

LEGAL
ALERT

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Improving the Efficiency of Laws and Policies on Land Use in Urban Areas

On 6 December 2019, the Government of Vietnam promulgated Resolution No. 116/NQ-CP (“[Resolution 116](#)”) to improve the efficiency of the implementation of laws and policies on planning and land use in urban areas. The salient provisions of Resolution 116 are as follows:

First, Resolution 116 provides that competent government bodies with the leading role of the Ministry of Natural Resources and Environment shall report on and evaluate the implementation of the Land Law 2013 and propose amendments to this law to the Government, which are then to be presented to the National Assembly. Such amendment must resolve existing difficulties; ensure other relevant laws and regulations are harmonised and consistent with the Land Law; renovate planning policies, plans for land use, land allocation, land lease, revocation of land use right and land pricing methods towards efficiency and sustainability.

Second, the People’s Committees of provinces and central-affiliated cities are required to review, evaluate and provide solutions to amend the negative impacts of improper detailed planning; draw up investment plans; synchronise investment in technical and social infrastructure with development of housing, services trading facilities and other facilities as per approved planning. In addition, construction of high-rise structures in urban centers against approved planning is not permitted as it might overload technical or social infrastructure.

Third, the People’s Committees of provinces and central-affiliated cities are also entitled to allocate and lease land in a transparent manner to eligible entities as prescribed by land laws; strictly allocate and lease land for socio-economic development projects via auction of land use rights and bidding for projects requiring land; and take measures to prevent illegal transfer of land use rights or change of land use purpose.

Fourth, the Government Inspectorate shall take charge and cooperate with the Ministry of Natural Resources and Environment, Ministry of Construction and Ministry of Finance in inspecting construction works and projects showing signs of violation against laws on planning, management and use of urban land by inspecting issuance of land use rights certificates and certificates of ownership of house and other property on land for urban areas.

Currently, the use of land in urban areas is heavily regulated. However, many provisions of various laws conflict with each other. It has discouraged investors, especially foreign investors from investing in real property in Vietnam. The promulgation of Resolution 116 indicates the effort of the Government to simplify and harmonise all the laws regulating land use in urban areas.

If you have any questions or require any additional information, please contact [Hoang Tran](#) of ZICO Law Vietnam (a member of ZICO Law).

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