Property tenure/ownership

Major property legislation

Property law in Vietnam is governed by the:

- Constitution
- Law on Land
- Law on Residential Housing
- Law on Planning
- Law on Construction
- Law on Investment
- Law on Real Estate Business

As well as numerous other implementing decrees, circulars and other legislative instruments issued under those laws. Such laws cover:

- Investment, zoning, planning, building
- Real estate business
- Land use right and property titles
- Leasing
- Taxation

Under this legislation, the state agencies responsible for managing and monitoring land use, real estate business and construction in Vietnam include:

- The Ministry of Natural Resources and Environment (MONRE)
- The Ministry of Construction (MOC)
- Provincial/City People’s Committees (Local PC)

Operational requirements for foreign corporations

Under the Law on Investment 2014, all foreign investors conducting business activities in Vietnam must undertake their investment in accordance with the Law on Investment.

A foreign investor investing in Vietnam for the first time in the form of establishment of economic organisation must have an investment project specifying, inter alia, the location of the project and the need for land use proposal. The licensing authority evaluates the feasibility of the investment project for the issuance of an Investment Registration Certificate (IRC) to the foreign investor itself, rather than an Investment Certificate to the foreign invested enterprise (FIE), as provided under the Law on Investment 2005. If a project falls into the criteria of important projects, then it needs to seek in-principle approval before issuance of an IRC. The Law on Investment 2014 classifies three types of projects subject to in-principle approval, comprising projects of the National Assembly (NA); projects of the Prime Minister (PM); and projects of the Local PC.

After the foreign investor has been issued with an IRC, a newly established FIE must register for issuance of its Enterprise Registration Certificate (ERC), a tax code and seal with the relevant departments of the Local PC for its full and lawful operations. The FIE can then enter into the land lease agreement with the provincial people’s committees or infrastructure developers.

There are three methods in which a foreign corporation can participate in real estate business activities and/or acquire land use rights in Vietnam:

(i) Establishing a wholly foreign-owned entity in Vietnam, whereby the project entity may:
- Enter into a lease agreement directly with the state authority for the duration of the investment project, with rent being paid annually or on a lump sum basis
- Enter into a land allocation agreement directly with the state authority in the case of implementation of investment projects for the construction of houses for sale or for a combination of sale and lease

(ii) Establishing a joint venture with a Vietnamese entity that leases land from the state and subsequently contributes the value of the land use right to the joint venture

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1 Law No. 45/2013/QH13, entitled the Law on Land, dated November 29, 2014 of the National Assembly, took effect as from July 1, 2014 (“Law on Land 2014”).
2 Law No. 65/2014/QH13, entitled the Law on Residential Housing, dated November 25, 2014 of the National Assembly, replacing Law No. 56/2005/QH11, dated November 29, 2005 of the National Assembly on Residential Housing, will take effect as from July 1, 2015 (“Law on Residential Housing 2014”).
5 Law No. 66/2014/QH13, entitled the Law on Real Estate Business, dated November 25, 2014 of the National Assembly, replacing Law No. 63/2006/QH11, dated June 29, 2006 of the National Assembly on Real Estate Business, will take effect as from July 1, 2015 (“Law on Real Estate Business”).
(iii) Acquiring shares or capital contribution in a Vietnam-domiciled company that has been engaging in real estate business activities and leased/allocated land from the state authorities

Real estate business is a conditional business in Vietnam. An enterprise undertaking real estate business activities must have chartered capital (akin to equity) of at least VND 20 billion (approximately USD 1 million). In addition, the investors’ ownership capital must account for at least:

• 15 percent of their total invested capital for urban development projects of under 20 hectares
• 20 percent of their total invested capital for urban development projects of at least 20 hectares
• 20 percent of their total invested capital for other projects

The new law on real estate business requires that those organisations and individuals permitted to provide real estate brokerage business services and real estate trading floors must establish an enterprise and must have at least two persons who possess a real estate broker’s practicing certificate. Besides, any individual permitted to conduct the business of real estate brokerage services independently must have a real estate broker’s practicing certificate and must register for the payment of taxes. Individuals who wish to register a real estate brokerage and obtain the relevant practicing certificate must satisfy certain conditions and pass a real estate brokerage test.

Existing investors may now assign or transfer projects to other investors, subject to certain conditions as follows:

• The project has been approved by a state authority and has a detailed master plan on a scale of 1/500 or a master plan of the whole site already approved.

• Compensation or site clearance work of the project or part of the project to be assigned has been completed. In the case of assignment of an entire investment project for construction of infrastructure, the construction of corresponding technical infrastructure facilities must be completed in accordance with the schedule stated in the project already approved.

• The project is not the subject of any dispute of land use rights and/or is not seized to ensure the enforcement of a judgment or to comply with an administrative decision of a state authority.

• There is no decision from a state authority on resumption of the project or resumption of land; in the case of a breach during implementation of the project, the investor must implement the penalty decision.

**Foreign investment incentives**

- With respect to tax rate incentives:
  - A tax rate of 10 percent for 15 years is applied to:
    - New investment projects in areas with extremely difficult socioeconomic conditions, economic zones and hi-tech zones
    - New investment projects, provided that such projects satisfy specific conditions
    - Hi-tech enterprises and hi-tech agricultural enterprises
    - New investment projects in production sectors, provided that such projects satisfy specific conditions
    - New investment projects producing products in the list of prioritised supporting industry, which satisfy specific conditions
    - Investment projects in the production sectors with a minimum investment capital of VND 12,000 billion (USD 567.10 million), using technology that must be evaluated and drawing down total registered investment capital no later than five years after the date of investment licensing, except for the sectors subject to special sales tax and mineral exploitation
  - A tax rate of 10 percent is applied to:
    - Education, vocational training, health, cultural, sports and environmental activities implemented under the socialisation policy
    - Projects on investment in social housing for sale, lease or lease-purchase for the entities specified under the Law on Housing
    - Printed newspapers, provided that such projects satisfy specific conditions
    - Forest planting, tending and protection; agriculture and aquaculture in areas with difficult socioeconomic conditions; forestry in areas with difficult socioeconomic conditions; production, breeding and crossbreeding of plants and animals; production and refining of salt; investment in the preservation of post-harvest agricultural products, aquatic products and food
    - Cooperatives involved in agricultural, forestry, fishery and salt making activities outside areas with difficult or extremely difficult socioeconomic conditions'
- A tax rate of 20 percent (as from January 1, 2016, a tax rate of 17 percent will be applied) for 10 years is applied to:
  - New investment projects in areas with difficult socioeconomic conditions
  - New investment projects, including the manufacturing of high-grade steel; energy-saving products; machines and equipment for agricultural, forestry and fishery production and salt production; irrigation equipment; production and manufacturing of livestock, poultry and aquatic feeds; and development of traditional trades and occupations
- A tax rate of 15 percent is applied to cultivation, husbandry and processing in the agricultural and fishery sectors outside areas with difficult or extremely difficult socioeconomic conditions
- A tax rate of 20 percent (as from January 1, 2016, a tax rate of 17 percent will be applied) is applied to people’s credit funds and micro financial institutions

With respect to tax exemption and tax deduction:
- Tax exemption for not more than four years and a 50 percent reduction of payable tax for not more than nine subsequent years is applied to:
  - New investment projects in areas with extremely difficult socioeconomic conditions, economic zones and hi-tech zones
  - New projects in education, vocational training, health, cultural, sports and environmental activities implemented under the socialisation policy
  - New investment projects, provided that such projects satisfy specific conditions
  - New investment projects of hi-tech enterprises and hi-tech agricultural enterprises
  - New investment projects in production sectors, provided that such projects satisfy specific conditions
  - New investment projects producing products in the list of prioritised supporting industries, which satisfy specific conditions
  - Investment projects in the production sectors with a minimum investment capital of VND 12,000 billion (USD 567.10 million), using technology that must be evaluated and drawing down total registered investment capital no later than five years after the date of investment licensing, except for the sectors subject to special sales tax and mineral exploitation
- Tax exemption for not more than two years and a 50 percent reduction of payable tax amounts for not more than four subsequent years is applied to:
  - New investment projects in areas with difficult socioeconomic conditions
  - New investment projects, including the manufacturing of high-grade steel; energy-saving products; machines and equipment for agricultural, forestry and fishery production and salt production; irrigation equipment; production and manufacturing of livestock, poultry and aquatic feeds; and development of traditional trades and occupations
  - New investment projects in the industrial zones, except for the industrial zones with favourable socioeconomic conditions

• An import duty exemption exists on equipment, machinery and specialised vehicles (including spare parts, accessories, etc.) imported for creating the assets of and implementing the projects in the sectors eligible for import duty incentives or in areas eligible for import duty incentives, and projects funded with official development assistance (ODA)

Restrictions on foreign property ownership
The state grants various types of ownership and quasi-ownership interests in respect of land in Vietnam to various persons and entities, including:
- Vietnamese organisations
- Vietnamese households and individuals
- Vietnamese communities
- Vietnamese religious establishments
- Foreign organisations with diplomatic functions
- Overseas Vietnamese
- Foreign-invested enterprises

It should be noted that foreign individuals are no longer recognised as land users under the Law on Land 2013.

In Vietnam, there are two broad categories of ownership, or quasi-ownership, interests that can be held in respect of real property, namely:
- “Land use rights” (LURs), which relate to land and entitle the holder exclusively to use and deal with the land in a specified manner
- “Ownership of houses and assets attached to land” (“building ownership”), which relates not to the land itself, but to the buildings and other structures attached to land

There are two main categories of LURs that may be held in Vietnam, being:
- Land allocated by the state (“allocated land”)
- Land leased by the state (“state leased land”)

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There are two main categories of LURs that may be held in Vietnam, being:
- Land allocated by the state (“allocated land”)
- Land leased by the state (“state leased land”)
A subset of allocated land is land recognised by the state as having been stably used by persons or entities over a lengthy period (“stable use land”).

Until recently, different types of ownership or quasi-ownership interests in land as well as buildings and structures attached to land were evidenced by different kinds of certificates. A unified certificate (“unified certificate”) may evidence that its holder enjoys:

- LURs in respect of the land specified in the unified certificate
- Ownership of the house/s or apartment/s specified in the unified certificate
- Ownership of the construction works specified in the unified certificate
- Ownership of the “artificial forest” (“plantation”) specified in the unified certificate (for production purposes)

The holding of LURs in the form of allocated land is to be regarded as being the closest approximation to freehold interests available in Vietnam. LURs in the form of allocated land can be allotted for a fixed term or an indefinite term. It must, however, be remembered that holding LURs in the form of allocated land is technically not tantamount to freehold ownership, as the Constitution of Vietnam specifies that all land in Vietnam is owned by all of the people of Vietnam and is administered by the state on behalf of the people.

The holding of LURs in the form of state leased land is to be regarded as a type of quasi-ownership interest, notwithstanding that such rights are technically leasehold rights. State leased land is generally leased to the Vietnamese LUR holder for a term of between 50 and 70 years, with such lease terms renewable only at the discretion of the Department of Natural Resources and Environment or other relevant government authority. As a general rule, fully or partially foreign-owned companies are not granted LURs in the form of allocated land, but are granted LURs in the form of state leased land or land subleased from the licensed infrastructure developers, except in the case of implementation of investment projects for the construction of houses for sale or for a combination of sale and lease.

An FIE is issued with the unified certificate for a term of the land lease not exceeding the investment term provided in the FIE’s IRC, which is usually not longer than 50 years, with an extension of no longer than 70 years. In the case of implementation of investment projects for the construction of houses for sale or for a combination of sale and lease, the term of land allocation is subject to the investment term. The FIE can either directly lease the land from the provincial or municipal people’s committees, or sublease the land with the constructed infrastructures from the licensed infrastructure developers in the industrial, export processing zones.

While the land price framework shall be determined by the government every five years, the provincial people’s committees shall have the authority to annually set out the land price list applicable to their province or city every five years and determine the specific land price.

It should also be noted that the LUR of a foreign investor varies depending on the form of land use and the payment arrangements of the land rental. The Law on Land contemplates two payment arrangements of land rentals:

- Annual rentals payments (“annual payment”)
- One-off payment of rental for the entire lease term (“one-off payment”)

Under a land lease for annual payment, an FIE has the following rights:

- The general rights and obligations of land users as provided in the Law on Land 2013
- To mortgage their assets attached to the leased land at credit institutions that are licensed to operate in Vietnam and to contribute as capital their assets attached to the leased land. The recipient of the capital contribution may lease land from the state for a determined purpose for the remainder of the lease term
- To sell their assets attached to the leased land upon fulfilment of specific requirements
- To lease houses if they are permitted to invest in the construction of and trading in houses

While an FIE only has limited rights over the assets on the land under the annual payment regime, an FIE adopting the one-off payment regime and an FIE being allocated with LURs (in the case of implementation of investment projects for the construction of houses for sale or for a combination of sale and lease) can enjoy a broader scope of rights in relation to LUR and assets on the land, as follows:

- The general rights and obligations of land users as provided in the Law on Land 2013
- To transfer LURs and land-attached assets under their ownership during the land use term
- To lease and sublease LURs and land-attached assets under their ownership during the land use term
- To mortgage LURs and land-attached assets under their ownership at credit institutions that are licensed to operate in Vietnam during the land use term
- To contribute LURs and land-attached assets under their ownership as capital for cooperation in production and business during the land use term.

An FIE that has been granted an investment certificate in relation to a specific residential urban development project is allowed to assign the LUR, with respect to independent houses...
and/or villas, to eligible house owners, provided that such FIE has completed the construction of the infrastructure and satisfied all of the criteria to assign the LUR in accordance with the approved real estate development project. In such case, the LUR assignees will be granted the certificate over the LUR and the assets on land (if any), i.e., the unified certificate. In addition, a master real estate developer in a residential urban development project with completed infrastructure may transfer the LURs in relation to sub construction works in the approved project to another corporate entity for the later entity to continue the subproject developments.

An FIE can sublease land from the licensed infrastructure developers in the industrial parks, industrial clusters, export processing zones, high-tech zones and economic zones under either the annual payment or the one-off payment method for the entire term of the land lease, subject to the approval of the relevant state management authorities. An FIE can sublease land to eligible entities. The rights and obligations of an FIE in relation to subleased land under the annual payment method are as same as those associated with annual rental payments for land. Meanwhile, an FIE in relation to subleased land adopting the one-off payment method has the same rights and obligations associated with one-off rental payment for land.

In a build-transfer (BT) project in the infrastructure sector, the state allocates to the investor an area of land to implement such project. In this case, the investor is not required to pay land use fees or land rent during the construction of the work in accordance with the approved project and is responsible to preserve the area of land allocated for management and to use it in strict accordance with the purpose stated in the project. The transfer of the work and land fund of the project must be carried out in strict accordance with the schedule stated in the investment project approved by the state authority or the term, which has been permitted by the state authority for extension. In the case where the investor has not transferred after the time limit for transfer, the investor must lease land from the state, with the time of land lease calculated from the time of completion of the work construction duration in accordance with the approved project.

In a build-operate-transfer (BOT) project, the state allocates or leases land to the investor to implement such project. In this case, the investor is entitled to exemption or reduction of land use fees or land rent.

It is important to note that there are seven entities that are not eligible to receive a certificate of LURs and certificate of ownership of houses and other assets attached to land:

- Organisations and communities that are allocated land by the state for management
- Persons who are managing and using agricultural land belonging to public-utility land funds of communes, wards or townships
- Persons who lease or sublease land from land users, except cases of leasing or subleasing land from investors building and dealing in infrastructure facilities in industrial parks, industrial clusters, export processing zones, hi-tech parks or economic zones
- Persons who receive land for use on a contractual basis in agricultural or forestry farms, agricultural or forestry enterprises, protection forest management boards or special-use forest management boards
- Current land users that fail to fully meet the conditions for the granting of certificates of LURs and ownership of houses and other land-attached assets
- Land users that fully meet the conditions for the granting of certificates of LURs and ownership of houses and other land-attached assets but have received land recovery notices or decisions from state authorities
- Organisations and commune-level people’s committees that are allocated land by the state without land use levy for the purpose of construction of public facilities, including roads; water, petrol, oil and gas pipelines; power transmission and information communication lines; outdoor entertainment and recreation centres; and cemeteries and graveyards for non-commercial purposes.

The Law on Housing 2014 permits foreign organisations and individuals within certain categories to purchase and own residential houses in Vietnam as follows:

- In the case of a commercial apartment, the number of apartments to be purchased and owned by one foreign organisation and one individual shall not exceed 30 percent of the total number of apartments in one building
- In the case of a separate residential house, the number of houses to be purchased and owned by one foreign organisation and one individual shall not exceed 250 houses in an area equivalent to a ward level.

However, a foreign individual will only be permitted to own such residential housing units for a period of up to 50 years; the actual duration is set out in the sale and purchase contract and may be extended in accordance with government regulations. If the foreign individual marries a Vietnamese national or a Vietnamese residing overseas, he/she will be entitled to own housing on a stable and long-term basis. A foreign organisation may own housing for a period not exceeding the term provided in its IRC. It is important to note that foreign organisations are only entitled to use their houses for their employees’ residential purposes and are not allowed to lease out nor use them for office use or any other purposes, except in the case of foreign organisations investing in the construction of residential housing in accordance with the relevant property project in Vietnam.
Foreign exchange controls
Vietnam has historically imposed exchange control mechanisms designed to limit foreign currency outflows, generally requiring the use of the Vietnamese dong (VND) for domestic transactions and for channelling the flow of foreign currencies into the banking system. The use of gold is also regulated. Vietnam’s foreign exchange control policy is administered primarily by the State Bank of Vietnam.

The buying and selling of foreign currency must be conducted through a licensed commercial bank permitted to undertake foreign exchange business activities. The State Bank of Vietnam does not guarantee the exchange of VND to foreign currency. Most projects have to self-balance their foreign exchange requirements.

FIEs are generally allowed to repatriate profits from business operations and are allowed to make outward remittances of foreign currency for the purchase of raw materials and supplies, as well as the provision of services, licensed technology transfers, payments of principal and interest on offshore loans registered with the State Bank of Vietnam, salaries and payments of other legally owed sums of money and assets. Upon termination or dissolution of a business enterprise, foreign investors may repatriate their capital. Remittances must be made through certain registered accounts opened at authorised banks licensed to operate in Vietnam.

Vietnam maintains a managed floating exchange rate regime, under which the rate of exchange of US dollars to Vietnamese dong is adjusted according to market forces, subject to parameters set by the State Bank of Vietnam. Under the current managed floating exchange rate regime, the State Bank of Vietnam sets the official US dollar to Vietnamese dong exchange rate daily by averaging rates from the previous day’s interbank foreign exchange transactions.

Taxes on possession and operation of real estate
Land users, including FIEs, have to pay annual non-agriculture land use tax at a rate of 0.03 percent of the land price decided by the state every five years. In Vietnam, there is no tax levied on the ownership of a house.

Taxes on acquisition and transfer of real estate
Income from real property transfers shall comprise income from the transfer of a right to use or lease land; income from subleasing land by enterprises that conduct real property business, as stipulated in the Land Law, regardless of whether the land has infrastructure, buildings or engineering works located on it; income from the transfer of housing and buildings located on land, including the assets attached to the housing and buildings; income from the transfer of assets attached to land and income from the transfer of the rights to own or use housing.

The amount of CIT payable in any tax assessment period for activities relating to the assignment of real property shall be equal to assessable income from such activities multiplied by the tax rate of 22 percent (as from January 1, 2016, this rate will be reduced to 20 percent).

Income from an assignment of real property must be calculated separately to declare and pay tax, and the incentive tax rates and incentives on the exemption and reduction of tax shall not apply. Losses from activities of real property assignments shall not be deductible against other income relating to production and business activities, but these losses may be carried forward to taxable income from real property assignment activities in subsequent years. Losses may be carried forward for a maximum period of five consecutive years as from the year following the year in which the loss arose.

Stamp duty
Most property documents and transactions are required to be notarised by a licensed public notary officer. The notarisation fee is determined in accordance with the value of the transaction, but the maximum fee is VND 10 million (approximately USD 470) per transaction.

In addition, stamp duties are imposed on the transfer of land and/or property. Conveyance stamp duty is levied on the value of actual sales that are not lower than the standard price provided by the local authorities. The stamp duty on the transfer of an LUR and property is 0.5 percent of the value of the sales.

Capital gains tax
Capital gains are treated as “other income” and are subject to personal income tax or corporate income tax. The income of an enterprise from a capital assignment refers to the income receivable from the assignment of a part of or the whole of an enterprise’s capital already invested in it to one or more other organisations or individuals (including the sale of the entire enterprise). The personal income tax rate applicable to income from a capital assignment is 20 percent of the profit, and the corporate income tax rate applicable to income from a capital assignment is 22 percent of the profit.

Value added tax/goods and services tax
A broad based consumption tax called the value added tax is levied at 10 percent on a wide range of goods and services.

Tax depreciation
The government of Vietnam considers depreciation to be a cost and expense that is deductible for the purpose of determining taxable income. Enterprises must register with the tax office directly confirming the method of depreciation for fixed assets that they are
choosing to apply before applying that method. Each year, enterprises shall make their own decision on the level of such depreciation in accordance with the current regulations of the Ministry of Finance on the depreciation of fixed assets, including where they adopt the accelerated method to depreciate the fixed assets. In the course of their operations, enterprises may change the level of depreciation so long as it remains within the stipulated levels, but enterprises may not make any such change after lodging their declaration on finalisation of CIT for that year.

Corporate taxation
A resident corporation is subject to corporate income tax on taxable income at a tax rate of 22 percent (as from January 1, 2016, this rate will be reduced to 20 percent).

Personal taxation
Under the tax system, personal income tax is levied as follows:
• With respect to resident individuals:
  - On regular income on an annual basis
  - On irregular income on each occasion when such income arises
  - On income from the transfer of securities on each occasion or on an annual basis
• With respect to income-paying entities: such entities shall deduct and pay tax into the state budget each time it arises on taxable items paid to taxpayers
• With respect to non-resident individuals: such individuals shall declare and pay tax each time it arises on taxable income

Tax treaties: Avoidance of double taxation
The following 69 jurisdictions have entered into double taxation treaties with Vietnam:

- Australia
- Algeria
- Austria
- Azerbaijan
- Bangladesh
- Belarus
- Belgium
- Brunei
- Bulgaria
- Canada
- China
- Cuba
- Czech Republic
- Democratic People’s Republic of Korea
- Denmark
- Egypt
- Eastern Republic of Uruguay
- Finland
- France
- Germany
- Hong Kong
- Hungary
- Iceland
- India
- Indonesia
- Ireland
- Israel
- Italy
- Japan
- Kazakhstan
- Kingdom of Saudi Arabia
- Lao People’s Democratic Republic
- Luxemburg
- Malaysia
- Mongolia
- Morocco
- Mozambique
- Myanmar
- The Netherlands
- New Zealand
- Norway
- Pakistan
- Philippines
- Poland
- Republic of Korea
- Republic of San Marino
- Republic of Serbia
- Republic of Seychelles
- Republic of Singapore
- Romania
- Russian Federation
- Slovakia
- Spain
- Sri Lanka
- State of Kuwait
- State of Palestine
- State of Qatar
- Sultanate of Oman
- Sweden
- Switzerland
- Taiwan
- Thailand
- Tunisia
- Turkey
- Ukraine
- United Arab Emirates
- United Kingdom
- Uzbekistan
- Venezuela
- Real Estate Investment Funds
Real estate investment funds (REIFs) have been officially permitted in Vietnam since September 15, 2012, when Decree No. 58/2012/ND-CP of the government providing for the implementation of the Amended Law on Securities came into force. A REIF must maintain 65 percent or more of its total asset value in real estate. The remaining portion of the asset value can be invested into valuable papers, securities and government bonds. In addition, REIFs are not allowed to directly develop any real estate development projects, provide any financing or guarantee for any loan.
## Common Terms of Lease for Tenancy Agreements

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<th>Square Meters</th>
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<td>Typical rent deposit (expressed as x months rent)</td>
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<tr>
<td>Security of tenure</td>
<td>Only for the duration of the tenancy, no guarantee beyond the original lease term</td>
</tr>
<tr>
<td>Does tenant have statutory rights to renewal</td>
<td>No</td>
</tr>
<tr>
<td>Basis of rent increases or rent review</td>
<td>Open market rental value OR fixed increment agreed at the outset of the lease</td>
</tr>
<tr>
<td>Frequency of rent increases or rent review</td>
<td>At lease renewal or every 2–3 years</td>
</tr>
<tr>
<td><strong>Service charges, operating costs, repairs and insurance</strong></td>
<td></td>
</tr>
<tr>
<td>Responsibility for utilities</td>
<td>Electricity and telecommunication consumption are separately metered and payable by each tenant; water consumption is included in the management charges</td>
</tr>
<tr>
<td>Car parking</td>
<td>Allocation is based on one parking lot per 300sqm, it is held under a separate monthly lease for an additional rent</td>
</tr>
<tr>
<td>Responsibility for internal repairs</td>
<td>Tenant</td>
</tr>
<tr>
<td>Responsibility for repairs of common parts (reception, lifts, stairs, etc)</td>
<td>Landlord responsible but costs charged back to tenant via service charge</td>
</tr>
<tr>
<td>Responsibility for external/structural repairs</td>
<td>Landlord responsible but costs charged back to tenant via service charge</td>
</tr>
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</tr>
<tr>
<td><strong>Disposal of leases</strong></td>
<td></td>
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<tr>
<td>Tenant subleasing &amp; assignment rights</td>
<td>Generally prohibited unless to a subsidiary company of the tenant (subject to landlord approval)</td>
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<td>Tenant early termination rights</td>
<td>Only by break clause usually subject to penalty</td>
</tr>
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<td>Tenant's building reinstatement responsibilities at lease end</td>
<td>Reinstated to original condition</td>
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Source: JLL
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