by the Ministry of Construction. To be sure, subsequent guiding regulations will still provide guidance on the procedures and conditions to grant competency certificates for **individuals**. Organizations must comply with certain information requirements regarding their competency that will be published online.¹⁷ According to the white paper, this change is intended to increase the responsibility of organizations conducting construction activities (e.g., contractors and consulting firms).

Force majeure and frustration of contract (or fundamental changes of circumstances) during construction activities

Partly as a response to common disputes in the construction sector, the Construction Law 2025 includes the following guidance regarding cases that constitute force majeure events or "fundamental changes of circumstances."¹⁸ It also clearly provides that parties can amend or terminate the construction contract in these cases.¹⁹

Force majeure events in construction activities include the following:

- Natural disasters and environmental disasters
- Fires and epidemics
- States of emergency concerning national security, social order and safety, and states of emergency concerning national defense
- Strikes, lockouts, embargoes and blockades
- Activities related to the discovery of antiques or archaeological artifacts
- Other cases as stipulated by relevant laws

Events considered fundamental changes of circumstances in construction activities include the following:

- Changes in state policies or laws
- Unforeseen abnormal geological conditions
- Other cases as stipulated by relevant laws

¹⁷ Construction Law 2025, Article 88.

¹⁸ Construction Law 2025, Article 13.

¹⁹ Construction Law 2025, Article 84.2 and Article 85.1.

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