

**SUBJECT: THE CURRENT RESTRICTIONS ON FOREIGNERS OWNING HOUSES
IN VIETNAM**

DATE: AUGUST 12, 2021

NO. 1

I. LEGAL GROUNDS

- (a) *The Law Entry, Exit, Transit, and Residence of Foreigners in Vietnam No. 47/2014/QH13 on June 16, 2014, and the Law on Amendments to a number of articles of the Law Entry, Exit, Transit, and Residence of Foreigners in Vietnam No. 51/2019/QH14 on November 25, 2019, specified Article 3, Clause 1 regarding the definition of foreigners;*
- (b) *The Law on Housing No. 56/2005/QH11 on November 29, 2005, specified Section 1 regarding rights to house ownership of Chapter VI Vietnam-based houses of overseas Vietnamese, foreign organizations or individuals;*
- (c) *The Law on Housing No. 65/2014/QH13 on November 25, 2014, specified Chapter IX the home ownership of foreign individuals, entities in Vietnam;*
- (d) *The Decree No. 30/2021/ND-CP dated on March 26, 2021 on emending some articles of the Government Decree on guiding for the Law on Housing No. 99/2015/ND-CP on October 20, 2015; and*
- (e) *The Circular guidelines for implementation of some contents of the Law on Housing and the Government's Decree No. 19/2016/TT-BXD on June 30, 2016.*

II. MAIN CONTENTS

No.	LEGAL ISSUES	DESCRIPTION
1.	Foreign entities in Vietnam (individuals, organizations)	Only for the subjects: <ul style="list-style-type: none">(i) Legally enter into Vietnam, have an unexpired passport bearing the entry seal of Vietnam’s immigration authority and not given diplomatic immunity and privileges; or

		(ii) Invest in project-based housing construction, have the Investment Registration Certificate (“ IRC ”), and houses that are built under a commercial project.
2.	Houses/Objectives	In the <u>Project for housing construction</u> , except for areas under management relating to national defense and security as prescribed in regulations of the Government
3.	Forms	(i) Buy from investors or foreign entities and individuals; (ii) Rent and purchase from the investor; (iii) Receive the donation from households, individuals, or organizations; (iv) Inherit from households or individuals; or (v) Invest in project-based housing construction (In case a house is built on a piece of leased land, such house is used to lease only)
4.	Number of House	(i) In case of <u>residential apartments</u> of an apartment building (including multipurpose one): up to 30% of the housing project; (ii) In case of <u>row houses, independent houses, or villas</u> : up to 250 houses (in an area whose population is equivalent to that of a ward).
5.	Term	Normally, up to 50 years and maximum extension of 50 years
6.	Payment method	<u>Bank transfer only</u>
7.	Currency	Vietnam Dong
8.	Notification	Notify the authorities of district-level when the house is leased
9.	HTCLF’s comments	(a) Although the existing restriction above, however, compared with the Law on Housing No. 56/2005/QH11, the applicable law (the Law on Housing No. 65/2014/QH13) has allowed the foreigners to own a house in Vietnam, expanded the foreign entities eligible for the homeownership, term of homeownership and loosened other necessary conditions to buy and own a house in Vietnam; (b) This contributes to satisfy the market demand, attract more overseas talents and resources for investment and development of the country, contributing to the

		trade and international economic integration program; and (c) Consult with the Provincial Department of Construction for the list of investment projects to build commercial houses in the area where foreign organizations and individuals are not permitted to own houses.
--	--	---

Author: Mr. Eric Lam & Ms. Truong Nu (HTCLF's Lawyers)

Note: The above summary of the legal ground and procedure aims to give the fundamental sources and to support effectively for foreign investors including both individuals and organizations wishing to own houses in Vietnam. This update is neither HTCLF's legal opinion nor contain any commitments binding the HTCLF's civil liability to any valuable clients.

For further details and in-depth advices on this legal issue, please do not hesitate to contact us through:

Lam Luong Van (Mr. Eric Lam);

HTCLF's Founder;

Email: htc.lf@htclawfirm.vn or lam.lv@htclawfirm.vn;

Mobile: (+84) 901. 587. 587 (WhatsApp, Viber, or Telegram is available).