

# Some notable changes in the new Land Law

18 March 2024

## At a glance...

Following the passing of the Law on Real Estate Business 2023 (*please refer to our previous [NewsBrief](#) for updates on this law*), the National Assembly also passed the Law on Land No. 31/2024/QH15 (“LOL 2024”), which will become effective on 1 January 2025 and replace the current one.

## In detail...

Below are some notable points which may be of interest:

- LOL 2024 only permits lump-sum rental payments for certain types of land, e.g., land for agricultural use, land in industrial zones and land for social housing. The lessees in these cases can still choose to lease land with annual rental payments.

Existing land leases with lump-sum payments made shall continue to be valid. Land users can however consider converting to annual rental payments (if eligible under LOL 2024) subject to further government guidance.

- The government's "land price frame", issued every five years, is no longer applicable. Provincial governments will now issue "land price tables" on an annual basis. This means that from 2026, the land price would likely be adjusted annually and may impact those leasing land on an annual rental payment basis, due to inflation of land values.
- Under LOL 2024, foreign owned entities can receive charter capital contributed in the form of land use rights over land for commercial, service and non-agricultural purposes by companies, other foreign owned entities and people of Vietnamese origin residing overseas.
- In addition to the right to mortgage land use rights and assets attached to land to banks (as currently allowed), LOL 2024 allows domestically owned companies which have made lump-sum rental payments to mortgage the same to other organisations and individuals.
- LOL 2024 provides the legal basis for issuance of certificates of land use rights and ownership of assets attached to land in special circumstances - such as authority to issue certificates in case of changes in registration under Article 136.2.(a) and granting certificates for foreign entities/ individuals owning houses in Vietnam without land use rights under Article 148.5.(a).

## In detail...

- Regarding site clearance for land subject to bidding for investor selection, LOL 2024 sets a deadline of 36 months for the local people's committee to complete land recovery compensation. The selected investor (i.e., winning bidder) must advance the compensation within six months from the request of the people's committee. Failure may cause a revocation of the bidding results.
- Unlike the current law where disputes relating to land are settled by courts and/or people's committees, LOL 2024 allows commercial arbitration to resolve disputes relating to "commercial activities over land". Other land related disputes would remain under the resolution of the courts and/or people's committees as currently.

## Contact us

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