



BE VIETNAM WISE · DOING BUSINESS IN VIETNAM

The guide for foreign and Vietnamese investors

Chapter 10 of 11

Minerals, Mining, Oil & Gas

Minerals and petroleum belong to the State, so every mine and every oil or gas field in Vietnam rests on a grant from the State: a licence for minerals, a contract with Petrovietnam for petroleum. Both regimes were rebuilt between 2022 and 2026. A new Law on Geology and Minerals applied from 1 July 2025 and was amended from 1 January 2026, state management of minerals passed to the Ministry of Industry and Trade on 15 September 2026, and a new Petroleum Law takes effect on 1 March 2027. This chapter states the position at 10 October 2026.

Reviewed 10 October 2026. Prepared by a foreign investment lawyer (now retired) with 20 years' experience advising on Vietnamese investment law.

Legal and tax information, not legal advice. Rates, thresholds and procedures change: confirm anything important with the relevant authority or a lawyer licensed to provide legal services in Vietnam before you act. Only the Vietnamese text of a law is authoritative.

Read online, with live updates, links and Lawbot: <https://bewiseapps.com/doing-business-in-vietnam/minerals-mining-oil-and-gas/>

© Be Wise Apps

Contents

10	Chapter overview
10.1	Minerals legal framework and regulators
10.2	Mineral groups, licensing and auctions
10.3	Exploration and mining licences
10.4	Strategic minerals, rare earths and exports
10.5	Mining taxes, fees and the environment
10.6	Petroleum framework and Petrovietnam
10.7	Petroleum contracts and fiscal terms
10.8	Decommissioning, local content and the 2027 law

Legal and tax information, not legal advice. Rates, thresholds and procedures change: confirm anything important with the relevant authority or a lawyer licensed to provide legal services in Vietnam before you act. Only the Vietnamese text of a law is authoritative.

Minerals, Mining, Oil & Gas

Reviewed 10 October 2026 · Prepared by a foreign investment lawyer (now retired) with 20 years' experience advising on Vietnamese investment law · Legal and tax information, not legal advice · [How we check](#) · [Open in the app](#)

AT A GLANCE

Governing law

- [Constitution of 2013, Article 53 \(natural resources owned by the entire people, with the State as owner's representative\)](#)
- [Law No. 54/2024/QH15 on Geology and Minerals \(from 1 July 2025\), as amended by Law No. 147/2025/QH15 \(from 1 January 2026\)](#)
- [Decree No. 193/2025/ND-CP of 2 July 2025, as amended by Decree No. 21/2026/ND-CP of 16 January 2026; Decree No. 351/2026/ND-CP \(transfer to MOIT\)](#)
- [Law No. 12/2022/QH15 on Petroleum \(from 1 July 2023\), with Decree No. 45/2023/ND-CP and its model production sharing contract](#)
- [Law No. 10/2026/QH16 on Petroleum, passed 23 August 2026, replacing Law No. 12/2022/QH15 from 1 March 2027](#)
- [Law No. 45/2009/QH12 on Natural Resources Tax with Resolution No. 1084/2015/UBTVQH13; Law No. 67/2025/QH15 on Corporate Income Tax, Article 10\(4\)](#)

Who you will deal with

- Ministry of Industry and Trade (MOIT): geology and minerals since 15 September 2026 (Group I licences, auctions and the Vietnam Department of Geology and Minerals), and petroleum (contract appraisal, investment registration, development and decommissioning plans)
- The Prime Minister: approval of petroleum contracts, the list of incentivised blocks and transfers of interests, and written approval of every rare-earth exploration or mining licence
- Provincial People's Committee chairpersons: licences for Groups II, III and IV, Group I in designated small and dispersed areas, and salvage mining, together with land, local auctions and closure
- Vietnam National Industry - Energy Group (Petrovietnam, PVN): signs and manages every petroleum contract for the State, approves work programmes and budgets, audits costs and holds the decommissioning fund
- Ministry of Agriculture and Environment: land administration and environmental impact assessment; Ministry of Finance and the Tax Department: natural resources tax, fees and corporate income tax

Key figures

Exploration licence	Up to 48 months, plus up to 24 months of extensions
Mining licence	Up to 30 years, plus up to 20 years of extensions

What changed in 2025–26

- Law No. 54/2024/QH15 on Geology and Minerals replaced the 2010 law on 1 July 2025, with Decree No. 193/2025/ND-CP as its main implementing decree.
- Law No. 147/2025/QH15, in force from 1 January 2026, moved licensing of Groups II,

Equity for a mining licence	At least 30% of total investment, or committed financing
CIT on precious and rare minerals	50% (40% in especially disadvantaged areas)
Rare-earth processing threshold	Products of at least 90% TREO
Petroleum contract term	30 years (35 for incentivised blocks)
Cost recovery cap	50% / 70% / 80% of annual production
CIT on petroleum activities	25% to 50%, fixed per contract

III and IV to provincial chairpersons, widened the areas exempt from auction and placed rare earths under a closed value-chain regime with no raw exports.

- Decree No. 21/2026/ND-CP of 16 January 2026 added the rare-earth rules: Prime Ministerial approval of every licence and transfer, and mining linked to processing to products of at least 90% total rare-earth oxides.
- Decree No. 351/2026/ND-CP moved state management of geology and minerals from the Ministry of Agriculture and Environment to the Ministry of Industry and Trade on 15 September 2026.
- Petrovietnam was renamed the Vietnam National Industry - Energy Group by Decision No. 733/QD-TTg of 9 April 2025, and Law No. 10/2026/QH16 replaces the 2022 Petroleum Law from 1 March 2027.

Who this applies to. The minerals and petroleum laws apply to Vietnamese and foreign investors on the same terms once the investor acts through a qualifying vehicle: a mining licence is granted to an enterprise established under the Law on Enterprises, so a foreign investor first forms a Vietnamese company and obtains its Investment Registration Certificate, while a foreign oil company contracts directly with Petrovietnam and opens an operating office in Vietnam. Rare earths and other strategic minerals carry additional restrictions that bear most heavily on foreign investors.

Why resources need a chapter of their own

In most sectors a foreign investor's question is whether the market is open and which certificate the project needs. In mining and petroleum there is a prior question: the investor needs a grant of the resource itself. Article 53 of the Constitution makes minerals and other natural resources public property owned by the entire people, with the State as owner's representative. A land use right, however secure, carries no right to what lies beneath the surface, and no contract between private parties can create one. Minerals are released through exploration and mining licences issued under the Law on Geology and Minerals; oil and gas through a petroleum contract signed with Petrovietnam and approved by the Prime Minister. The ordinary investment, company, land, tax and environmental rules apply on top of the resource grant, not instead of it.

Both regimes changed heavily between 2022 and 2026, and both now sit with the Ministry of Industry and Trade (MOIT). Older guides, and many forms still in circulation, refer to the Law on Minerals 2010, to the Ministry of Natural Resources and Environment and to the Vietnam Oil and Gas Group. None of those is current. The legal framework, the institutions and the September 2026 transfer of geology and minerals to MOIT are explained in [The minerals legal framework and the regulators](#).

Minerals: groups, licences and auctions

Article 6 of Law No. 54/2024/QH15 sorts minerals into four groups by use: Group I (metallic and energy minerals, precious and semi-precious stones and industrial minerals), Group II (minerals for cement, tiles, sanitary ware, glass, facing stone, industrial lime and refractories), Group III (common construction materials, peat, mineral mud and natural mineral and hot water) and Group IV (fill materials). The group decides who grants the licence. Since Law No. 147/2025/QH15 took effect on 1 January 2026, the ministry licenses Group I and offshore areas beyond provincial sea boundaries, while provincial People's Committee chairpersons license Groups II, III and IV, Group I in designated small and dispersed areas, and salvage mining. Mining rights in planned areas are auctioned as a rule under Article 100, with a list of exceptions that the 2025 amendment widened. The groups, the licensing map, the auction rules and the mining-rights fee are in [Mineral groups, licensing and auctions](#).

A project then moves through an exploration licence of up to 48 months, the recognition of reserves by the National Mineral Reserve Assessment Council or the province, and a mining licence of up to 30 years that may be extended by up to 20 years in total. Decree No. 193/2025/ND-CP requires the explorer to fund the whole exploration budget from equity or a bank guarantee, and the miner to hold equity of at least 30% of total investment or committed financing for the whole. Group IV fill materials are mined without an exploration licence. The procedures, time limits, transfer rules and grounds for revocation are in [Exploration and mining licences](#).

Rare earths, exports and the cost of mining

Rare earths are now handled as a special strategic mineral. Under the 2025 amendment and the articles that Decree No. 21/2026/ND-CP added to Decree No. 193/2025/ND-CP, every rare-earth exploration or mining licence and every transfer needs the Prime Minister's written approval, mining must be tied to processing to products of at least 90% total rare-earth oxides, unprocessed rare-earth minerals may not be exported, and international cooperation is permitted only with partners the Prime Minister approves. The export of other minerals is limited to the lists and technical standards set by MOIT and the Ministry of Construction, and many ores bear export duty. See [Strategic minerals, rare earths and exports](#).

A mine pays natural resources tax at rates fixed by Resolution No. 1084/2015/UBTVQH13 (14% for iron ore, 17% for gold and 18% for rare earths, for example), the fee for granting mining rights calculated as $T = Q \times G \times R$ under Article 132 of Decree No. 193/2025/ND-CP, an environmental protection fee, export duty where it applies, and corporate income tax, which Article 10(4) of Law No. 67/2025/QH15 sets at 50% for precious and rare minerals, or 40% where at least 70% of the area lies in especially disadvantaged areas. The mining licence application must carry an approved environmental impact assessment or an environmental licence, and the miner must lodge an environmental rehabilitation deposit and close the mine at its own cost. See [Mining taxes, fees and the environment](#).

Oil and gas: Petrovietnam and the production sharing contract

Petroleum is governed by Law No. 12/2022/QH15, in force since 1 July 2023, and Decree No. 45/2023/ND-CP. MOIT is the regulator, the Prime Minister approves contracts, the list of incentivised blocks and transfers of interests, and Petrovietnam, renamed the Vietnam National Industry - Energy Group in April 2025 but still known as PVN, signs and manages every contract for the State. Approval of the contract replaces investment policy approval, and MOIT then issues the contractor's Investment Registration Certificate. Oil and gas processing, LNG import terminals and gas-fired power plants fall outside the Petroleum Law and are licensed under the investment, electricity and sector rules. See [The petroleum framework and Petrovietnam](#).

The production sharing contract is the standard vehicle, and Decree No. 45/2023/ND-CP annexes a model. Contractors are selected by open bidding, restricted bidding, competitive offer or direct appointment. A contract runs for up to 30 years with an exploration period of up to five, or 35 and ten years for incentivised blocks. Cost recovery is capped at 50% of annual production for ordinary blocks, 70% for incentivised blocks and 80% for specially incentivised ones under Article 33 of the law; corporate income tax is fixed per contract between 25% and 50%, and incentivised blocks pay 32% with 10% crude export duty, specially incentivised blocks 25% and 5% under Article 54. See [Petroleum contracts and fiscal terms](#).

Decommissioning, local content and the 2027 law

Every contractor must submit a decommissioning plan within one year of first commercial production and pay annually into a decommissioning fund held by PVN; the payments are recoverable costs. The contract must also contain commitments on training, a research fund and priority for Vietnamese labour and services, and the contractor must sell its crude and gas in Vietnam when the Government so requires. Law No. 10/2026/QH16, passed on 23 August 2026 and in force from 1 March 2027, keeps the production sharing model but decentralises approvals to the State management authority and to PVN, adds incentives for small, marginal, deepwater and far-offshore fields, and introduces a framework for carbon capture and storage linked to petroleum operations. Its implementing decree was still in draft at the review date. See [Decommissioning, local content and the 2027 Petroleum Law](#).

How to use this chapter

An investor in minerals should read the first three sections in order, then the section on strategic minerals if the target is a metallic or critical mineral, and the section on taxes and the environment before building a financial model. An oil and gas company should start with the petroleum framework and read the contracts section before any block nomination or farm-in. Matters covered elsewhere are linked rather than repeated, in particular [Investment policy approval](#), [Land recovery, compensation and non-use](#), [Corporate income tax](#) and [Investor-State disputes and treaty claims](#). Each section ends with the related FAQs, the official sources and a question to put to Lawbot about your own facts. The position is stated at 10 October 2026; the 2027 changes to the Petroleum Law and the further amendments to the Law on Geology and Minerals due on 1 January 2027 should be checked before any transaction closes.

OFFICIAL SOURCES

- National Legal Database (vbpl.vn): Law No. 54/2024/QH15; Law No. 147/2025/QH15; Decree No. 193/2025/ND-CP; Decree No. 21/2026/ND-CP — <https://vbpl.vn>
- Ministry of Industry and Trade (geology and minerals since 15 September 2026) — <https://moit.gov.vn>
- Vietnam Department of Geology and Minerals (consolidated text of Decree No. 193/2025/ND-CP, mineral data) — <https://dcks.mae.gov.vn>
- Government Portal (decrees and Prime Ministerial decisions) — <https://chinhphu.vn>
- National Public Service Portal (online filing of mineral procedures) — <https://dichvucong.gov.vn>
- Customs Department (export duty and clearance of minerals) — <https://www.customs.gov.vn>
- Tax Department (natural resources tax, fees and CIT declarations) — <https://gdt.gov.vn>
- Ministry of Finance (draft law amending the Law on Natural Resources Tax, July 2026) — <https://mof.gov.vn>
- Ministry of Agriculture and Environment (EIA, environmental licences, rehabilitation deposits) — <https://mae.gov.vn>
- Vietnam National Industry - Energy Group (Petrovietnam) — <https://www.pvn.vn>

The minerals legal framework and the regulators: State ownership under Article 53 of the Constitution, the Law on Geology and Minerals 2024 as amended in 2025, Decree No. 193/2025/ND-CP, the September 2026 transfer to the Ministry of Industry and Trade, provincial powers, minerals and land, and foreign participation

Reviewed 10 October 2026 · Prepared by a foreign investment lawyer (now retired) with 20 years' experience advising on Vietnamese investment law · Legal and tax information, not legal advice · [How we check](#) · [Open in the app](#)

WHAT YOU NEED TO KNOW

- Minerals are public property owned by the entire people with the State as owner's representative (Article 53, Constitution of 2013), so a land use right confers no right to the minerals beneath it and every mine needs a licence.
- Law No. 54/2024/QH15 on Geology and Minerals applies from 1 July 2025, as amended by Law No. 147/2025/QH15 from 1 January 2026, with Decree No. 193/2025/ND-CP of 2 July 2025 as amended by Decree No. 21/2026/ND-CP of 16 January 2026.
- Decree No. 351/2026/ND-CP moved state management of geology and minerals from the Ministry of Agriculture and Environment to the Ministry of Industry and Trade on 15 September 2026; the amended law refers to the ministry assigned as focal point rather than naming one.
- Provincial People's Committee chairpersons license Groups II, III and IV, Group I in designated small and dispersed areas and salvage mining, and recognise exploration results for the licences they grant (Articles 51 and 108, as amended).
- A mining licence is granted to an enterprise established under the Law on Enterprises (Article 53), so a foreign-invested Vietnamese company qualifies once it holds its Investment Registration Certificate; a foreign enterprise with a branch or representative office may hold an exploration licence (Article 37).

State ownership and what it means for an investor

Article 53 of the Constitution of 2013 provides that land, water resources, mineral resources, resources in the sea and airspace and other natural resources are public property, owned by the entire people and represented and uniformly managed by the State. Everything in the minerals regime follows from that sentence. The State does not sell a deposit; it grants a time-limited right to explore for it and then to

extract it, in return for a fee for the grant of mining rights and natural resources tax on what is produced. The right is personal to the licence holder, can be transferred only with the licensing authority's approval, and ends with the licence ([FAQ 102](#)).

The same principle separates minerals from land. A land use right, whether held by a Vietnamese person, a foreign-invested company or the State itself, carries no right to minerals or petroleum beneath it. A landowner who finds clay, sand or ore on its land may not dig it for sale without a licence, and an investor that buys a site in order to quarry it acquires nothing more than the surface. Conversely, a licence holder has no automatic right to the surface. For a licensed project, Article 79 of Law No. 31/2024/QH15 on Land (the Land Law 2024) allows the State to recover land for licensed mineral extraction, compensating, supporting and resettling the users, and Article 205 governs the lease of land for mineral activities, normally on annual rent; the miner may instead negotiate a transfer of land use rights from the existing users. The land procedures are explained in [How foreign-invested companies access land](#) and [Land recovery, compensation and non-use](#).

Article 8 of Law No. 54/2024/QH15 adds the community dimension. Localities and residents where minerals are mined share in the benefits through the State budget and infrastructure, and the miner must support affected households, including with vocational training, and give priority to local labour. Those obligations are enforced through the licence and the investment registration, and in practice they shape the social licence to operate as much as any approval.

The Law on Geology and Minerals 2024

Law No. 54/2024/QH15 on Geology and Minerals was passed on 29 November 2024 and took effect on 1 July 2025, replacing the Law on Minerals 2010. It extends beyond mining to geological surveys and data. For an investor the core chapters are those on mineral planning and mineral areas (including the areas where mineral activity is prohibited or temporarily prohibited under Article 26, the small and dispersed areas under Article 27 and the national mineral reserve areas under Articles 28 to 34), exploration (Articles 37 to 52), mining of Groups I, II and III (Articles 53 to 66), salvage mining (Articles 67 to 71), Group IV fill materials (Articles 72 to 74), processing (Articles 77 and 78), environmental protection and mine closure (Articles 79 to 85), the fee for granting mining rights (Articles 98 and 99) and auctions of mining rights (Articles 100 to 106). State management responsibilities are in Article 107 and the licensing authorities in Article 108.

Four features distinguish the 2024 law from its predecessor. It classifies minerals by use into four groups rather than by the old categories, and lets the licensing authority depend on the group (Article 6). It creates a light regime for Group IV fill materials, mined without an exploration licence (Article 73). It introduces mineral recovery within construction projects, so that a developer may use or sell minerals uncovered in the course of building works after registration. And it moves the fee for granting mining rights to an annual payment calculated on the reserves in the licence and later settled against actual output (Articles 98 and 99). The detailed rules on each are in [Mineral groups, licensing and auctions](#) and [Exploration and mining licences](#).

The 2025 amendment and Decree No. 193/2025/ND-CP

Within six months of the law taking effect, the National Assembly amended it. Law No. 147/2025/QH15 was passed on 11 December 2025 and took effect on 1 January 2026. Its main changes were to move licensing of Groups II, III and IV, and of Group I in small and dispersed areas, to provincial People's Committee chairpersons; to widen the areas in which mining rights are granted without auction, including areas needed for energy security, defence and strategic minerals, materials for national, public-investment and public-private partnership projects, and feedstock for operating processing plants; to permit Group III construction materials to be licensed for specified public projects without reference to the provincial mineral management plan; to allow sampling to test processing technology; and to place rare earths under a closed value-chain regime in which exploration, mining and processing are linked and raw rare-earth ore may not be exported ([FAQ 101](#), [FAQ 105](#)). The amending law also replaced the references to a named ministry with a reference to the ministry assigned as focal point to assist the Government in state management of geology and minerals, which allowed the later transfer to MOIT without a further amendment.

Decree No. 193/2025/ND-CP of 2 July 2025, effective the same day, implements the law in more than 150 articles: the list of minerals in each group, financial capacity, licensing procedures and time limits, reserve recognition, the formula and payment of the fee for granting mining rights, auctions, mine closure and strategic minerals. Decree No. 21/2026/ND-CP of 16 January 2026, also effective on signature, amended Decree No. 193/2025/ND-CP to implement Law No. 147/2025/QH15, converted many time limits into working days, rewrote the financial capacity rules and added a new set of articles, 110a to 110g, on rare earths. References in this chapter to Decree No. 193/2025/ND-CP are to the decree as so amended.

Who regulates: the transfer to the Ministry of Industry and Trade

From the 2025 merger of ministries until 14 September 2026, geology and minerals were managed by the Ministry of Agriculture and Environment, which had absorbed the former Ministry of Natural Resources and Environment. Decree No. 351/2026/ND-CP moved state management of geology and minerals to the **Ministry of Industry and Trade** (MOIT) with effect from 15 September 2026, the same date on which State management of industrial parks moved from the Ministry of Finance to MOIT under Government Resolution No. 66.25/2026/NQ-CP. The Vietnam Department of Geology and Minerals moved with the function, and MOIT now issues Group I exploration and mining licences, runs ministry-level auctions, keeps the national geological and mineral database and, through the National Mineral Reserve Assessment Council, recognises exploration results for ministry-licensed areas (Article 51). MOIT already set the export lists and standards for Group I and industrial minerals and regulated processing, so the transfer brings licensing, processing and trade under one ministry.

The Ministry of Agriculture and Environment keeps land administration and environmental protection, so the environmental impact assessment, the environmental licence and the rehabilitation deposit for a mine remain within its system and that of the provinces ([FAQ 89](#)). The Ministry of Construction sets the export list and standards for construction minerals. The Ministry of Finance and its Tax Department collect natural resources tax, the fee for granting mining rights and corporate income tax. The Prime Minister approves the national mineral planning, the prohibited areas delineated by the provinces, the

non-auction areas within the ministry's remit and every rare-earth licence. Forms and decisions issued before 15 September 2026 in the name of the Ministry of Agriculture and Environment remain valid; applications in progress are continued by MOIT.

Provincial People's Committees

Provinces have always mattered in Vietnamese mining because they control land, roads, water and local order. Since 1 January 2026 they also license most mines by number. Under Article 108 as amended by Law No. 147/2025/QH15, the chairperson of the provincial People's Committee issues, extends, re-issues, adjusts, accepts the surrender of, approves the transfer of and revokes licences for Group II, Group III and Group IV minerals, for Group I minerals in the small and dispersed areas that the ministry has delineated and announced, and for salvage mining. Where a licensed area spans two or more provinces, the province holding the largest share of the area decides after consulting the others. The provincial People's Committee also recognises exploration results for the licences it grants (Article 51(2)), delineates and submits for the Prime Minister's approval the prohibited and temporarily prohibited areas (Article 26(4)), approves the non-auction areas within its remit (Article 100), organises local auctions and approves mine closure for its licences.

Dossiers are received and appraised by the provincial specialised department designated for minerals. Following the 2025 reorganisation that function sat in the provincial Department of Agriculture and Environment; some provinces may re-assign it after the central transfer to MOIT, and an applicant should confirm the receiving department before filing. Provinces also levy the environmental protection fee on minerals within the national frame, so the cost of a quarry can differ from one province to the next.

Other laws that apply to a mining project

The minerals law is the starting point, not the whole of the framework. A foreign investor forms its company and registers its project under Law No. 143/2025/QH15 on Investment ([The Investment Registration Certificate](#)). Environmental approvals come from Law No. 72/2020/QH14 on Environmental Protection, land from the Land Law 2024, and the fiscal charges from the natural resources tax, corporate income tax and export duty laws. Radioactive minerals, and the radioactive by-products of some rare-earth ores, also fall under the Law on Atomic Energy. Licensing must follow the mineral planning: the national plan for 2021 to 2030 with a vision to 2050 was approved by Decision No. 866/QĐ-TTg of 2023, and the provincial plans cover Group III and Group IV minerals.

Foreign participation

Article 53 of the law allows a mining licence to be granted to an enterprise established under the Law on Enterprises or a cooperative, and Article 37 allows an exploration licence to be granted to the same entities and also to a foreign enterprise that has a representative office or branch in Vietnam. A foreign investor that intends to mine therefore forms a Vietnamese company, and because that company will be more than 50% foreign-owned in most cases, it first needs an Investment Registration Certificate, which a domestic investor does not ([FAQ 106](#)). Mineral exploration and mining are conditional business lines, and the investor should check the market-access list in Appendix I of Decree No. 96/2026/ND-CP for the specific mineral before structuring ([Market access for foreign investors](#)).

Two further restrictions bear more heavily on foreign investors. Article 65 requires a foreign investor in strategic and important minerals to meet the market-access rules of the investment law and to accept the State's direction of the activity, and Decree No. 193/2025/ND-CP provides that foreign investors in the exploration of such minerals are identified under intergovernmental agreements, with priority in granting mining rights to domestic enterprises that cooperate with foreign investors in processing. Rare earths are reserved for enterprises the State designates or permits. Those rules are explained in [Strategic minerals, rare earths and exports](#).

First questions on any minerals opportunity

The questions a foreign investor, or its adviser, should answer before signing a term sheet for a Vietnamese mineral project or a stake in a licence holder.

☐ Which group is the mineral in?

Article 6 of the law and the list in Decree No. 193/2025/ND-CP decide the group, and the group decides the licensing authority, the need for exploration and the auction position.

☐ Is the area in the mineral planning?

Check the national Group I and Group II planning (Decision No. 866/QD-TTg) or the provincial plan for Groups III and IV, and whether the area is prohibited, temporarily prohibited, a national reserve or a small and dispersed area.

☐ What does the licence actually cover?

Obtain the licence itself, its coordinates, depth, reserves, capacity and term, the decision approving the fee for granting mining rights and the latest settlement.

☐ Who holds it, and can it be transferred?

Exploration rights transfer only after 50% of the exploration budget is spent (Article 46); mining rights only after construction is complete and the mine is in production (Article 58).

☐ Can the investor hold it?

Confirm the market-access position, the IRC route and whether the mineral is strategic or a rare earth, which adds Prime Ministerial approval and intergovernmental-agreement conditions.

☐ Are environmental and land approvals in place?

Environmental impact assessment decision or environmental licence, rehabilitation deposit receipts, land lease or recovery decisions and compensation records.

☐ Are the fiscal obligations current?

Natural resources tax, the fee for granting mining rights, environmental protection fee and CIT; arrears can block a transfer and lead to revocation.

The minerals framework at 10 October 2026

Instrument	What it does	In force
Constitution of 2013, Article 53	Natural resources are owned by the entire people, represented and managed by the State	1 January 2014

Instrument	What it does	In force
Law No. 54/2024/QH15 on Geology and Minerals	Planning, mineral areas, exploration, mining, closure, fees, auctions, licensing authorities	1 July 2025
Law No. 147/2025/QH15	Provincial licensing of Groups II to IV, wider non-auction areas, Group III for public projects, rare-earth value chain	1 January 2026
Decree No. 193/2025/ND-CP	Detailed rules: groups, financial capacity, procedures, fee formula, auctions, closure, strategic minerals	2 July 2025
Decree No. 21/2026/ND-CP	Amends Decree No. 193/2025/ND-CP; rare-earth Articles 110a to 110g; working-day time limits	16 January 2026
Decree No. 351/2026/ND-CP	Moves state management of geology and minerals to MOIT	15 September 2026
Law No. 31/2024/QH15 on Land, Articles 79 and 205	Recovery of land for licensed mining; lease of land for mineral activities	1 August 2024
Law No. 72/2020/QH14 on Environmental Protection	EIA, environmental licence, rehabilitation deposit (Article 137)	1 January 2022
Decision No. 866/QD-TTg (2023)	National planning for the exploration, mining, processing and use of minerals 2021-2030, vision 2050	2023

WORKED EXAMPLE

Mapping the authorities for a foreign-backed tungsten project in the northern uplands

A Japanese trading house and an Australian junior form a Vietnamese joint venture company (70% foreign) to acquire, by transfer, a tungsten exploration licence covering 12 km² issued in 2024, where exploration is 60% complete. Tungsten is a Group I metallic mineral and, under Article 10(4) of the CIT law, a rare mineral. The facts and timing are illustrative.

Company and IRC	Joint venture company registers its project with the provincial Department of Finance under Law No. 143/2025/QH15; IRC issued in week 5; company registered in week 6.
Licensing authority	MOIT (Group I outside a small and dispersed area), since 15 September 2026. Before that date the application would have gone to the Ministry of Agriculture and Environment.
Transfer of exploration rights	Permitted because more than 50% of the exploration budget has been spent (Article 46); transferee must meet Article 37 and the financial capacity rule in Article 26 of the decree (remaining budget covered by equity or a bank guarantee). Licence re-issued to the joint venture for the remaining term.
Reserve recognition	National Mineral Reserve Assessment Council, on the final exploration report, within six months after the exploration licence expires (Article 50(3)).

Mining licence	MOIT again; dossier to include the approved EIA, feasibility study and evidence of equity of at least 30% of total investment or committed financing (Article 55 of the decree).
Environment	EIA appraised within the environmental system of the Ministry of Agriculture and Environment or the province, depending on the project category under Decree No. 08/2022/ND-CP as amended.
Land	Provincial People's Committee recovers land under Article 79 of the Land Law 2024 and leases it to the company on annual rent under Article 205; compensation plan agreed with affected households.
Taxes	Natural resources tax on tungsten at 20% (Resolution No. 1084/2015/UBTVQH13); CIT at 50%, or 40% if at least 70% of the area is in especially disadvantaged areas.

Had the mineral been limestone for the joint venture's own cement plant (Group II), the provincial chairperson would have licensed it, and the area could have been allocated without auction as feedstock for an operating processing plant.

Had the target been a rare-earth deposit, the transfer and every later licence would have needed the Prime Minister's written approval, and the investor's eligibility would have turned on State designation or permission.

Questions investors ask about the minerals framework

Who owns minerals found under my land in Vietnam?

The State. Article 53 of the Constitution makes minerals public property owned by the entire people with the State as representative, so a land use right gives no right to the minerals beneath it. Extracting them for sale needs a licence under Law No. 54/2024/QH15, even for clay or sand on land the investor already uses.

Which ministry regulates mining in Vietnam now?

The Ministry of Industry and Trade, since 15 September 2026 under Decree No. 351/2026/ND-CP. It took over geology and minerals, including Group I licences and the Vietnam Department of Geology and Minerals, from the Ministry of Agriculture and Environment, which keeps land and environmental approvals. Provinces license Groups II, III and IV.

Which law applies to a mining licence applied for in 2026?

Law No. 54/2024/QH15 on Geology and Minerals as amended by Law No. 147/2025/QH15 from 1 January 2026, with Decree No. 193/2025/ND-CP as amended by Decree No. 21/2026/ND-CP. The Law on Minerals 2010 and its decrees no longer govern new applications, subject to the transitional rules in Article 111.

Can a foreign company hold a mining licence directly?

Not for mining. Article 53 grants mining licences to enterprises established under the Law on Enterprises, so the foreign investor forms a Vietnamese company and obtains its Investment Registration Certificate first. For exploration only, Article 37 also admits a foreign enterprise with a branch or representative office in Vietnam.

Does buying land give me the right to quarry it?

No. Land use rights and mineral rights are separate. Quarrying needs a licence from the provincial chairperson for Groups II to IV or from MOIT for Group I. Conversely, a licence holder that does not own the land obtains it through State recovery and lease under the Land Law 2024 or by negotiated transfer.

THE 2027 HORIZON

- A law amending ten laws on administrative procedures and business conditions in agriculture and environment, passed at the National Assembly's first extraordinary session of the sixteenth legislature in August 2026 and reported to take effect on 1 January 2027, includes amendments to the Law on Geology and Minerals; secondary sources indicate changes to Articles 26, 55 and 108, and the final text should be checked before relying on the licensing map in this section.
- The Ministry of Industry and Trade is expected to reissue the circulars and forms of the former Ministry of Agriculture and Environment on minerals in its own name; until it does, the existing forms continue to be used.
- A draft overhaul of Law No. 72/2020/QH14 on Environmental Protection was published in June 2026, and a draft amended Land Law with a proposed effective date of 1 March 2027 was before the National Assembly in October 2026; both could change the environmental and land steps for mines.

Terms you will meet in the documents

English	Vietnamese	Meaning
Law on Geology and Minerals	<i>Luật Địa chất và khoáng sản</i>	Law No. 54/2024/QH15, in force from 1 July 2025, as amended.
Mineral activities	<i>Hoạt động khoáng sản</i>	Exploration and mining of minerals, including salvage mining.
Exploration licence	<i>Giấy phép thăm dò khoáng sản</i>	The licence to explore a defined area (Articles 37 to 52).
Mining licence	<i>Giấy phép khai thác khoáng sản</i>	The licence to extract minerals (Articles 53 to 66).
Licensing authority	<i>Cơ quan có thẩm quyền cấp giấy phép</i>	The ministry or the provincial chairperson, under Article 108.
Prohibited area	<i>Khu vực cấm hoạt động khoáng sản</i>	An area where mineral activity is banned (Article 26).

English	Vietnamese	Meaning
National mineral reserve area	<i>Khu vực dự trữ khoáng sản quốc gia</i>	An area of unmined Group I or II minerals held in reserve (Article 28).
Small and dispersed area	<i>Khu vực có khoáng sản phân tán, nhỏ lẻ</i>	Group I or II minerals suited only to small-scale mining, licensed by the province (Article 27).
Vietnam Department of Geology and Minerals	<i>Cục Địa chất và Khoáng sản Việt Nam</i>	The central department for geology and minerals, under MOIT since 15 September 2026.

FOREIGN V VIETNAMESE INVESTOR

The minerals law itself draws few lines by nationality: a licence goes to an enterprise, and a foreign-invested Vietnamese enterprise qualifies on the same footing as a domestic one. The differences arise around it. A foreign investor needs an Investment Registration Certificate before the company exists or within 12 months after, must satisfy the market-access list for the mineral, and in strategic minerals is admitted to exploration through intergovernmental agreements, with mining rights given in priority to domestic enterprises that partner with foreign processors. Rare earths are reserved for State-designated or permitted enterprises. A Vietnamese household business, but not a foreign individual, may hold a Group III licence.

WATCH OUT FOR

- Relying on guides, forms or advice that cite the Law on Minerals 2010, the Ministry of Natural Resources and Environment or Decree No. 158/2016/ND-CP; all have been superseded.
- Assuming that title to land includes the minerals in it; quarrying without a licence is an administrative and, at scale, a criminal offence.
- Filing with the wrong authority after the 1 January 2026 and 15 September 2026 changes; Group I goes to MOIT, Groups II to IV to the provincial chairperson.
- Acquiring a company whose licence cannot yet be transferred, or whose fee for granting mining rights or natural resources tax is in arrears.
- Overlooking the further amendments to the Law on Geology and Minerals due on 1 January 2027 when planning a licence application that will straddle that date.

OFFICIAL SOURCES

- National Legal Database (vbpl.vn): Law No. 54/2024/QH15; Law No. 147/2025/QH15; Decree No. 193/2025/ND-CP; Decree No. 21/2026/ND-CP — <https://vbpl.vn>
- Ministry of Industry and Trade (geology and minerals since 15 September 2026) — <https://moit.gov.vn>
- Vietnam Department of Geology and Minerals (consolidated text of Decree No. 193/2025/ND-CP, mineral data) — <https://dcks.mae.gov.vn>
- Government Portal (decrees and Prime Ministerial decisions) — <https://chinhphu.vn>

Mineral groups, licensing and auctions: the four groups under Article 6, who licenses each since 1 January 2026, mineral planning and the areas closed to mining, auctions of mining rights and the widened exceptions, the fee for granting mining rights, and how to identify the right licence and authority

Reviewed 10 October 2026 · Prepared by a foreign investment lawyer (now retired) with 20 years' experience advising on Vietnamese investment law · Legal and tax information, not legal advice · [How we check](#) · [Open in the app](#)

WHAT YOU NEED TO KNOW

- Article 6 of Law No. 54/2024/QH15 sorts minerals by use into Group I (metallic, energy, gemstones, industrial minerals), Group II (minerals for cement, tiles, glass, facing stone, lime and refractories), Group III (common construction materials, peat, mineral water) and Group IV (fill materials).
- Since 1 January 2026 the ministry, MOIT since 15 September 2026, licenses Group I and offshore areas beyond provincial sea boundaries, and provincial chairpersons license Groups II, III and IV, Group I in small and dispersed areas and salvage mining (Article 108, as amended by Law No. 147/2025/QH15).
- Mining rights in planned mineral areas, salvage areas and most Group IV areas are auctioned under Article 100, and an auction proceeds only with at least two eligible bidders; Law No. 147/2025/QH15 widened the non-auction areas to cover energy security, defence, strategic minerals, materials for priority public projects, cement and processing feedstock, recognised exploration results and renewals.
- Mineral activity is barred in prohibited and temporarily prohibited areas delineated by the provinces and approved by the Prime Minister (Article 26), and licensing must follow the national Group I and Group II planning or the provincial plan for Groups III and IV (Articles 11 to 13).
- The fee for granting mining rights is $T = Q \times G \times R$, where R is the rate in Appendix III of Decree No. 193/2025/ND-CP or the winning auction bid; it is approved on the licensed reserves, paid in annual instalments and settled against actual output (Articles 132 to 139).

Why the group matters

Under the Law on Minerals 2010 the licensing authority depended on a mix of mineral type and scale. Law No. 54/2024/QH15 replaced that with a single organising concept: the group to which the mineral belongs by its use. The group decides who licenses the mine, whether an exploration licence is needed, whether the area is likely to be auctioned, the length of the licence and, for Group I, whether the mineral

may also be strategic. Getting the group right is therefore the first step in any mineral project, and the answer is not always obvious: limestone may be Group II if it feeds a cement plant and Group III if it is crushed for road base, and sand is Group III for construction but Group IV if suited only for fill.

Article 6(1) defines the four groups. **Group I** comprises metallic minerals, energy minerals, precious and semi-precious stones and industrial minerals: coal, iron, bauxite, copper, gold, tin, tungsten, titanium, rare earths, apatite, graphite and the like. **Group II** comprises minerals used as materials in the construction-materials industry for producing cement, tiles, sanitary ware, construction glass, facing and art stone, industrial lime and refractories. **Group III** comprises common construction materials not falling within Groups II or IV, together with peat, mineral mud, natural mineral water and natural hot water. **Group IV** comprises minerals suitable only for fill, foundations, irrigation works and disaster prevention: clay, hill earth, earth mixed with rock, sand, gravel or pebbles, and sand other than river, lake and offshore sand (FAQ 103). Article 6(2) leaves the detailed list to the Government, which sets it in Article 4 of Decree No. 193/2025/ND-CP, and allows the Government to decide the group of a mineral with several uses.

Who licenses each group since 1 January 2026

Law No. 147/2025/QH15 rewrote Article 108 with effect from 1 January 2026. The **minister** of the ministry assigned as focal point for geology and minerals issues exploration and mining licences for Group I minerals, other than Group I minerals in small and dispersed areas that the ministry has delineated and announced, and for minerals in sea areas beyond provincial administrative boundaries. Since 15 September 2026 that minister is the Minister of Industry and Trade. The minister also handles the extension, re-issue, adjustment, surrender, transfer and revocation of the licences within that remit.

The **chairperson of the provincial People's Committee** licenses Group II, Group III and Group IV minerals, Group I minerals in the small and dispersed areas, and salvage mining, and handles the extension, re-issue, adjustment, surrender, transfer and revocation of those licences. Where an area lies in more than one province, the province holding the largest share decides after consulting the others. The provinces' share of licensing was already large under the 2010 law, but the 2026 change makes the provincial chairperson the licensing authority for every quarry and every construction-material mine in the country, which is the bulk of licences by number.

Two categories sit above both. Every exploration or mining licence for **rare earths**, and every transfer of one, requires the Prime Minister's written approval before the minister acts (Articles 110c and 110d of Decree No. 193/2025/ND-CP), and the Prime Minister approves licences for special strategic minerals generally (Article 108(4) of the decree). Licences issued before 1 January 2026 by an authority that has since lost the competence are handled, for extension, adjustment or revocation, by the authority now competent, unless the holder elects to complete a pending application under the procedures in force when it was filed (Article 111).

Mineral planning and the map of mineral areas

No licence may be granted outside the planning. Articles 11 to 13 provide for a national plan for Group I minerals and for Group II minerals, prepared by the ministries and approved by the Prime Minister, and for the management of Group III and Group IV minerals through the provincial plan. The national plan

currently in force is the plan for the exploration, mining, processing and use of minerals for 2021 to 2030 with a vision to 2050, approved by Decision No. 866/QĐ-TTg in 2023, which lists the deposits to be explored and mined in each period and sets processing objectives. Group III construction materials for listed public projects may since 2026 be licensed without reference to the provincial management plan under the new clauses inserted into Article 55.

Within that frame the law designates several kinds of area. The **areas planned for mineral activity** are where licences are granted, by auction or otherwise. **Small and dispersed areas** (Article 27) contain Group I or Group II minerals suited only to small-scale mining and are licensed by the province. **National mineral reserve areas** (Articles 28 to 34) hold unmined Group I and Group II minerals back for future use; other investment projects may be carried out in them only after an assessment of their effect on the reserve, and if such a project is later terminated to release the minerals, its investor is compensated under Article 34. Finally, **prohibited and temporarily prohibited areas** are closed to mineral activity altogether.

Prohibited and temporarily prohibited areas

Article 26(1) requires an area to be delineated as prohibited where it contains, or is protected for, ranked historical and cultural relics and landscapes or natural heritage; special-use and protection forest land, geological conservation areas and marine protected areas; defence and security land; religious and belief land; or the protection corridors of defence works, transport, irrigation, hydropower and dyke works, water supply and waste treatment systems, energy and petroleum works, and telecommunications infrastructure. Article 26(2) allows an area to be temporarily prohibited for defence and security, for the conservation of nature, fisheries resources or relics under consideration, for disaster prevention and recovery, and for riverbanks and coastlines that are eroding or at risk of erosion. The provincial People's Committee delineates both kinds of area and submits them for the Prime Minister's approval (Article 26(4)).

Exploration or mining inside such an area is possible only by special approval under Article 26(3), as amended by Law No. 147/2025/QH15, and Article 14 of Decree No. 193/2025/ND-CP sets the procedure. If an area already under licence is later declared prohibited or temporarily prohibited, the exploration or mining licence is revoked and the holder is compensated under Articles 52(4) and 66(5). A buyer of a licence should therefore check not only the area's status today but any pending delineation affecting it, particularly near rivers, forests and planned infrastructure.

Auctions of mining rights

Article 100(1) requires mining rights to be auctioned in areas planned for mineral activity, in areas for salvage mining and for Group IV minerals, except in the non-auction cases. The auction is organised by the licensing authority, so MOIT for Group I areas within its remit and the provincial People's Committee for the rest, on the basis of an annual auction plan approved under Article 144 of Decree No. 193/2025/ND-CP. Articles 101 to 106 of the law and Articles 143 to 149 of the decree set the principles, the starting price, the bid increment and deposit, the eligibility of bidders, the rights and duties of the winner, the calculation of the fee in auctioned areas and the annulment of results. An auction proceeds only if at least two eligible bidders take part ([FAQ 105](#)).

Bidders must be entities that could hold the licence that will follow: an enterprise under the Law on Enterprises (or, for exploration, a foreign enterprise with a branch or representative office), with the financial capacity required for exploration or mining. What is auctioned is, in substance, the rate R in the fee formula: the winning bid replaces the rate in Appendix III of the decree. Auctions take two forms: auctions of areas where exploration has not yet been carried out, after which the winner must apply for an exploration licence, and auctions of areas where exploration results have already been recognised, after which the winner applies directly for a mining licence. Where an area holds two or more minerals, Article 148 of the decree decides which one is auctioned. Article 104(2) of the law and Article 148a of the decree set the time limits within which the winner must file its licence application; a winner that misses them, or fails to pay the sums due, risks the annulment of the result under Article 106 and the loss of its deposit.

Where mining rights are not auctioned

Article 100(2) allows areas to be designated in which mining rights are granted without auction, for energy security, defence and security, the efficient use of strategic and important minerals and materials for national key projects, urgent public investment projects and national target programmes, and Law No. 147/2025/QH15 widened the list. Article 143 of Decree No. 193/2025/ND-CP now sets the criteria: areas of radioactive minerals and coal (other than small and dispersed coal and peat); areas in the national border belt; areas prioritised for deeper or extended exploration by an existing miner; areas selected by organisations that took part in geological surveys; Group III and Group IV construction materials for the public projects listed in Article 55(1a) of the law; areas covered by intergovernmental cooperation agreements; areas of strategic and important minerals; areas that have failed at auction three times; limestone and clay for cement, cement additives and feedstock for processing plants already in operation; and areas needed to grant a mining licence to an explorer with priority rights, or to extend, re-issue, adjust or transfer an existing licence. MOIT delineates the non-auction areas within its remit for the Prime Minister's approval, and the provincial People's Committee approves those within its own (Article 100(3) and (4); Article 143a of the decree).

In a non-auction area the explorer is selected under Article 39 of the law and Articles 30 and 31 of the decree. The organisation named in the approval of the non-auction area is selected first; otherwise the area is published, and if more than one applicant files, priority goes to the applicant with the largest owner's equity that meets the financial capacity rule, then to the applicant with a clean record of financial obligations in existing mines. In the national border belt only domestic investors may be selected, with the written consent of the border authorities (Article 30(2) of the decree), which excludes companies treated as foreign investors under the investment law. The fee for granting mining rights is then calculated at the Appendix III rate rather than an auction bid. For a foreign investor building a processing plant, the cement and processing-feedstock criterion is the most useful: an investor with an operating plant may be able to secure its feedstock deposit without competing at auction.

The fee for granting mining rights

Article 98 of the law requires every miner to pay a fee for granting mining rights (tiền cấp quyền khai thác khoáng sản). Under Article 132 of Decree No. 193/2025/ND-CP it is calculated as $T = Q \times G \times R$, where Q is the reserve or volume on which the fee is charged under Article 133, G is the price for

calculating the fee under Article 134 (the provincial People's Committee's price for natural resources tax multiplied by a conversion coefficient in Appendix IV), and R is the rate in Appendix III of the decree for non-auction areas or the winning rate for auctioned areas ([FAQ 107](#)). Where a licence covers several minerals, the fee is calculated separately for each.

The total is divided by the number of years of the licence and paid annually: the first year's instalment within 24 working days of the tax authority's notice, and later instalments by 31 May each year (Article 137). The fee is then settled against actual output under Articles 139 and 140, so that over- and under-payments are corrected, and it can be adjusted when the licence is adjusted. If mining is suspended at the State's request through no fault of the miner, no fee is due for the years of suspension. The fee is not a tax, but it is collected by the provincial tax office, and arrears are a ground for refusing extensions and transfers.

DECISION GUIDE

Which licence, and which authority?

A first orientation for a proposed mine. The answer is settled by the first question that points to an outcome; confirm it against the planning and the licensing authority before filing.

Q1 Is the mineral a rare earth, a radioactive mineral or another mineral the State lists as special strategic?

Yes MOIT licenses, but only after the Prime Minister's written approval of the licence and of the holder. Eligibility is limited to State-designated or permitted enterprises and, for foreign investors, to the terms of intergovernmental agreements. See [Strategic minerals, rare earths and exports](#).

No Continue to Q2.

Q2 Is the mineral suitable only for fill, foundations, irrigation or disaster-prevention works (Group IV)?

Yes Provincial chairperson. No exploration licence; a Group IV mining licence for up to ten years plus five years of extensions, usually by auction unless the material supplies a qualifying public project (Articles 72 to 74; Article 88 of the decree).

No Continue to Q3.

Q3 Is it a Group II or Group III mineral (cement, tile, glass, lime or refractory materials; common construction materials, peat, mineral water)?

Yes Provincial chairperson, for both exploration and mining. Check whether the area is in the provincial auction plan or qualifies as a non-auction area (for example limestone and clay for an operating cement plant).

No Continue to Q4.

Q4 Is the Group I deposit in a small and dispersed area that the ministry has delineated and announced, or a salvage operation?

Yes Provincial chairperson (Article 108, as amended).

No MOIT, as the ministry assigned to geology and minerals since 15 September 2026, including offshore areas beyond provincial sea boundaries. Expect an auction unless the area is designated non-auction.

The four groups and the licensing map

Group	Typical minerals	Licensing authority	Exploration licence	Auction position
Group I	Coal, iron, bauxite, copper, gold, tin, tungsten, titanium, rare earths, gemstones, apatite, graphite	MOIT; provincial chairperson in small and dispersed areas; Prime Minister's approval for rare earths	Required; up to 48 months plus 24 months of extensions	Auction in planned areas unless non-auction (energy security, strategic minerals, recognised exploration results, renewals)
Group II	Limestone and clay for cement, kaolin and feldspar for ceramics, glass sand, facing stone, dolomite for lime, refractories	Provincial chairperson	Required	Auction unless non-auction, notably cement and processing feedstock
Group III	Common construction stone, sand and gravel, peat, mineral mud, natural mineral and hot water	Provincial chairperson; household businesses may hold licences	Required (smaller area limits)	Auction unless supplying listed public projects or otherwise non-auction
Group IV	Clay, hill earth, earth mixed with rock, fill sand	Provincial chairperson	Not required; survey of general mineral information only	Auction as a rule; exempt for contractors on national key, urgent public and disaster works
Salvage mining	Remaining minerals in closed mines or project areas	Provincial chairperson	Not required	Auction as a rule

WORKED EXAMPLE

Securing a limestone deposit for a new clinker line

A Thai cement group, through its Vietnamese subsidiary, is building a second clinker line next to its operating plant in the north and needs 60 million tonnes of limestone for 30 years. The limestone is a Group II mineral. The figures, rates and timing are illustrative, and the R rate is assumed rather than taken from Appendix III.

Planning check (month 1)	The deposit is in the national Group II planning; it is not in a prohibited, temporarily prohibited or national reserve area.
Auction or not (months 1 to 3)	As limestone for cement identified in the Group II planning and feedstock for an operating plant, the area meets Article 143(10) of the decree; the provincial People's Committee approves its delineation as a non-auction area under Article 100(4).
Authority	Provincial chairperson for exploration and mining (Article 108).
Exploration (months 4 to 22)	Exploration licence for 18 months over 3 km ² ; financial capacity shown by equity covering 100% of the exploration budget (Article 26 of the decree).
Reserve recognition (months 23 to 28)	Provincial People's Committee recognises 65 million tonnes of reserves (Article 51(2)).
Mining licence (months 29 to 36)	Licence for 30 years at 2 million tonnes a year, after the EIA decision and the land procedures.
Fee for granting mining rights	Assume Q = 60 million tonnes, G = VND 90,000 per tonne and R = 3%: $T = 60,000,000 \times 90,000 \times 3\% = \text{VND } 162 \text{ billion}$, paid at about VND 5.4 billion a year over 30 years and settled against actual output.
Natural resources tax	Limestone for cement at 10% of the taxable price (Resolution No. 1084/2015/UBTVQH13), payable on actual output alongside the fee.

Had the group wanted the limestone for crushed aggregate sold to third parties, the mineral would have been Group III, the area would probably have been auctioned, and the winning R would have replaced the assumed 3%.

Had the deposit been in a national reserve area, the licence would have required a prior assessment of the effect on the reserve and could not have outlasted the reserve period.

Questions investors ask about groups, licensing and auctions

Who grants a mining licence for gold or copper in Vietnam?

The Ministry of Industry and Trade, as the ministry assigned to geology and minerals since 15 September 2026, because gold and copper are Group I metallic minerals. The provincial chairperson licenses them only in small and dispersed areas the ministry has delineated and announced, under Article 108 as amended by Law No. 147/2025/QH15.

Will my mining area be auctioned?

Probably, if it lies in a planned mineral area, unless it falls within an Article 100 non-auction category: energy security, defence, strategic minerals, materials for priority public projects, cement or processing feedstock, recognised exploration results or a renewal. An auction needs at least two eligible bidders, and the winning bid sets the rate for the fee.

How is the fee for granting mining rights calculated?

Under Article 132 of Decree No. 193/2025/ND-CP the fee is $T = Q \times G \times R$: licensed reserves, multiplied by the price used for natural resources tax and by the Appendix III rate or the winning auction rate. It is paid in annual instalments, by 31 May after the first year, and settled against actual output.

Can I mine in a forest or near a river?

Not in special-use or protection forest land, ranked heritage sites, or the protection corridors of dykes, irrigation, transport and energy works, which Article 26 makes prohibited areas. Eroding riverbanks may be temporarily prohibited. Mining there needs special approval under Article 26(3), and a later prohibition leads to revocation with compensation.

Do I need an exploration licence for fill sand or clay?

No, if the material is a Group IV mineral suitable only for fill, foundations, irrigation or disaster prevention. Article 73 dispenses with exploration, requiring only a survey of general mineral information, and the provincial chairperson grants a Group IV licence of up to ten years with up to five years of extensions.

THE 2027 HORIZON

- The law amending ten laws in the agriculture and environment field, reported to take effect on 1 January 2027, is understood to revise Article 108 again; check the final licensing map before filing an application that will be decided after that date.
- MOIT's first auction plans for Group I areas since taking over the function in September 2026 are expected for 2027; investors tracking particular areas should watch the ministry's announcements and the provincial auction plans.
- The national mineral planning for 2021 to 2030 is due for review alongside the National Rare Earth Strategy required by Article 110b of Decree No. 193/2025/ND-CP, which could move areas between auction, non-auction and reserve status.

Terms you will meet in the documents

English	Vietnamese	Meaning
Mineral group	Nhóm khoáng sản	Groups I to IV under Article 6, by use.

English	Vietnamese	Meaning
Mineral planning	<i>Quy hoạch khoáng sản</i>	The national Group I and Group II plans and the provincial plan for Groups III and IV.
Auction of mining rights	<i>Đấu giá quyền khai thác khoáng sản</i>	The competitive award of an area under Articles 100 to 106.
Non-auction area	<i>Khu vực không đấu giá quyền khai thác khoáng sản</i>	An area in which rights are granted without auction (Article 100(2)).
Fee for granting mining rights	<i>Tiền cấp quyền khai thác khoáng sản</i>	The charge $T = Q \times G \times R$ under Articles 98 and 99 and Decree No. 193/2025/ND-CP.
Salvage mining	<i>Khai thác tận thu khoáng sản</i>	Recovery of remaining minerals in closed mines or project areas (Articles 67 to 71).
Temporarily prohibited area	<i>Khu vực tạm thời cấm hoạt động khoáng sản</i>	An area closed for defence, conservation, disaster or erosion reasons (Article 26(2)).
Deposit for auction	<i>Tiền đặt trước</i>	The sum a bidder lodges to take part in an auction.

FOREIGN V VIETNAMESE INVESTOR

Groups, authorities, auctions and the fee formula are the same for every investor. A foreign-invested company may bid at auction, but it must already exist as a Vietnamese enterprise (or, for exploration, have a branch or representative office) and meet the financial capacity rules, so its investment registration should be in hand before the auction is announced. Two non-auction routes are closed or narrowed for foreign investors: in the national border belt only domestic investors may be selected (Article 30(2) of Decree No. 193/2025/ND-CP), and the strategic-mineral route is used for projects under intergovernmental agreements and for State-owned or State-designated enterprises. The household-business licence for Group III is open only to Vietnamese individuals.

WATCH OUT FOR

- Misclassifying the mineral: the same rock can be Group II or Group III depending on its use, and the group decides the authority and the auction position.
- Bidding at auction without a vehicle that can hold the licence or without proof of financial capacity, which disqualifies the bid.
- Winning an auction and then missing the deadline in Article 104 of the law and Article 148a of the decree for filing the licence application, which risks annulment and loss of the deposit.
- Overlooking a pending prohibition or temporary prohibition near rivers, forests or planned infrastructure.
- Modelling the fee for granting mining rights on reserves alone and forgetting that it is paid annually from the first year, before production reaches capacity.

OFFICIAL SOURCES

- National Legal Database (vbpl.vn): Law No. 54/2024/QH15, Articles 6, 11 to 13, 26 to 34, 98 to 108; Law No. 147/2025/QH15 — <https://vbpl.vn>
- Vietnam Department of Geology and Minerals: consolidated Decree No. 193/2025/ND-CP (Articles 4, 30, 31, 132 to 149) — <https://dcks.mae.gov.vn>
- Ministry of Industry and Trade (Group I licensing and auctions since 15 September 2026) — <https://moit.gov.vn>
- Government Portal: Decision No. 866/QD-TTg on mineral planning 2021-2030 — <https://chinhphu.vn>

Exploration and mining licences: eligibility and financial capacity, the exploration licence and its 48-month term, recognition of reserves and the explorer's priority, the mining licence and its 30-year term, Group III and Group IV licences, the holder's obligations, transfer, revocation and closure, with a worked timeline

Reviewed 10 October 2026 · Prepared by a foreign investment lawyer (now retired) with 20 years' experience advising on Vietnamese investment law · Legal and tax information, not legal advice · [How we check](#) · [Open in the app](#)

WHAT YOU NEED TO KNOW

- An exploration licence runs for up to 48 months and may be extended no more than twice for a combined 24 months (Article 44(4)); the applicant must fund 100% of the exploration budget from owner's equity, a bank guarantee or both (Article 26, Decree No. 193/2025/ND-CP).
- Exploration results are recognised by the National Mineral Reserve Assessment Council for ministry licences or by the province for its own (Article 51), and the explorer has a priority right to apply for a mining licence within 36 months of recognition for Groups I and II, or 18 months for Group III (Article 48, as amended).
- A mining licence covers the approved project period, including construction, up to 30 years, and may be extended several times for a combined 20 years, with re-issue if reserves remain (Article 56(4)); the applicant needs equity of at least 30% of total investment or committed financing for the whole (Article 55, Decree No. 193/2025/ND-CP).
- Group IV fill materials need no exploration licence and are licensed for up to ten years plus five years of extensions (Article 73 of the law; Article 88 of the decree).
- Exploration rights may be transferred only after 50% of the exploration budget has been spent (Article 46) and mining rights only after construction is complete and the mine is in production (Article 58); licences are revoked on the grounds in Articles 52 and 66, and every mine must be closed under Articles 81 to 85.

Who may hold an exploration licence

Article 37 of Law No. 54/2024/QH15 admits three kinds of organisation that have registered mineral activity as a business line: an enterprise established under the Law on Enterprises, a cooperative or union of cooperatives, and a foreign enterprise that has a representative office or branch in Vietnam. Individuals and household members who register a household business may explore for Group III

minerals only. An exploration licence holder that itself meets the conditions in Article 38 (qualified geological staff, technical workers and specialised equipment) may carry out the exploration directly; one that does not must contract a licensed exploration service provider. For a foreign mining group the practical choice is between exploring through a branch of the foreign parent, which avoids forming a company at the speculative stage, and exploring through the Vietnamese company that will later mine, which avoids a transfer of the exploration results.

The decisive condition is money. Article 26 of Decree No. 193/2025/ND-CP, as rewritten by Decree No. 21/2026/ND-CP, requires the applicant to secure **100% of the exploration budget** through owner's equity shown in audited financial statements, a bank guarantee, or a combination of the two (FAQ 106). A newly formed company proves its equity with audited statements for the year of application, so capital should be contributed and audited before the dossier is filed.

The exploration licence

The heart of the application is the exploration scheme under Article 42: the methods, the volume of work, the budget and the timetable needed to establish reserves and quality to the standard the regulations require. Article 41 caps the area of a single licence at 100 km² for coal and bauxite, 50 km² for gemstones and metallic minerals other than bauxite, 10 km² for non-metallic minerals onshore other than Group III, 200 km² offshore (more with the Prime Minister's decision), and 2 km² onshore or 30 km² offshore for Group III, with mineral and hot water areas fixed by the scheme. Before preparing the scheme the applicant may survey the ground and take surface samples after notifying the province (Article 40).

Article 44(4) sets the term: **no more than 48 months**, covering both the work and the preparation of the results report, extendable no more than twice for a combined **24 months**. Under Article 37 of the decree an extension is available only if the application reaches the authority at least 45 days before expiry and at least 50% of the exploration budget has been spent (and 50% of the remainder for a second extension); work must stop if the licence expires while the extension is pending. Where force majeure has prevented completion, the licence may be re-issued for up to the original period. Exploration under an intergovernmental agreement follows the agreement's terms on area and time (FAQ 104).

Article 42 of the decree gives the appraisal body no more than 70 days to appraise an exploration licence application once the dossier has been accepted, with consulted agencies given 12 working days to reply; the decision follows within a few working days of the appraisal. The licence must be put to use: Article 52(1)(b) requires revocation if exploration has not begun within six months of the licence taking effect, save for force majeure.

Recognition of reserves and the explorer's priority

Exploration ends with a report of results, which must be submitted for recognition within six months after the exploration licence expires (Article 50(3)); an explorer that misses that window loses the right to have its results recognised and, if the area is licensed to someone else, the right to be reimbursed its exploration costs (Article 50(4)). Results for ministry-licensed areas are recognised by the **National Mineral Reserve Assessment Council**; those for provincially licensed areas by the provincial People's Committee (Article 51).

Recognition opens the explorer's priority window. Article 48(1) gives the explorer priority to file for a mining licence over the recognised reserves; the 2024 text set a single period of 36 months from recognition, and the period now applied is 36 months for Groups I and II and 18 months for Group III (FAQ 104). After the window closes the priority is lost, save for force majeure or a change of State policy, and if the area is licensed to another miner that miner must reimburse the explorer's costs (Article 48(2)). Article 46 of the decree extends the window where the explorer's investment policy, environmental impact assessment or design approvals were filed on time but not yet decided, or where the authorities have suspended licensing.

Who may hold a mining licence, and with what capital

Article 53 restricts mining licences to enterprises established under the Law on Enterprises and cooperatives, and to household businesses for Group III. A foreign enterprise cannot mine through a branch; it must form a Vietnamese company, register its project and obtain an Investment Registration Certificate (The Investment Registration Certificate). Article 55 of Decree No. 193/2025/ND-CP requires the applicant to show either **owner's equity of at least 30% of total investment** in the mining project, excluding VAT, or the ability to arrange financing equal to the whole of the total investment from its own equity, lenders' financing commitments and a parent company's commitments to contribute, lend or support cash flow; a parent that commits must itself have equity at least equal to its commitment.

Strategic and important minerals add conditions under Article 110 of the decree: the miner must invest directly or jointly in an approved mining and processing project, have experience in mining projects, and present a project that names its mine director, sets out a clear and feasible financing plan, uses modern equipment and automated monitoring, and treats its environmental impacts. Rare earths add the Prime Minister's written approval (Strategic minerals, rare earths and exports).

The mining licence

The mining licence records the area and permitted depth, the main and associated minerals, the reserves or volume permitted, the capacity and method of mining and the term (Article 56(2)). Under Article 61 of the decree the applicant must have the lawful right to use the exploration results, the financial capacity required by Article 55, investment policy approval where the investment laws require it, an approved environmental impact assessment or an environmental licence (FAQ 109) and, for radioactive minerals or ores containing radioactive by-products, the written opinion on a safety assessment under the atomic energy law; the dossier comprises the application, the maps, sections and design drawings, the feasibility study and the approved environmental report or licence. Under Article 67 of the decree the appraisal body has no more than 60 days to appraise a new or re-issued licence and no more than 24 working days for an extension, adjustment, surrender or transfer.

Article 56(4) fixes the term at the approved project period, including construction, **up to 30 years**, extendable several times for a combined total of **up to 20 years**. When the term and all extensions are exhausted but reserves remain, the holder may apply for a re-issued licence for a further term on the same basis. Since Law No. 147/2025/QH15, extensions and renewals are no longer limited by the period of the mineral plan. Under Article 62 of the decree an extension application must reach the authority at least 30 days before expiry; if the licence expires while the application is pending, mining must stop until the extension is granted.

Group III, Group IV and small-scale licences

The law relieves smaller and simpler operations in three ways. Group III exploration areas are capped at 2 km² onshore, and household businesses may hold Group III exploration and mining licences. Since 1 January 2026, Group III construction materials supplying listed public projects may be licensed without reference to the provincial mineral management plan (Article 55(1a), inserted by Law No. 147/2025/QH15). And Group IV fill materials are mined without any exploration licence, after a survey of general information on the mineral (Article 73).

A Group IV licence granted to an ordinary miner runs for up to ten years, including construction, extendable for a combined five years (Article 88(1) of the decree). A Group IV licence granted to the investor or construction contractor of a national key project, an urgent public investment project, a national target programme work or a disaster response runs for the construction period of the works it supplies (Article 88(2)), and such a contractor is spared investment policy approval, the environmental impact assessment and the environmental licence, though it must file a Group IV mining plan (Article 73(2)(d)). Minerals in small and dispersed areas and salvage mining are licensed by the province on lighter dossiers.

What a licence holder must do

Article 59 of the law lists the miner's obligations, and the most important in practice are these: pay the fee for granting mining rights, natural resources tax, fees and charges; mine to the licensed reserves, capacity and method, and recover associated minerals; appoint a qualified mine director and mine operating staff (Article 62); keep current status maps and cross-sections of the mined area (Article 63); measure output before minerals leave the site and keep statistics and inventories of reserves (Article 64); comply with mine safety under Article 60; prioritise local labour and support affected communities; restore the environment; and report periodically to the licensing authority under Article 7 of the decree. Strategic-mineral and rare-earth miners report monthly.

A licence holder that wishes to change the mining method, capacity, area or depth must apply to adjust the licence before doing so (Article 64 of the decree). Mining beyond the licensed capacity or area, failing to measure output and misreporting reserves are the usual triggers for administrative penalties and, at scale, for revocation.

Transfer of licences

A licence is not freely transferable. **Exploration rights** may be transferred only when at least 50% of the exploration budget has been spent, to a transferee that qualifies for an exploration licence; the authority grants the transferee a licence for the remaining term (Article 46). **Mining rights** may be transferred only after construction is complete and the mine has been brought into production, to a transferee that qualifies for a mining licence; again the transferee receives a licence for the remaining term (Article 58). Article 66 of the decree adds that the transferor must have discharged its obligations under the licence, that for ministry licences the province must confirm this, that at least six months of the licence must remain when the application is filed, and that the transfer contract must state the works and infrastructure transferred, the price, the status of financial obligations and the transferee's assumption of unfinished obligations. Rare-earth transfers need the Prime Minister's written approval.

These rules govern a change of licence holder. A sale of shares or capital in the company that holds the licence does not change the holder and is not a transfer of mining rights in terms; it is governed by the investment and enterprise laws, may need registration under Article 21 of the Law on Investment where foreign ownership rises, and is taxed under the capital-transfer rules ([Tax on share transfers and dividends](#)). Authorities sometimes treat a change of control as a matter to be reported, and the target's licence conditions should be checked for change-of-control provisions.

Revocation, termination and closure

Article 52 requires an exploration licence to be revoked if it was issued without authority or unlawfully, if exploration has not begun within six months, if the area becomes prohibited or temporarily prohibited, or if the State recovers the whole area for another use. Article 66 requires a mining licence to be revoked on the first, third and fourth of those grounds and for serious breach of the miner's obligations, and lists the events that end it: revocation, expiry without extension, surrender, dissolution or bankruptcy, revocation of the enterprise registration, termination of the investment project, land recovery for breach and court judgment or arbitral award. Revocation because the area becomes prohibited or the land is recovered for another use carries compensation (Articles 52(4) and 66(5)).

When a mining licence ends, the miner must close the mine under the closure scheme approved under Articles 82 and 83, remove its assets within six months, and leave in place the works that secure the mine's safety and the environment (Article 66(3)). Closure and the rehabilitation deposit are explained in [Mining taxes, fees and the environment](#).

From open ground to a producing mine (Group I, non-auction area)

- 1 Confirm the area and the vehicle**
Check the planning, auction status and prohibited areas; form the Vietnamese company or register the branch; obtain the IRC where needed.

- 2 Survey and prepare the exploration scheme**
Notify the province, survey and sample the surface (Article 40), and prepare the scheme with budget and timetable (Article 42).

- 3 Apply for the exploration licence**
File with MOIT with evidence of equity or a bank guarantee for 100% of the budget; appraisal within 70 days (Article 42 of the decree).

- 4 Explore and report**
Begin within six months, complete the work within the 48-month term, and file the results report within six months of expiry (Article 50).

- 5 Obtain recognition of reserves**
National Mineral Reserve Assessment Council for ministry licences (Article 51).

6 Prepare the mining project and environmental approvals

Feasibility study, investment registration adjustment, environmental impact assessment, land plan; all within the priority window (Article 48).

7 Apply for the mining licence

Show 30% equity or full financing (Article 55 of the decree); appraisal within 60 days (Article 67); approval of the fee for granting mining rights.

8 Lease the land, build and start production

Land recovery and lease by the province; rehabilitation deposit; mine construction; production and the first annual reports.

Licence terms and time limits

Item	Rule	Source
Exploration licence term	Up to 48 months; up to two extensions totalling 24 months	Law No. 54/2024/QH15, Article 44(4)
Exploration extension filing	At least 45 days before expiry; at least 50% of budget spent	Decree No. 193/2025/ND-CP, Article 37
Start of exploration	Within 6 months of the licence, or revocation	Law, Article 52(1)(b)
Results report	Within 6 months after the exploration licence expires	Law, Article 50(3)
Explorer's priority	36 months from recognition (Groups I and II); 18 months (Group III)	Law, Article 48
Mining licence term	Up to 30 years including construction; extensions totalling 20 years; re-issue if reserves remain	Law, Article 56(4)
Mining extension filing	At least 30 days before expiry	Decree, Article 62
Group IV licence	Up to 10 years; extensions totalling 5 years	Decree, Article 88
Appraisal periods	Exploration 70 days; mining 60 days; extension, adjustment or transfer 24 working days	Decree, Articles 42 and 67
Transfer of mining rights	Only after construction and start of production; at least 6 months of licence left	Law, Article 58; Decree, Article 66

WORKED EXAMPLE

Timeline for a gold project from exploration licence to production

A Vietnamese company owned 80% by a Canadian gold miner and 20% by a provincial partner holds rights to a non-auction Group I area of 8 km² in the central highlands. The dates and costs are illustrative; professional fees are typical market ranges in October 2026 and are not quotations.

Q1 2027	Exploration licence application filed with MOIT; exploration budget VND 60 billion covered by audited equity of VND 45 billion and a bank guarantee of VND 15 billion.
Q2 2027	Licence issued after appraisal; drilling begins within the six-month window.
Q2 2027 to Q1 2030	Exploration within the 48-month term; one extension not needed.
Q2 2030	Results report filed; National Mineral Reserve Assessment Council recognises 18 tonnes of gold in Q4 2030; priority window runs to Q4 2033.
2031	Feasibility study (total investment USD 180 million); IRC adjusted; EIA approved; land plan agreed with the province.
Q1 2032	Mining licence for 16 years (2 years' construction and 14 years' production) granted after appraisal; equity of USD 54 million (30%) shown, the balance financed.
2032 to 2033	Land recovered and leased; rehabilitation deposit lodged; construction; first gold pour in Q4 2033.
Professional fees (typical ranges)	Licensing, IRC and land work by a Vietnamese firm: USD 60,000 to 150,000 over the period; an international firm on financing and offtake: USD 250,000 to 600,000.

Had the area been auctioned, the company would first have had to win the auction, and the winning rate would have set the fee for granting mining rights.

Had the partner wished to sell its 20% before production, a sale of shares in the company would have been possible, but a transfer of the mining licence itself would not, because Article 58 permits transfer only after construction and the start of production.

Questions investors ask about licences

How long does a mining licence last in Vietnam?

Up to 30 years including construction, under Article 56 of Law No. 54/2024/QH15, set by the approved project period. It may be extended several times for a combined 20 years, and if reserves remain after that the holder may apply for a re-issued licence. An extension must be filed at least 30 days before expiry.

How much capital do I need for an exploration licence?

The whole exploration budget. Article 26 of Decree No. 193/2025/ND-CP requires 100% of the approved budget to be covered by owner's equity shown in audited financial statements, by a bank guarantee, or by both. A new company should contribute and audit its capital before filing the application.

Can I sell a mining licence?

Only after the mine is built and producing, to a buyer that qualifies for a licence, with the licensing authority's approval and at least six months of the licence remaining (Article 58 of the law; Article 66 of the decree). A sale of shares in the licence-holding company is a different transaction governed by investment and tax law.

What happens if I do not start exploring after the licence is granted?

The licence must be revoked if exploration has not begun within six months of it taking effect, unless force majeure prevented it (Article 52(1)(b)). Revocation ends the licence, and the holder must remove its assets and restore the land within six months.

Do Group IV fill materials need a full mining licence?

They need a Group IV mining licence from the provincial chairperson but no exploration licence. The licence runs for up to ten years plus five years of extensions under Article 88 of Decree No. 193/2025/ND-CP, or for the construction period where the material supplies a qualifying public project.

THE 2027 HORIZON

- The law amending ten laws in the agriculture and environment field, reported to take effect on 1 January 2027, is understood to amend Article 55 of the Law on Geology and Minerals on Group III and public-project licences; applications for such licences in late 2026 should allow for the change.
- MOIT is expected to issue its own circulars on licence forms, reports and reserve classification to replace those of the former Ministry of Agriculture and Environment.
- Licences issued under the Law on Minerals 2010 are being converted under Article 154 of Decree No. 193/2025/ND-CP; holders of older licences should confirm whether and when conversion is required.

Terms you will meet in the documents

English	Vietnamese	Meaning
Exploration scheme	Đề án thăm dò khoáng sản	The programme, budget and timetable of exploration (Article 42).
Recognition of exploration results	Công nhận kết quả thăm dò khoáng sản	The approval of reserves (Articles 50 and 51).

English	Vietnamese	Meaning
National Mineral Reserve Assessment Council	Hội đồng đánh giá trữ lượng khoáng sản quốc gia	The body that recognises reserves for ministry-licensed areas.
Priority right	Quyền ưu tiên	The explorer's priority to apply for a mining licence (Article 48).
Owner's equity	Vốn chủ sở hữu	Equity shown in audited statements, used to prove financial capacity.
Mine director	Giám đốc điều hành mỏ	The qualified person in charge of mining operations (Article 62).
Transfer of mining rights	Chuyển nhượng quyền khai thác khoáng sản	A change of licence holder, permitted only after production starts (Article 58).
Mine closure scheme	Đề án đóng cửa mỏ khoáng sản	The approved plan for closing and restoring a mine (Article 82).

FOREIGN V VIETNAMESE INVESTOR

The licence rules, terms and capital tests apply equally. A foreign enterprise has one advantage at the exploration stage, since it may hold an exploration licence through a branch or representative office without forming a company, and one burden at the mining stage, since it must form a Vietnamese company and obtain an IRC before it can hold a mining licence. Only Vietnamese individuals may hold Group III licences through a household business. Parent-company financing commitments count towards financial capacity, which helps a foreign subsidiary with little equity of its own.

WATCH OUT FOR

- Letting an exploration or mining licence expire while an extension is pending; work must stop, and late filing attracts a penalty before the extension is considered.
- Missing the six-month deadline for the results report, which forfeits recognition and any reimbursement of exploration costs.
- Allowing the priority window to lapse while environmental or investment approvals are prepared; file those approvals on time so the window can be extended.
- Planning an exit by transferring the mining licence before production; only a share sale is possible at that stage.
- Mining outside the licensed area, depth or capacity, which is the most common ground for penalties and revocation.

OFFICIAL SOURCES

- National Legal Database (vbpl.vn): Law No. 54/2024/QH15, Articles 37 to 66 and 72 to 74; Law No. 147/2025/QH15 — <https://vbpl.vn>
- Vietnam Department of Geology and Minerals: consolidated Decree No. 193/2025/ND-CP (Articles 26, 37, 42, 46, 55, 61 to 67, 88) — <https://dcks.mae.gov.vn>
- Ministry of Industry and Trade (Group I licensing since 15 September 2026) — <https://moit.gov.vn>
- National Public Service Portal (online filing of mineral procedures) — <https://dichvucong.gov.vn>

Strategic minerals, rare earths and exports: the strategic and important minerals regime, rare earths as a special strategic mineral since 1 January 2026, who may explore and mine them, Prime Ministerial approval, the 90% TREO processing rule and the ban on raw exports, the export of other minerals, Vietnam's rare-earth position, and the options for foreign partners

Reviewed 10 October 2026 · Prepared by a foreign investment lawyer (now retired) with 20 years' experience advising on Vietnamese investment law · Legal and tax information, not legal advice · [How we check](#) · [Open in the app](#)

WHAT YOU NEED TO KNOW

- Strategic and important minerals include radioactive minerals, rare earths and other essential minerals on a list approved by the ministry; foreign investors in them must meet the market-access rules and accept State direction (Article 65, Law No. 54/2024/QH15; Article 108, Decree No. 193/2025/ND-CP).
- Since 1 January 2026 rare earths are handled as a special strategic mineral: every exploration or mining licence and every transfer needs the Prime Minister's written approval, and the activity is reserved for enterprises the State designates or permits (Law No. 147/2025/QH15; Articles 110c and 110d of the decree).
- Rare-earth mining must be linked to a processing project producing at least oxides, hydroxides or salts with total rare-earth oxide content (TREO) of 90% or more, and processing may take place only in licensed facilities (Articles 110b and 110d of the decree, added by Decree No. 21/2026/ND-CP).
- Rare-earth minerals that do not meet MOIT's deep-processing standards may not be exported; only deep-processed products on the Prime Minister's list may leave Vietnam (Article 110a(2)(c) of the decree).
- Other minerals may be exported only if they are on the lists and meet the technical standards set by MOIT for Group I and industrial minerals or by the Ministry of Construction for construction minerals, and many ores bear export duty under Decree No. 26/2023/ND-CP as amended by Decree No. 201/2026/ND-CP.

Strategic and important minerals

The Law on Geology and Minerals treats a subset of minerals as strategic and important (khoáng sản chiến lược, quan trọng). Article 108(1) of Decree No. 193/2025/ND-CP defines them as radioactive minerals, rare earths and other essential minerals serving sustainable socio-economic development and the strengthening of defence and security, and leaves the list to be approved by the ministry with MOIT, the Ministry of Construction and other ministries for each period. Since the transfer of geology and minerals on 15 September 2026, both roles sit within MOIT. The list matters because it switches on a separate layer of rules on top of the ordinary Group I regime.

Article 65 of the law requires a miner of strategic and important minerals to perform the ordinary obligations of a licence holder, to satisfy, if a foreign investor, the market-access rules of the investment law, and to submit to the direction of the competent authority in line with the socio-economic strategy. Areas of strategic and important minerals are non-auction areas (Article 143(7) of the decree), so licences are granted by selection rather than competition. Unpublished geological data on radioactive minerals and rare earths is classified under the law on State secrets (Article 108(2)(b) of the decree), which affects what a foreign party may see in due diligence.

Who may explore and mine strategic minerals

Article 109 of the decree admits to the exploration of strategic and important minerals an organisation that meets Article 37 of the law and the financial capacity rule in Article 26 of the decree, that has no recent serious violation in mineral activities or criminal liability in the last five years, and, in the case of a foreign investor, that is identified under an intergovernmental agreement. Exploration services for such minerals may be performed only by State exploration units or by organisations with specialists of at least five years' experience and the full range of modern exploration methods. Article 110 then requires a miner of strategic and important minerals to invest directly or jointly in an approved mining and processing project, to have mining experience, and to present a project with a qualified mine director, a feasible financing plan, modern equipment, environmental treatment and automated monitoring.

The Prime Minister's role is broad. Under Article 108(4) of the decree the Prime Minister approves the grant of exploration and mining licences for special strategic minerals to qualifying organisations; approves the mode of cooperation, scale and scope of exploration, mining, processing and use of strategic minerals under intergovernmental agreements, applying a principle that mining rights are granted in priority to domestic enterprises, which cooperate with foreign investors in processing and use; and decides which domestically mined strategic minerals may be exported and after what degree of processing, on MOIT's proposal (Article 108(5)).

Rare earths since 1 January 2026

Law No. 147/2025/QH15 singled out rare earths. The National Assembly's stated aim was strict management under a closed value chain in which exploration, mining and processing are linked so that raw ore is not exported, with modern low-emission technology and unified management by the Government. Decree No. 21/2026/ND-CP of 16 January 2026 implemented that aim by adding Articles 110a to 110g to Decree No. 193/2025/ND-CP ([FAQ 108](#)).

Article 110a requires all rare-earth activity to follow a **National Rare Earth Strategy** and four principles: protection of resources and the environment; mining and processing linked to deep processing, higher added value and technological self-reliance; **no export of rare-earth minerals that do not meet the deep-processing standards** set by MOIT, with only deep-processed products on the Prime Minister's list exportable; and the linking of exploration and mining with workforce training and the domestic processing industry. Article 110b makes rare-earth planning part of the Group I mineral planning and requires rare-earth mining to be tied to a processing project producing at minimum total rare-earth oxides, hydroxides or salts with **TREO of 90% or more**, while encouraging production through to separated individual rare-earth elements.

Articles 110c and 110d require the **Prime Minister's written approval** before any rare-earth exploration licence, mining licence or transfer of rights is granted; the time taken to obtain that approval does not count towards the processing period. Exploration of rare earths with State funds is planned by the ministry, and exploration results must be appraised and recognised before mining is licensed. Processing, meaning beneficiation, refining and separation, may take place only in facilities licensed under the law that meet technology, environmental and radiation-control standards, and miners and processors report their output and products monthly to the ministries. Article 110d provides for rare-earth reserve areas, Article 110e centralises rare-earth data and permits **international cooperation only with partners, organisations and countries the Prime Minister approves**, and Article 110g allocates responsibilities among the Government, ministries and provinces. Rare earths are reserved for enterprises the State designates or permits ([FAQ 106](#)).

The export of other minerals

Minerals that are not rare earths are not banned from export, but they are not freely exportable either. Under Decree No. 193/2025/ND-CP, MOIT sets the list and technical standards for Group I and industrial minerals that may be exported, the Ministry of Construction does so for construction minerals, and the Prime Minister decides which strategic minerals may be exported and after what processing. An exporter must therefore show that the product is on the relevant list, that it meets the specified grade or degree of processing, and that it has a lawful origin, because Article 78 of the law requires minerals entering processing to come from licensed mining. Customs clearance is conditional on those documents.

Many ores and concentrates also bear **export duty** under the export tariff in Decree No. 26/2023/ND-CP, most recently amended by Decree No. 201/2026/ND-CP, and natural resources tax is charged on the mined product whether it is sold at home or abroad. The policy direction is consistent: higher duty and tighter lists for raw and lightly processed minerals, lower or nil duty for products processed in Vietnam. Duty rates and classification are explained in [Customs and import duties](#); an exporter should confirm the HS code and the current rate for its specific product, because the 2026 amendment changed several mineral lines.

Vietnam's rare-earth position in outline

Vietnam is often described as holding some of the world's largest rare-earth reserves, but the figures should be treated with caution. The United States Geological Survey long estimated Vietnamese reserves at about 22 million tonnes, the second largest in the world, and then cut its estimate to about

3.5 million tonnes in its commodity summary published in early 2025. Commercial production has been small. The best-known deposits are in the northern uplands, including Dong Pao in Lai Chau and Yen Phu in what was Yen Bai province before the 2025 provincial mergers, and several projects have been delayed by processing, environmental and regulatory issues. Rare-earth ores can contain thorium and uranium, which brings the Law on Atomic Energy into play.

The 2026 regime should be read against that background. By requiring processing to 90% TREO in Vietnam, banning raw exports and placing every licence before the Prime Minister, the State has chosen to develop rare earths slowly and on its own terms, with domestic enterprises holding mining rights and foreign partners admitted for technology, processing and capital through approved arrangements. Investors should expect long timetables, close scrutiny of the partner's nationality and technology, and a strong preference for projects that build downstream capacity, such as separation plants and magnet manufacture, inside Vietnam.

Routes for a foreign partner

Four routes are realistic. First, **an intergovernmental framework**: where Vietnam and the investor's state agree cooperation on strategic minerals, the agreement can identify foreign investors for exploration (Article 109(1)(c)) and frame the scale and mode of cooperation (Article 108(4)(b)), and areas covered by such agreements are non-auction areas (Article 143(6)). Second, **a processing partnership** with a Vietnamese enterprise that holds or is selected for the mining rights, in which the foreign investor supplies separation technology and capital to a licensed processing facility, consistent with the priority for domestic miners cooperating with foreign processors. Third, **downstream manufacturing**, such as alloys, magnets or components made from processed rare-earth products, which is an ordinary manufacturing investment requiring an IRC and is not itself a mineral activity, though the supply of feedstock depends on the licensed chain. Fourth, **offtake and finance**: purchasing deep-processed products on the Prime Minister's export list, or financing a domestic project against offtake, without holding mineral rights.

Each route needs the Prime Minister's approval of the partner where it involves international cooperation in rare earths (Article 110e(5)), so the counterparty's nationality, the technology to be transferred and the security implications are assessed at the highest level. A foreign investor should also expect technology transfer obligations to be negotiated, and should check the transfer of technology rules in [Technology transfer and licensing](#).

Due diligence on a rare-earth or strategic-mineral partnership

Points a foreign investor should verify before committing capital to a Vietnamese rare-earth or strategic-mineral project. Some data may be classified, so plan for staged disclosure.



Status of the mineral and the area

Whether the deposit is on the strategic list, in the rare-earth planning, in a reserve area or covered by an intergovernmental agreement.

- ☐ **The partner's eligibility**
State designation or permission for rare earths; compliance record; no criminal liability in five years (Article 109 of the decree).
- ☐ **Prime Ministerial approvals**
Written approval of the exploration or mining licence and of any transfer; approval of the international cooperation and of the foreign partner.
- ☐ **Processing plan**
A licensed processing facility capable of products of at least 90% TREO, with technology, environmental and radiation-control approvals.
- ☐ **Export position**
Whether the intended products meet MOIT's deep-processing standards and appear on the Prime Minister's export list; export duty and HS classification.
- ☐ **Radiation and environment**
Atomic energy safety assessment for thorium or uranium by-products; environmental impact assessment; tailings management and closure.
- ☐ **Data and confidentiality**
What geological data is classified, who may access it, and how the transaction documents handle State-secret restrictions.
- ☐ **Investment structure**
IRC and market-access position for the foreign party's vehicle; technology transfer registration; dispute resolution and treaty protection.

Export regime by mineral category (October 2026)

Category	May it be exported?	Who sets the rule	Source
Rare-earth ore and products below deep-processing standard	No	MOIT standards; Prime Minister's list	Decree No. 193/2025/ND-CP, Article 110a(2)(c)
Deep-processed rare-earth products	Only if on the Prime Minister's list	Prime Minister, on MOIT's proposal	Decree, Articles 108(4)(c), 108(5) and 110a
Other strategic and important minerals	Only those the Prime Minister lists, after the specified processing	Prime Minister, on MOIT's proposal	Decree, Article 108(4)(c)
Group I and industrial minerals	If on MOIT's list and meeting its technical standards	MOIT	Decree No. 193/2025/ND-CP
Construction minerals	If on the Ministry of Construction's list and meeting its standards	Ministry of Construction	Decree No. 193/2025/ND-CP

Category	May it be exported?	Who sets the rule	Source
Export duty	Charged on many ores and concentrates	Government export tariff	Decree No. 26/2023/ND-CP as amended by Decree No. 201/2026/ND-CP
Lawful origin	Required for any processed or exported mineral	Licensing authority; customs	Law No. 54/2024/QH15, Article 78

WORKED EXAMPLE

A Korean magnet maker partnering with a Vietnamese rare-earth licensee

A Korean manufacturer of permanent magnets wants a secure supply of neodymium-praseodymium oxide. A Vietnamese State-designated enterprise holds rare-earth reserves in the north. The structure and timing are illustrative; the approvals described depend on decisions that are discretionary.

Structure	The Vietnamese enterprise keeps the mining rights; a joint venture company (Korean 49%, Vietnamese 51%) builds a separation plant producing individual oxides above 90% TREO; the Korean party separately builds a magnet factory in an industrial park.
Approvals for the mine	Prime Minister's written approval of the mining licence to the Vietnamese enterprise (Article 110d); mining licence from MOIT; EIA and atomic energy safety opinion.
Approvals for the cooperation	Prime Minister's approval of the Korean partner and the cooperation (Article 110e(5)); the two governments' cooperation framework is cited in the application.
Separation plant	Joint venture registered as a domestic investor (foreign ownership at 49%), so no IRC; processing licence and environmental and radiation approvals; technology transfer contract registered.
Magnet factory	Ordinary manufacturing project; IRC from the industrial park management board in about ten working days; incentives assessed under the CIT law.
Exports	Separated oxides may be exported only if on the Prime Minister's list; magnets made in Vietnam are manufactured goods, not minerals.
Indicative timetable	Approvals for the mine and the cooperation 18 to 36 months; separation plant construction 24 months after licensing; magnet factory 12 to 18 months.

Had the Korean party sought to take a share of the mining rights itself, the application would have turned on State designation or permission and the priority for domestic miners in Article 108(4)(b), and is unlikely to succeed outside an intergovernmental arrangement.

Had the plan been to ship mixed rare-earth concentrate to Korea for separation, it would have been barred by Article 110a(2)(c).

Questions investors ask about strategic minerals and rare earths

Can a foreign company mine rare earths in Vietnam?

In practice only through an arrangement the State approves. Rare earths are reserved for enterprises the State designates or permits, every licence needs the Prime Minister's written approval, and mining rights in strategic minerals go in priority to domestic enterprises that partner with foreign processors. International cooperation in rare earths is allowed only with partners the Prime Minister approves.

Can unprocessed rare-earth ore be exported from Vietnam?

No. Since 1 January 2026 rare-earth minerals that do not meet MOIT's deep-processing standards may not be exported, and only deep-processed products on the Prime Minister's list may leave Vietnam (Article 110a(2)(c) of Decree No. 193/2025/ND-CP). Mining must be linked to processing to products of at least 90% TREO.

What does the 90% TREO rule mean?

Article 110b of Decree No. 193/2025/ND-CP requires rare-earth mining to be tied to a processing project whose minimum product is oxides, hydroxides or salts with total rare-earth oxide content of at least 90%. Production through to separated individual elements is encouraged. A mine without such a processing plan cannot be licensed.

Can I export iron ore, titanium or other minerals from Vietnam?

Only if the product is on the export list and meets the technical standards set by MOIT for Group I and industrial minerals, or by the Ministry of Construction for construction minerals, and has a lawful origin. Many ores bear export duty under Decree No. 26/2023/ND-CP as amended by Decree No. 201/2026/ND-CP.

How large are Vietnam's rare-earth reserves?

Estimates vary widely. The United States Geological Survey long put them at about 22 million tonnes, then cut its estimate to about 3.5 million tonnes in early 2025. Production has been small. Investors should rely on recognised exploration results for specific deposits rather than headline national figures.

THE 2027 HORIZON

- The National Rare Earth Strategy required by Article 110a of Decree No. 193/2025/ND-CP, and MOIT's deep-processing standards and the Prime Minister's list of exportable rare-earth products, are the instruments that will determine what can actually be produced and sold; investors should confirm whether each has been issued and in what form before committing.
- The draft amendment to the Law on Natural Resources Tax published by the Ministry of Finance in July 2026 proposes to set rates for metallic minerals by degree of processing from 1 January 2027, which would reward processing in Vietnam further if adopted.
- Because foreign participation in strategic minerals runs through intergovernmental agreements, any new agreement on critical minerals between Vietnam and an investor's home state could open the non-auction route in Article 143(6) of the decree to that state's investors; investors should follow their own government's negotiations.

Terms you will meet in the documents

English	Vietnamese	Meaning
Strategic and important minerals	<i>Khoáng sản chiến lược, quan trọng</i>	Radioactive minerals, rare earths and other essential minerals on the approved list.
Special strategic mineral	<i>Khoáng sản chiến lược đặc biệt</i>	The category, including rare earths, for which the Prime Minister approves licences.
Rare earths	<i>Đất hiếm</i>	The lanthanides with scandium and yttrium, regulated by Articles 110a to 110g of the decree.
Total rare-earth oxides (TREO)	<i>Tổng các ôxit đất hiếm (TREO)</i>	The grade measure; mining must link to products of at least 90%.
Deep processing	<i>Chế biến sâu</i>	Processing to the standard MOIT sets, the condition for export.
Intergovernmental agreement	<i>Hiệp định liên Chính phủ</i>	The framework through which foreign investors may be admitted to strategic minerals.
National Rare Earth Strategy	<i>Chiến lược quốc gia về đất hiếm</i>	The strategy all rare-earth activity must follow (Article 110a).
Export duty	<i>Thuế xuất khẩu</i>	Duty on exported goods, charged on many ores under Decree No. 26/2023/ND-CP.

FOREIGN V VIETNAMESE INVESTOR

This is the area of Vietnamese resources law where nationality matters most. A Vietnamese enterprise designated or permitted by the State may hold rare-earth mining rights with the Prime Minister's approval; a foreign investor generally may not, except through an approved intergovernmental arrangement, and is steered towards processing, technology, downstream manufacturing and offtake. In other strategic minerals, foreign investors are admitted to exploration through intergovernmental agreements and to mining subject to the market-access rules and the priority for domestic miners. The export rules apply to every exporter alike.

WATCH OUT FOR

- Structuring a rare-earth deal around a direct foreign stake in mining rights; the 2026 rules point the other way.
- Underestimating the time needed for Prime Ministerial approvals, which do not count towards ordinary processing periods.
- Planning exports of concentrates or mixed rare-earth products; only deep-processed products on the Prime Minister's list may be exported.
- Relying on headline reserve figures; use recognised exploration results for the specific deposit.
- Ignoring radioactive by-products, which bring the atomic energy law, extra safety assessments and higher closure costs.

OFFICIAL SOURCES

- National Legal Database (vbpl.vn): Law No. 54/2024/QH15, Articles 65 and 78; Law No. 147/2025/QH15; Decree No. 21/2026/ND-CP — <https://vbpl.vn>
- Vietnam Department of Geology and Minerals: consolidated Decree No. 193/2025/ND-CP (Articles 108 to 110g, 143) — <https://dcks.mae.gov.vn>
- Ministry of Industry and Trade (mineral export lists and standards; rare-earth processing) — <https://moit.gov.vn>
- Customs Department (export duty and clearance of minerals) — <https://www.customs.gov.vn>

Mining taxes, fees and the environment: natural resources tax and its rates, the fee for granting mining rights, the environmental protection fee, export duty, corporate income tax at 40% or 50% for precious and rare minerals, environmental impact assessment and licences, the rehabilitation deposit, mine closure, communities and land, with an illustrative fiscal model

Reviewed 10 October 2026 · Prepared by a foreign investment lawyer (now retired) with 20 years' experience advising on Vietnamese investment law · Legal and tax information, not legal advice · [How we check](#) · [Open in the app](#)

WHAT YOU NEED TO KNOW

- Natural resources tax is charged on the taxable value of minerals extracted under Law No. 45/2009/QH12, at rates fixed by Resolution No. 1084/2015/UBTVQH13 from 1 July 2016: for example 14% for iron, 17% for gold, 18% for titanium and rare earths, 20% for tungsten and antimony, and 10% or 12% for coal.
- The fee for granting mining rights ($T = Q \times G \times R$) is paid annually and settled against output (Articles 98 and 99, Law No. 54/2024/QH15; Articles 132 to 140, Decree No. 193/2025/ND-CP), and an environmental protection fee is levied on extracted minerals at provincial rates within the national frame of Decree No. 27/2023/ND-CP.
- Corporate income tax on the exploration and extraction of precious and rare resources (platinum, gold, silver, tin, tungsten, antimony, gemstones and rare earths) is 50%, or 40% where at least 70% of the allocated area lies in areas with especially difficult socio-economic conditions (Article 10(4)(b), Law No. 67/2025/QH15); other minerals bear the standard 20%.
- A mining licence requires an approved environmental impact assessment or an environmental licence under Law No. 72/2020/QH14, and the miner must lodge an environmental rehabilitation deposit under Article 137 of that law, refundable once rehabilitation is verified.
- Every mine must be closed under an approved closure scheme that restores land, water and vegetation and leaves the site safe (Articles 81 to 85, Law No. 54/2024/QH15), and the miner bears all costs of environmental protection, rehabilitation and closure (Article 79(2)).

The fiscal stack

A Vietnamese mine pays the State in five main ways: a fee for being granted the right to mine, a tax on what it extracts, a fee for the environmental impact of extraction, a duty on what it exports, and corporate income tax on its profit. On top of those sit the ordinary charges of any business, land rent on the leased mine site, VAT on domestic sales and foreign contractor tax on payments to foreign service providers, together with the environmental rehabilitation deposit, which is security rather than a charge. The first three are levied on volume or value regardless of profit, so a mine with thin margins can be in loss after royalty-type charges and still owe them. Modelling the fiscal take therefore starts with the volume charges, not with CIT ([FAQ 107](#)).

The charges are administered by different bodies. The fee for granting mining rights is approved by the licensing authority and collected by the provincial tax office; natural resources tax, the environmental protection fee and CIT are declared to the tax authority under Law No. 108/2025/QH15 on Tax Administration; export duty is collected by customs. Arrears in any of them can block a licence extension or transfer and, in the case of tax debts, the remittance of profits abroad ([Profit remittance and repatriation of capital](#)).

Natural resources tax

Natural resources tax (thuế tài nguyên) is levied under Law No. 45/2009/QH12 on Natural Resources Tax on the value of resources extracted, calculated as the taxable output multiplied by the taxable price and the rate. The taxable price is the commercial selling price of the resource at the point of sale, but not less than the price set by the provincial People's Committee within the frame issued by the Ministry of Finance; where the mined product is processed before sale, the value of the resource is derived from the processed product. Taxable output is the quantity actually extracted, measured at the mine, which is why Article 64 of the minerals law requires output to be measured before minerals leave the site.

The rates are set by the Standing Committee of the National Assembly within the frame in the law. Resolution No. 1084/2015/UBTVQH13, in force since 1 July 2016, fixes, among others, 14% for iron and manganese, 17% for gold, 18% for titanium and rare earths, 12% for platinum, silver, tin, aluminium and bauxite, 15% for copper, lead and zinc, 20% for tungsten and antimony, 10% for nickel, 10% for underground and 12% for open-pit anthracite, 10% for limestone for lime and cement, 15% for granite and sand, and between 18% and 27% for gemstones ([FAQ 107](#)). Natural resources tax is deductible in computing CIT. In July 2026 the Ministry of Finance published a draft law amending the Law on Natural Resources Tax that would set rates for metallic minerals according to the degree of processing and move rate-setting to the Government, with a proposed effective date of 1 January 2027; at the review date it had not been adopted.

The fee for granting mining rights and the environmental protection fee

The fee for granting mining rights is calculated as $T = Q \times G \times R$ under Article 132 of Decree No. 193/2025/ND-CP, where Q is the licensed reserve or volume, G the provincial natural resources tax price adjusted by a conversion coefficient, and R the rate in Appendix III of the decree or the winning auction rate. The total is divided by the years of the licence and paid annually, the first instalment within 24

working days of the tax authority's notice and later instalments by 31 May each year, and is settled against actual output under Articles 139 and 140. The mechanics are explained in [Mineral groups, licensing and auctions](#).

The **environmental protection fee** on mineral extraction is levied under Decree No. 27/2023/ND-CP on each tonne or cubic metre of minerals extracted, at rates set by each provincial People's Council within the national frame in the decree. Because provinces fix the rate, the fee for the same mineral can differ between neighbouring provinces, and it is revised from time to time; the current provincial resolution should be checked. Oil and gas bear the fee at national rates, VND 100,000 per tonne of crude and VND 50 per cubic metre of gas, which are discussed in [Petroleum contracts and fiscal terms](#).

Export duty and corporate income tax

Many ores and concentrates bear **export duty** under the export tariff in Decree No. 26/2023/ND-CP, most recently amended by Decree No. 201/2026/ND-CP, and may be exported at all only if they meet the lists and standards set by MOIT or the Ministry of Construction (Strategic minerals, rare earths and exports). Exported unprocessed minerals also face restrictive VAT treatment, so the VAT position of any export product should be confirmed under [VAT and e-invoicing](#).

Corporate income tax follows Article 10(4) of Law No. 67/2025/QH15. The exploration and extraction of precious and rare resources, namely platinum, gold, silver, tin, tungsten, antimony, gemstones, rare earths and other rare resources defined by law, is taxed at **50%**; where at least 70% of the allocated area of the mine lies in areas with especially difficult socio-economic conditions, the rate is **40%** (FAQ 21). The extraction of other minerals, including coal, iron, bauxite, copper, limestone and construction materials, bears the standard 20%. A mining company that also processes the mineral must account separately for the income taxed at different rates. Mineral extraction has historically been excluded from most CIT incentives; any incentive claimed for a processing project should be checked against [Investment incentives](#). The general CIT rules are in [Corporate income tax](#).

Environmental approvals

Law No. 72/2020/QH14 on Environmental Protection, with Decree No. 08/2022/ND-CP as amended by Decree No. 05/2025/ND-CP, classifies projects by environmental risk, and mineral extraction projects are in the categories that require an **environmental impact assessment** (EIA) approved before the project proceeds, or, where the law allows that route, an **environmental licence** (FAQ 89). The approved EIA or the environmental licence is a condition of the mining licence (Article 61 of Decree No. 193/2025/ND-CP; [FAQ 109](#)), so it sits on the critical path between reserve recognition and licensing. Appraisal is shared between the Ministry of Agriculture and Environment and the provinces according to the project's scale and location. Law No. 146/2025/QH15, in force from 1 January 2026, simplified parts of the permitting process, and a wider overhaul of the 2020 law was published in draft in June 2026.

Once operating, a mine must hold an environmental licence covering its wastewater, emissions and solid waste, monitor them, and report under the licence. Tailings storage, acid drainage, dust and water use are the usual points of conflict with neighbours and inspectors. A mine that uses or discharges water also needs water-resources permits, and Article 36 of the minerals law requires the miner to comply with the water law.

The rehabilitation deposit and closure

Article 137 of Law No. 72/2020/QH14 requires every organisation that extracts minerals to **lodge an environmental rehabilitation deposit** (ký quỹ cải tạo, phục hồi môi trường) with an environmental protection fund, based on the rehabilitation plan approved with its EIA or environmental licence. Under Decree No. 08/2022/ND-CP the deposit may be paid as a lump sum or in annual instalments, the first before mining begins, and it is refunded once the rehabilitation has been carried out and verified ([FAQ 109](#)). Where the miner fails to rehabilitate, the deposit is used to do so.

Rehabilitation is part of a wider closure obligation. Articles 81 to 85 of Law No. 54/2024/QH15 require a **mine closure scheme** when reserves are exhausted, the licence ends or the mine is otherwise closed. Closure must account for the reserves mined and those remaining, restore the land, water, vegetation and landscape to the rehabilitation standards, secure the stability and safety of the area, and optimise the use of the land afterwards (Article 81). The scheme is appraised and approved by the licensing authority (Articles 82 and 83; Articles 101 to 106 of Decree No. 193/2025/ND-CP), and the miner must carry it out and hand the land back. Article 79(2) is blunt: the organisation carrying out mineral activities bears all costs of environmental protection, rehabilitation and closure.

Communities and land

A mine changes the lives of those around it, and the law gives them a stake. Article 8 of the minerals law entitles the locality and the communities where minerals are mined to share in the benefits through investment in infrastructure, and obliges the miner to support affected households, including with vocational training and jobs, and to give priority to local labour ([FAQ 102](#)). Those duties are written into the investment registration and the licence, and in practice into a memorandum with the commune and province.

The land itself is obtained either by State recovery and lease under Articles 79 and 205 of the Land Law 2024, with compensation, support and resettlement for existing users, or by negotiated transfer of land use rights. Compensation disputes are the most frequent cause of delay in mine development, and a project that relies on State recovery depends on the province's timetable. Land rent is payable annually on the leased area. The land procedures, valuation and compensation rules are explained in [Land recovery, compensation and non-use and Land rent, land prices and Resolution 254](#).

Environmental and closure steps for a new mine

- 1 Screen the project**
Classify the project under Law No. 72/2020/QH14 and Decree No. 08/2022/ND-CP as amended to confirm whether an EIA or an environmental licence route applies and which authority appraises it.
- 2 Prepare the EIA and the rehabilitation plan**
Baseline studies, community consultation, impact assessment, mitigation, tailings design and a costed rehabilitation plan.

3 Obtain EIA approval

Appraisal by the Ministry of Agriculture and Environment or the province; the approval is a condition of the mining licence.

4 Lodge the rehabilitation deposit

Lump sum or first annual instalment with the environmental protection fund before mining begins (Article 137).

5 Obtain the environmental licence for operation

Covering discharges, emissions and waste; set up monitoring and reporting.

6 Rehabilitate progressively and report

Carry out rehabilitation as areas are worked out; annual reports and inspections.

7 Prepare and implement the closure scheme

Submit the scheme for approval when reserves are exhausted or the licence ends (Articles 82 and 83); carry it out; obtain acceptance and the refund of the deposit.

Charges on a Vietnamese mine (October 2026)

Charge	Basis and rate	Source
Natural resources tax	Output x taxable price x rate: iron 14%, gold 17%, titanium and rare earths 18%, copper 15%, bauxite 12%, tungsten and antimony 20%, coal 10% or 12%, limestone for cement 10%, sand 15%, gemstones 18% to 27%	Law No. 45/2009/QH12; Resolution No. 1084/2015/UBTVQH13
Fee for granting mining rights	$T = Q \times G \times R$; annual instalments; settled against output	Law No. 54/2024/QH15, Articles 98 and 99; Decree No. 193/2025/ND-CP, Articles 132 to 140
Environmental protection fee	Per tonne or cubic metre, at provincial rates within the national frame	Decree No. 27/2023/ND-CP
Export duty	On many ores and concentrates, by HS code	Decree No. 26/2023/ND-CP as amended by Decree No. 201/2026/ND-CP
CIT, precious and rare minerals	50%; 40% if at least 70% of the area is in especially disadvantaged areas	Law No. 67/2025/QH15, Article 10(4)(b)
CIT, other minerals	20%	Law No. 67/2025/QH15
Land rent	Annual rent on the leased mine area	Land Law 2024, Article 205

Charge	Basis and rate	Source
Rehabilitation deposit	Security based on the approved rehabilitation plan; refundable	Law No. 72/2020/QH14, Article 137; Decree No. 08/2022/ND-CP

WORKED EXAMPLE

An illustrative year at a mid-sized gold mine

A foreign-invested company produces 2.5 tonnes of gold a year from a licensed mine in a province where less than 70% of the area is in especially disadvantaged areas. All figures are illustrative and rounded, the taxable price is assumed to equal the realised sale price, and the order of deductions is simplified; it is not a tax computation.

Revenue	2.5 tonnes (about 80,400 troy ounces) at an assumed USD 2,500 per ounce: about USD 201 million.
Natural resources tax at 17%	17% x USD 201 million = about USD 34.2 million.
Fee for granting mining rights	Approved total of USD 60 million over a 15-year licence: annual instalment about USD 4.0 million, settled later against actual output.
Environmental protection fee	Assumed provincial rate on 1.2 million tonnes of ore: about USD 0.4 million.
Operating costs, depreciation and interest	Assumed USD 105 million, including land rent and rehabilitation provisions.
Taxable profit	$201.0 - 34.2 - 4.0 - 0.4 - 105.0$ = about USD 57.4 million.
CIT at 50%	About USD 28.7 million; at 40% (if 70% of the area were in especially disadvantaged areas) about USD 23.0 million.
State's total take	$34.2 + 4.0 + 0.4 + 28.7$ = about USD 67.3 million, or roughly 70% of the margin of USD 96 million left after operating costs and before any of the State's charges.
Timing	Natural resources tax and the environmental fee declared periodically and finalised annually; the fee instalment due by 31 May; CIT provisional payments quarterly and finalisation by the end of the third month after year end.

Had the mine produced copper instead, natural resources tax would have been 15% and CIT 20%, roughly halving the State's share of profit.

The rehabilitation deposit is not a cost in this model; it is security, refunded after verified rehabilitation, but it ties up cash from the first year.

Questions investors ask about mining taxes and the environment

What is the corporate income tax rate for gold mining in Vietnam?

50%, under Article 10(4)(b) of Law No. 67/2025/QH15, which applies to precious and rare resources including platinum, gold, silver, tin, tungsten, antimony, gemstones and rare earths. The rate is 40% where at least 70% of the mine's allocated area lies in areas with especially difficult socio-economic conditions. Other minerals bear the standard 20%.

What natural resources tax applies to minerals?

A percentage of the taxable value of output, at rates fixed by Resolution No. 1084/2015/UBTVQH13: for example 14% for iron, 17% for gold, 18% for rare earths and titanium, 15% for copper and 20% for tungsten and antimony. The taxable price is the selling price but not less than the provincial price.

What environmental approvals does a mine need?

An approved environmental impact assessment or, where that route applies, an environmental licence under Law No. 72/2020/QH14, which is a condition of the mining licence, followed by an environmental licence for operation. The miner must also lodge a rehabilitation deposit before mining begins and later implement an approved closure scheme.

Is the rehabilitation deposit refunded?

Yes, once rehabilitation has been carried out and verified. Under Article 137 of Law No. 72/2020/QH14 and Decree No. 08/2022/ND-CP the deposit is lodged with an environmental protection fund as a lump sum or annual instalments based on the approved plan, and is used by the State if the miner fails to rehabilitate.

Are mining taxes going to change in 2027?

Possibly. The Ministry of Finance published a draft amendment to the Law on Natural Resources Tax in July 2026 proposing rates for metallic minerals by degree of processing, set by the Government within a statutory frame, from 1 January 2027. It had not been adopted at 10 October 2026; check the final text before modelling.

THE 2027 HORIZON

- The draft law amending the Law on Natural Resources Tax, published for comment in July 2026 with a proposed effective date of 1 January 2027, would differentiate rates for metallic minerals by degree of processing and let the Government set rates within the statutory frame; if adopted, financial models for mines exporting concentrate should be rerun.
- The draft overhaul of the Law on Environmental Protection published in June 2026 could change the EIA categories, the environmental licence and the deposit rules for mines; its adoption timetable was not fixed at the review date.
- Provinces periodically revise their environmental protection fee rates and natural resources tax price lists; check the current provincial resolutions each year.

Terms you will meet in the documents

English	Vietnamese	Meaning
Natural resources tax	<i>Thuế tài nguyên</i>	The tax on the value of resources extracted (Law No. 45/2009/QH12).
Taxable price for natural resources tax	<i>Giá tính thuế tài nguyên</i>	The selling price, not less than the provincial price list.
Environmental protection fee	<i>Phí bảo vệ môi trường đối với khai thác khoáng sản</i>	The per-unit fee on extraction (Decree No. 27/2023/ND-CP).
Environmental impact assessment	<i>Đánh giá tác động môi trường</i>	The pre-project assessment required for mining projects (Law No. 72/2020/QH14).
Environmental licence	<i>Giấy phép môi trường</i>	The operating permit for discharges and waste.
Rehabilitation deposit	<i>Ký quỹ cải tạo, phục hồi môi trường</i>	Security for rehabilitation under Article 137 of the environment law.
Mine closure	<i>Đóng cửa mỏ khoáng sản</i>	The statutory process for ending a mine (Articles 81 to 85).
Especially disadvantaged area	<i>Địa bàn có điều kiện kinh tế - xã hội đặc biệt khó khăn</i>	The area status that lowers CIT on precious minerals to 40%.

FOREIGN V VIETNAMESE INVESTOR

The fiscal and environmental regime is the same for domestic and foreign-invested miners: the same natural resources tax rates, fee formula, environmental fee, export duty, CIT rates, EIA and deposit. The differences for a foreign investor lie at the border: foreign contractor tax on payments to foreign service providers, the requirement to have paid all tax due before profits are remitted under Decree No. 252/2026/ND-CP, and the 2% tax on gross proceeds if it later sells its stake ([Tax on share transfers and dividends](#)).

WATCH OUT FOR

- Modelling only CIT: natural resources tax and the fee for granting mining rights are charged on volume or value whatever the profit.
- Assuming the 40% CIT rate without checking that at least 70% of the allocated area lies in especially disadvantaged areas.
- Selling below the provincial price list, which does not reduce natural resources tax because the taxable price cannot be lower than the list.
- Treating the rehabilitation deposit as a late-life cost; it is payable before mining begins and ties up cash throughout.
- Underestimating closure: Article 79(2) puts all costs of rehabilitation and closure on the miner, and closure obligations survive the licence.

OFFICIAL SOURCES

- National Legal Database (vbpl.vn): Law No. 45/2009/QH12; Resolution No. 1084/2015/UBTVQH13; Law No. 67/2025/QH15, Article 10; Law No. 72/2020/QH14, Article 137 — <https://vbpl.vn>
- Tax Department (natural resources tax, fees and CIT declarations) — <https://gdt.gov.vn>
- Ministry of Finance (draft law amending the Law on Natural Resources Tax, July 2026) — <https://mof.gov.vn>
- Ministry of Agriculture and Environment (EIA, environmental licences, rehabilitation deposits) — <https://mae.gov.vn>

The petroleum framework and Petrovietnam: Law No. 12/2022/QH15 and Decree No. 45/2023/ND-CP, the roles of the Prime Minister, the Ministry of Industry and Trade and the Vietnam National Industry - Energy Group, blocks and open acreage, the operating office, midstream and downstream activities, and the new Petroleum Law No. 10/2026/QH16

Reviewed 10 October 2026 · Prepared by a foreign investment lawyer (now retired) with 20 years' experience advising on Vietnamese investment law · Legal and tax information, not legal advice · [How we check](#) · [Open in the app](#)

WHAT YOU NEED TO KNOW

- Petroleum belongs to the State (Article 53, Constitution) and is developed through petroleum contracts signed by Petrovietnam under Law No. 12/2022/QH15 on Petroleum, in force since 1 July 2023, and Decree No. 45/2023/ND-CP of 1 July 2023.
- The Prime Minister approves petroleum contracts, the list of incentivised and specially incentivised blocks and transfers of interests; MOIT appraises contracts, issues the contractor's Investment Registration Certificate and approves development and decommissioning plans (Articles 26, 27, 36, 46 to 50, 53 and 65).
- Petrovietnam, renamed the Vietnam National Industry - Energy Group by Decision No. 733/QD-TTg of 9 April 2025, signs and manages every contract for the State, approves work programmes and budgets, audits costs, may take a participating interest after a commercial discovery and has a pre-emption right on transfers (Articles 39 and 60 to 64).
- Approval of a petroleum contract replaces investment policy approval, and a foreign operator must establish an operating office in Vietnam with its own seal and bank accounts (Articles 26 to 27 and 38); refining, LNG terminals and gas-fired power plants fall under the investment, electricity and sector laws instead.
- Law No. 10/2026/QH16, passed on 23 August 2026 with 12 chapters and 62 articles, replaces Law No. 12/2022/QH15 from 1 March 2027 and decentralises approvals to the State management authority and Petrovietnam; its implementing decree was in draft at 10 October 2026.

Ownership and the legal framework

Oil and gas, like minerals, are owned by the entire people with the State as owner's representative under Article 53 of the Constitution. Unlike minerals, they are not licensed. The State develops them through a **petroleum contract** signed on its behalf by Petrovietnam with one or more contractors, who carry the exploration risk in return for a share of production ([FAQ 102](#)). The framework is Law No. 12/2022/QH15 on Petroleum, passed on 14 November 2022 and in force since 1 July 2023, which replaced the Petroleum Law of 1993 and its amendments, and Decree No. 45/2023/ND-CP of 1 July 2023, which details contractor selection, contracts, safety, approvals, incentives, tail-end production and cost settlement and annexes a model production sharing contract and its accounting procedure ([FAQ 101](#)).

The law covers basic petroleum surveys (Articles 10 to 14), contractor selection (Articles 15 to 25), petroleum contracts (Articles 26 to 41), operations including field development and decommissioning (Articles 42 to 52), incentives (Articles 53 to 55), accounting and cost settlement (Articles 56 and 57), the rights and obligations of contractors (Articles 58 and 59), Petrovietnam (Articles 60 to 64) and State management (Articles 65 and 66). Article 4 gives the Petroleum Law priority over other laws on petroleum matters and allows the parties to apply foreign law and international petroleum industry practice where Vietnamese law is silent, provided the result is not contrary to Vietnamese law. Corporate income tax, natural resources tax and export duty are levied under the tax laws but with petroleum-specific rules, explained in [Petroleum contracts and fiscal terms](#).

The Prime Minister and the Ministry of Industry and Trade

Under the 2022 law the decisions of most consequence rest with the **Prime Minister**: approval of each petroleum contract (Article 26), the list of blocks and fields eligible for investment incentives and special investment incentives (Article 53(3)), approval of transfers of participating interests that require it (Article 36), and the specific CIT rate for each contract within the 25% to 50% range under Article 10(4)(a) of Law No. 67/2025/QH15. The Prime Minister also decides cases outside the ordinary limits, such as longer contract terms for defence or complex geology.

The **Ministry of Industry and Trade** is the State management authority for petroleum (Article 65). It approves the block list and contractor selection plans prepared by Petrovietnam, appraises petroleum contracts before they go to the Prime Minister, issues and adjusts the contractor's Investment Registration Certificate (Article 27), and approves the outline development plan, the field development plan, early production plans and the decommissioning plan (Articles 46 to 50). It inspects safety and supervises compliance. Government Resolution No. 66.6/2025/NQ-CP delegated some of MOIT's approvals to Petrovietnam until 28 February 2027, as part of the Government's programme of removing procedural obstacles, so for that period certain plans are approved by PVN rather than by the ministry ([FAQ 110](#)).

Petrovietnam

Petrovietnam was renamed the **Vietnam National Industry - Energy Group** (Tập đoàn Công nghiệp - Năng lượng Quốc gia Việt Nam) by Decision No. 733/QĐ-TTg of 9 April 2025, reflecting its expansion into power and industry, but it is still widely known as Petrovietnam or PVN, and the Petroleum Law refers to it in its own right. It wears two hats. As the State's contracting party under Articles 60 to 62 of

the law, it organises basic surveys, prepares the block list and selection plans, negotiates and signs every petroleum contract, manages and supervises contractors, approves annual work programmes and budgets, audits and settles petroleum costs, receives and sells the State's share of production where the contract so provides, and holds the decommissioning fund. As a commercial group, through subsidiaries such as its exploration and production arm, it is also an investor that may take participating interests.

The two roles meet in Article 39, which gives Petrovietnam the right to participate in a contract after a commercial discovery, on the terms the contract sets, and a **pre-emption right** when a contractor transfers a participating interest. A foreign oil company should treat PVN as regulator, partner and potential co-venturer at once, and should negotiate its contract on that footing. Law No. 10/2026/QH16 is intended to separate the functions PVN performs for the State from its role as an investor more clearly (Decommissioning, local content and the 2027 Petroleum Law).

Blocks, open acreage and how contracts are awarded

Vietnam's offshore is divided into blocks. Petrovietnam prepares, and the competent authority approves, the list of blocks available for contract under Chapter III of Decree No. 45/2023/ND-CP, distinguishing open blocks from those already under contract and identifying blocks on the Prime Minister's list of incentivised and specially incentivised blocks under Article 53 of the law. Blocks qualify for incentives because they are deepwater, far offshore or geologically complex, because they attracted no bids under ordinary terms, because they are made up of relinquished acreage or marginal fields, or, for special incentives, because they target unconventional petroleum or failed to attract bids under incentivised terms.

Contractors are selected under Article 15 by **open bidding**, **restricted bidding**, **competitive offer** or **direct appointment**, under a selection plan approved for the block, and bidders must have the financial and technical capacity and petroleum experience required or bid in a consortium that has them (Article 16). Both Vietnamese and foreign companies may bid. After selection Petrovietnam negotiates the contract, MOIT appraises it, and the Prime Minister approves it; approval of the contract replaces investment policy approval, and MOIT then issues the contractor's IRC ([FAQ 111](#)). The detailed procedure and the terms of the contract are in Petroleum contracts and fiscal terms. Open blocks, bidding rounds and the incentivised-block list are announced through MOIT and Petrovietnam ([FAQ 115](#)).

What a foreign contractor sets up in Vietnam

A foreign oil company does not need to form a Vietnamese company to be a contractor; it contracts directly with Petrovietnam. If it is the operator, Article 38 requires it to establish an **operating office** in Vietnam, registered with the competent authority, with its own seal and bank accounts, through which it conducts petroleum operations, employs staff and contracts with suppliers. The contractors' cash calls are paid into a joint account opened in Vietnam by the operator (Article 59(9)). Non-operating partners participate through the contract without a separate presence, although many establish representative offices.

The contractor holds an IRC issued by MOIT for the contract (Article 27), which is adjusted when the contract or the contractor group changes (Article 28). Its foreign staff need work permits, which petroleum operators obtain under the ordinary rules ([Work permits for foreign staff](#)), and its payments to foreign subcontractors bear foreign contractor tax ([Foreign contractor tax and tax treaties](#)). Profits and cost recovery are taken in kind or in cash under the contract and remitted under the foreign exchange rules ([Profit remittance and repatriation of capital](#)).

Midstream and downstream in outline

The Petroleum Law governs the upstream: surveys, exploration, development, production and decommissioning, including the transport of petroleum within the contract area. It does not govern refining, petrochemicals, LNG import terminals, gas-processing plants outside a field development, pipelines serving the domestic market or gas-fired power stations. Those are ordinary investment projects. Oil and gas processing projects are among the categories in Article 24 of Law No. 143/2025/QH15 that require investment policy approval before the IRC ([Investment policy approval](#)), and they need land, environmental and construction approvals and, for terminals, port and maritime approvals.

Gas-fired and LNG-to-power projects also need an electricity operation licence and must fit the national power development plan under Law No. 61/2024/QH15 on Electricity, with Vietnam Electricity (EVN) as the main buyer and grid operator; National Assembly Resolution No. 253/2025/QH15 adds special mechanisms for power projects for 2026 to 2030 ([FAQ 93](#)). The trading of petroleum products and gas in the domestic market is a conditional business regulated by MOIT. The link with the upstream is Article 59(8) of the Petroleum Law, which requires a contractor to sell its share of gas under gas development projects, and its crude at internationally competitive prices, in the Vietnamese market when the Government so requires; gas sales agreements for domestic power plants are negotiated against that background.

The new Petroleum Law in outline

Law No. 10/2026/QH16 on Petroleum was passed at the National Assembly's first extraordinary session of the sixteenth legislature on 23 August 2026, with 473 of 475 deputies voting in favour, and takes effect on 1 March 2027, replacing Law No. 12/2022/QH15. It has 12 chapters and 62 articles and largely carries over the 2022 structure. According to MOIT's public briefing in September 2026, its core changes are greater decentralisation to the State management authority and the delegation of powers to Petrovietnam, with simplified procedures balanced by stronger inspection; additional incentives for small and marginal fields and for deepwater and far-offshore projects; encouragement of enhanced recovery and tail-end production; a framework for carbon capture and storage and for offshore energy and shared infrastructure linked to petroleum operations; more flexible contracts allowing extensions and adjustments of work commitments; and accounting, audit and cost settlement rules aligned with international practice. Powers touching defence, security and force majeure stay with the competent authorities.

The text, and the decree MOIT is preparing to take effect on the same date, will decide which approvals move from the Prime Minister to MOIT or PVN and how existing contracts are treated. Those points are discussed, with appropriate caution, in [Decommissioning](#), [local content](#) and the [2027 Petroleum Law](#). Until 1 March 2027 every new contract, transfer and plan is governed by the 2022 law and Decree No. 45/2023/ND-CP.

DECISION GUIDE

Which regime governs the project?

A first orientation for an energy-sector investor. The answer is settled by the first question that points to an outcome.

Q1 Does the project involve exploring for, developing or producing oil or gas, or decommissioning petroleum facilities, in a Vietnamese block or field?

Yes Petroleum Law No. 12/2022/QH15 (Law No. 10/2026/QH16 from 1 March 2027). A petroleum contract with Petrovietnam, approved by the Prime Minister; IRC from MOIT; no separate investment policy approval.

No Continue to Q2.

Q2 Is it a refinery, petrochemical plant, gas-processing plant, LNG terminal or pipeline outside a field development?

Yes Law No. 143/2025/QH15 on Investment: oil and gas processing needs investment policy approval before the IRC, plus land, environmental, construction and, for terminals, maritime approvals.

No Continue to Q3.

Q3 Is it a gas-fired, LNG-to-power or other power plant?

Yes Investment law plus Law No. 61/2024/QH15 on Electricity: inclusion in the power development plan, electricity operation licence, power purchase agreement and, for gas supply, a gas sales agreement.

No Continue to Q4.

Q4 Is it the provision of services, equipment or vessels to petroleum operators?

Yes An ordinary investment or a cross-border service contract; foreign contractor tax applies to offshore suppliers, and the operator must select suppliers competitively and report to PVN (Article 59(12)).

No Outside this chapter; see the investment framework in Chapter 1.

Who does what in the upstream (October 2026)

Body	Main roles	Source
Prime Minister	Approves contracts, the incentivised-block list, transfers of interests requiring approval and the CIT rate per contract; special cases	Law No. 12/2022/QH15, Articles 26, 36, 53; Law No. 67/2025/QH15, Article 10(4)(a)
Ministry of Industry and Trade	State management; appraises contracts; issues and adjusts IRCs; approves development and decommissioning plans; safety inspection	Law, Articles 27, 28, 46 to 50, 65
Petrovietnam (PVN)	Signs and manages contracts; approves work programmes and budgets; audits costs; holds the decommissioning fund; participation and pre-emption rights	Law, Articles 39, 51, 60 to 64; Decision No. 733/QD-TTg
Delegation to PVN	Certain MOIT approvals delegated to PVN until 28 February 2027	Resolution No. 66.6/2025/NQ-CP
Ministry of Finance and Tax Department	CIT, natural resources tax, export duty, environmental protection fee; cost settlement audits with PVN	Tax laws; Law, Articles 56 and 57
Ministry of Agriculture and Environment	Environmental impact assessment of field developments; oil spill response coordination with other bodies	Law No. 72/2020/QH14
Contractor and operator	Performs the contract; operating office, joint account, reporting, local content, decommissioning	Law, Articles 38, 58, 59

WORKED EXAMPLE

From a block nomination to an IRC for a foreign operator

A European independent and a Japanese trading house form a consortium (60:40) to bid for an incentivised deepwater block offered in an open bidding round. The timetable is illustrative and depends on the authorities.

Month 0	Block list including the block approved; bidding round announced by PVN; bid package purchased; data room review.
Months 1 to 5	Joint bid prepared on the model PSC: work programme (3D seismic and two exploration wells), signature bonus offered, profit-oil split proposed; bid security lodged (Article 25).
Month 6	Bids opened; consortium ranked first on the selection criteria (Article 22); selection result approved (Article 23).
Months 7 to 10	Contract negotiated with PVN on the model terms; incentivised-block terms apply: CIT 32%, crude export duty 10%, cost recovery cap 70% (Article 54).

Months 11 to 13	MOIT appraises the contract; Prime Minister approves it (Article 26); contract signed with PVN.
Month 14	MOIT issues the IRC to the contractor parties (Article 27); operator registers its operating office (Article 38) and opens the joint account.
Months 14 onward	Exploration period of up to ten years for an incentivised block (Article 31); annual work programme and budget approved by PVN.

Had the block been an ordinary block, the exploration period would have been up to five years, the contract up to 30 years and the cost recovery cap 50%, with CIT fixed by the Prime Minister within 25% to 50%.

Had the contract been signed after 1 March 2027, Law No. 10/2026/QH16 and its decree would have governed the approval chain, which may move some approvals from the Prime Minister to MOIT or PVN.

Questions investors ask about the petroleum framework

Who regulates oil and gas in Vietnam?

The Ministry of Industry and Trade is the State management authority under Law No. 12/2022/QH15: it appraises contracts, issues the contractor's IRC and approves development and decommissioning plans. The Prime Minister approves contracts, the incentivised-block list and transfers, and Petrovietnam signs and manages every contract for the State.

What is Petrovietnam called now?

The Vietnam National Industry - Energy Group, under Decision No. 733/QD-TTg of 9 April 2025. It is still widely known as Petrovietnam or PVN. Its functions under the Petroleum Law, as the State's contracting party and as a potential co-venturer with participation and pre-emption rights, are unchanged by the renaming.

Does a foreign oil company need a Vietnamese subsidiary?

No. It contracts directly with Petrovietnam under a petroleum contract approved by the Prime Minister, and MOIT issues its IRC. If it is the operator, Article 38 requires an operating office in Vietnam with its own seal and bank accounts, and the contractors fund operations through a joint account opened in Vietnam.

Does an LNG terminal or gas power plant fall under the Petroleum Law?

No. Refining, LNG terminals, gas processing outside a field and power plants are ordinary investment projects. Oil and gas processing needs investment policy approval under Article 24 of Law No. 143/2025/QH15, and power plants also need inclusion in the power development plan and an electricity operation licence under Law No. 61/2024/QH15.

When does the new Petroleum Law take effect?

On 1 March 2027. Law No. 10/2026/QH16 was passed on 23 August 2026 and replaces Law No. 12/2022/QH15. It decentralises approvals to the State management authority and Petrovietnam and adds incentives for marginal, deepwater and far-offshore fields. Until then, the 2022 law and Decree No. 45/2023/ND-CP govern.

THE 2027 HORIZON

- Law No. 10/2026/QH16 takes effect on 1 March 2027 together with a new implementing decree that MOIT circulated in draft in 2026; the allocation of approvals between the Prime Minister, MOIT and PVN should be checked in the final texts.
- The delegation of certain MOIT approvals to PVN under Resolution No. 66.6/2025/NQ-CP runs to 28 February 2027, the day before the new law takes effect, and is expected to be overtaken by the new law's own allocation of powers.
- A new list of incentivised and specially incentivised blocks, and possibly new model contract terms, may follow the 2027 law's added incentives for marginal, deepwater and far-offshore fields.

Terms you will meet in the documents

English	Vietnamese	Meaning
Petroleum Law	<i>Luật Dầu khí</i>	Law No. 12/2022/QH15, replaced by Law No. 10/2026/QH16 from 1 March 2027.
Petroleum contract	<i>Hợp đồng dầu khí</i>	The contract between Petrovietnam and the contractors for petroleum operations.
Contractor	<i>Nhà thầu</i>	A company that is party to a petroleum contract.
Operator	<i>Người điều hành</i>	The contractor that conducts operations for the group.
Operating office	<i>Văn phòng điều hành</i>	The foreign operator's office in Vietnam (Article 38).
Block	<i>Lô dầu khí</i>	A defined area offered for petroleum operations.
Vietnam National Industry - Energy Group	<i>Tập đoàn Công nghiệp - Năng lượng Quốc gia Việt Nam</i>	The current name of Petrovietnam (PVN) since April 2025.
Basic petroleum survey	<i>Điều tra cơ bản về dầu khí</i>	State-organised regional surveys outside contracts (Articles 10 to 14).

FOREIGN V VIETNAMESE INVESTOR

Vietnamese and foreign companies bid and contract on the same terms, and most producing contracts pair foreign operators with Petrovietnam's subsidiaries. The differences are practical. A foreign operator must establish an operating office, its foreign staff need work permits, its offshore suppliers bear foreign contractor tax, and its share of profits is remitted abroad under the foreign exchange rules. Petrovietnam, as a State group, has rights no private party has: participation after a commercial discovery and pre-emption on transfers.

WATCH OUT FOR

- Treating Petrovietnam only as a commercial partner; it is also the State's contracting party, cost auditor and holder of the decommissioning fund.
- Assuming a refinery, LNG terminal or gas power plant is covered by the petroleum contract regime; it needs investment policy approval and sector licences.
- Signing a farm-in without allowing for the Prime Minister's approval of the transfer and PVN's pre-emption right.
- Relying on approvals delegated to PVN under Resolution No. 66.6/2025/NQ-CP after 28 February 2027 without checking the new law's allocation.
- Using the old name or the old Petroleum Law in new contracts and filings.

OFFICIAL SOURCES

- National Legal Database (vbpl.vn): Law No. 12/2022/QH15 on Petroleum; Decree No. 45/2023/ND-CP; Law No. 10/2026/QH16 — <https://vbpl.vn>
- Ministry of Industry and Trade (petroleum State management; briefing on Law No. 10/2026/QH16) — <https://moit.gov.vn>
- Vietnam National Industry - Energy Group (Petrovietnam) — <https://www.pvn.vn>
- Government Portal: Decision No. 733/QĐ-TTg; Resolution No. 66.6/2025/NQ-CP — <https://chinhphu.vn>

Petroleum contracts and fiscal terms: the production sharing contract and other contract forms, the model PSC, contractor selection, approval and the IRC, contract term and exploration periods, cost recovery caps, profit petroleum, corporate income tax of 25% to 50%, natural resources tax, export duty and fees, incentivised blocks, transfers of participating interests and Petrovietnam's rights, with an illustrative profit-oil computation

Reviewed 10 October 2026 · Prepared by a foreign investment lawyer (now retired) with 20 years' experience advising on Vietnamese investment law · Legal and tax information, not legal advice · [How we check](#) · [Open in the app](#)

WHAT YOU NEED TO KNOW

- The production sharing contract is the standard form, with a model annexed to Decree No. 45/2023/ND-CP; other contract types are permitted on main terms decided by the Prime Minister (Article 29, Law No. 12/2022/QH15), and older joint operating and business cooperation arrangements continue under their own terms.
- Contractors are selected by open bidding, restricted bidding, competitive offer or direct appointment (Article 15); Petrovietnam negotiates, MOIT appraises and the Prime Minister approves the contract, which replaces investment policy approval, and MOIT then issues the IRC (Articles 26 and 27).
- A contract runs for up to 30 years with an exploration period of up to five years, or 35 and ten years for incentivised and specially incentivised blocks, each extendable by up to five years with MOIT approval (Article 31).
- Cost recovery is capped at 50% of annual production for ordinary blocks, 70% for incentivised blocks and 80% for specially incentivised ones (Article 33); the remainder after natural resources tax and cost oil is profit petroleum, shared as the contract provides.
- CIT on petroleum activities is 25% to 50%, fixed by the Prime Minister for each contract (Article 10(4) (a), Law No. 67/2025/QH15); incentivised blocks pay 32% CIT and 10% crude export duty and specially incentivised blocks 25% and 5% (Article 54); natural resources tax on crude starts at 10% up to 20,000 barrels a day (7% for encouraged projects) under Resolution No. 1084/2015/UBTVQH13.

Contract forms

Article 29 of Law No. 12/2022/QH15 makes the **production sharing contract** (PSC; hợp đồng chia sản phẩm dầu khí) the standard form and permits other types of petroleum contract whose main terms the Prime Minister decides. Under a PSC the contractors fund and carry out exploration, development and production at their own risk; if there is production, they recover their costs from a capped share of it and divide the remainder, the profit petroleum, with the State party, Petrovietnam, in the agreed proportions. If there is no commercial discovery, the contractors bear the loss ([FAQ 111](#)).

Under the 1993 Petroleum Law, contracts were also concluded as joint ventures and as joint operating agreements in which Petrovietnam's subsidiaries took participating interests alongside foreign contractors, and some early arrangements took the form of business cooperation contracts. Several large producing fields are still governed by such contracts, which continue on their own terms under the transitional provisions of the 2022 law. A new contract is in practice a PSC on the model terms, with Petrovietnam or its exploration and production subsidiary often joining as a contractor party after a commercial discovery under Article 39.

The model PSC

Decree No. 45/2023/ND-CP annexes a **model production sharing contract** and, as Appendix B, its accounting procedure. Article 30 of the law lists the main contents every contract must have, including the parties, the contract area and its relinquishment, the work programme and minimum financial commitments, the term and its phases, cost recovery and the sharing of profit petroleum, the rights and obligations of the parties, the commitments on training, a research fund and the priority use of Vietnamese labour and services ([FAQ 114](#)), decommissioning, dispute resolution and the governing law, which is Vietnamese law. Article 34 makes the contract language Vietnamese and an agreed foreign language, normally English, of equal validity.

The model is a starting point rather than a fixed text. Bidders compete on the variables the bid package leaves open, typically the work programme, the profit-petroleum split, bonuses where the bid package provides for them and the training and research commitments, and the negotiated contract may depart from the model within the law. Because Article 4 allows international petroleum industry practice to fill gaps where Vietnamese law is silent and not contrary to it, the contract's own provisions on joint operations, accounting and sole risk are of real importance.

Selection of contractors

Chapter III of the law and Chapter III of Decree No. 45/2023/ND-CP govern selection. Article 15 provides four methods. **Open bidding** is the default for open blocks. **Restricted bidding** invites a limited number of qualified companies in the cases Article 19 allows. **Competitive offer** (chào thầu cạnh tranh) is used where a block is not in the current contractor selection plan and at least two qualified companies propose to contract for it (Article 20). **Direct appointment** is reserved by Article 21 for three cases: a block related to national defence or security; a block for which only one qualified company proposes a contract after a 30-day public notice draws no other interest; and an existing contractor's proposal for additional investment in its contract area under a new contract to follow the expiry of the current one. Open and restricted bidding follow a contractor selection plan approved for the block (Article 17).

Bidders must have the financial capacity, technical capacity and experience in petroleum operations required by the bid package, or bid in a consortium that together meets them (Article 16), and must lodge bid security (Article 25). Bids are evaluated on the criteria and methods in Article 22, and the selection result is approved under Article 23. Vietnamese and foreign companies bid on the same terms. The winning bidder then negotiates the contract with Petrovietnam on the basis of its bid and the model.

Approval, the IRC and amendments

Once negotiated, the contract is appraised by MOIT and approved by the **Prime Minister** under Article 26; approval of the contract stands in place of investment policy approval under the investment law. The contract is signed after approval, and MOIT then issues the **Investment Registration Certificate** to the contractors under Article 27. Changes to the contract or to the contractor group are made by amendment, approved in the same way where the law requires, and reflected in an adjusted IRC (Article 28). Disputes are resolved by negotiation and then by the arbitration or court named in the contract (Article 37), which for contracts with foreign parties is commonly international arbitration ([Foreign arbitration and enforcement of awards](#)).

Term, exploration periods and relinquishment

Article 31 sets the maximum term of a petroleum contract at **30 years**, of which the exploration period may not exceed **five years**; for blocks on the Prime Minister's list of incentivised and specially incentivised blocks the limits are **35 years** and **ten years**. With MOIT's approval the contract and the exploration period may each be extended by up to five years, and the Prime Minister may allow more in special cases such as defence requirements or complex geology. A gas discovery that cannot be developed because there is no market or pipeline may be retained for up to five years, with a further two years possible, before it must be developed or released ([FAQ 112](#)).

Article 32 governs the contract area: the contractor relinquishes acreage at the end of each exploration phase as the contract provides, may expand the area in defined cases, and may combine discoveries and fields that straddle blocks. At least two years before the contract expires, the contractor may propose additional investment and a new contract for the area (Article 40); if no new contract is agreed, Petrovietnam or another designated entity takes over the fields at expiry (Article 41).

Cost recovery and profit petroleum

Each year's production is applied first to the State's royalty-type charges, then to cost recovery, and the remainder is profit petroleum. Article 33 caps the share of annual production available to recover costs at **50%** for ordinary blocks, **70%** for incentivised blocks and **80%** for specially incentivised blocks ([FAQ 113](#)). Costs that exceed the cap in a year are carried forward under the contract's accounting procedure. Which costs are recoverable, how they are allocated between exploration, development and production, and how they are audited are set by the contract, the accounting procedure in Appendix B of Decree No. 45/2023/ND-CP and the cost settlement rules in Articles 56 and 57 of the law and Article 62 of the decree; Petrovietnam audits and settles the costs.

Profit petroleum is shared between the contractors and Petrovietnam in the proportions the contract sets. Splits are commonly expressed on a sliding scale that gives the State a larger share as daily production rises, and the percentages are a principal bid variable. The law sets no statutory split. Petrovietnam's share accrues to the State party; the contractors' share, together with their cost oil, is their entitlement, which they lift and sell or, when the Government so requires, sell in Vietnam (Article 59(8)).

The State's fiscal take

The contractors' entitlement then bears tax. **Corporate income tax** on the search for, exploration and exploitation of oil and gas is charged at 25% to 50% under Article 10(4)(a) of Law No. 67/2025/QH15, with the Prime Minister deciding the specific rate for each contract according to location, conditions and reserves (FAQ 21). Each contract is taxed separately, so losses on one contract cannot be set against profits on another. **Natural resources tax** is levied on production at progressive rates by average daily output under Resolution No. 1084/2015/UBTVQH13: for crude, 10% up to 20,000 barrels a day rising through 12%, 14%, 19% and 24% to 29% above 150,000 barrels a day, and for encouraged projects 7% rising to 23%; for natural gas, 2% up to 5 million cubic metres a day, 5% to 10 million and 10% above, or 1%, 3% and 6% for encouraged projects. In practice natural resources tax is commonly taken in kind from production before cost recovery.

Export duty is charged on exported crude under the export tariff in Decree No. 26/2023/ND-CP as amended, at 10% for incentivised blocks and 5% for specially incentivised blocks under Article 54 of the Petroleum Law. An **environmental protection fee** of VND 100,000 per tonne of crude and VND 50 per cubic metre of gas applies under Decree No. 27/2023/ND-CP. **Bonuses** and other payments to Petrovietnam, such as signature, discovery or production bonuses and data fees, are payable where the bid package and contract provide for them. Payments to foreign subcontractors bear foreign contractor tax ([Foreign contractor tax and tax treaties](#)).

Incentivised blocks

Article 53 sets the criteria for the two incentive tiers and Article 54 the terms. A block or field qualifies for **investment incentives** if, among other things, it lies in deep water, far offshore or in areas of particularly difficult geography or complex geology; it was offered on ordinary PSC terms without bids; it is formed from relinquished acreage; it is a marginal field; it cannot reach minimum efficiency at the end of an ordinary contract; or it targets new, unexplored petroleum objectives. It qualifies for **special investment incentives** if it was offered on incentivised terms without bids, is formed from acreage relinquished under an incentivised contract, is a marginal field in an incentivised block, cannot reach minimum efficiency at the end of an incentivised contract, or targets **unconventional petroleum**. The Prime Minister issues the list (Article 53(3)).

Incentivised blocks pay **CIT at 32%**, **crude export duty at 10%** and may recover costs up to **70%** of annual production; specially incentivised blocks pay **CIT at 25%**, **crude export duty at 5%** and may recover up to **80%** (Article 54). They also enjoy the longer 35-year term and ten-year exploration period in Article 31. Articles 56 and 57 of Decree No. 45/2023/ND-CP implement the incentives, and Article 55 of the law and Articles 58 to 61 of the decree add a separate regime for the tail-end production of fields, clusters and blocks at the end of their contracts.

Assignments, change of control and Petrovietnam's rights

Under Article 36 a contractor may transfer all or part of its participating interest and its rights and obligations under the contract, provided the transferee undertakes to assume the transferor's rights and obligations, both parties meet the requirements of the law, and the transferor pays the taxes, fees and charges arising on the transfer. The transfer is approved by the **Prime Minister** on MOIT's appraisal and takes effect through an adjusted IRC. Petrovietnam has a **pre-emption right** on the transfer under Article 39, and its right to participate after a commercial discovery may already have been exercised ([FAQ 110](#)). Article 59(5) requires the contractor to report to the authorities and PVN when a transfer of interests changes its ownership, which brings indirect changes of control within the reporting regime.

A farm-in agreement should therefore be conditional on the Prime Minister's approval, the waiver or lapse of PVN's pre-emption right and the issue of the adjusted IRC, and should allocate the tax on the transfer. Gains of a foreign transferor are taxed under the CIT rules for capital and project-right transfers, and the declaration and payment mechanics should be settled in the agreement ([Tax on share transfers and dividends](#)).

From bid to signed PSC

- 1 Review the block and the bid package**
Data room, the block's incentive status, the selection method and the variables open for bidding.

- 2 Form the consortium**
Agree a bidding agreement and joint operating principles; confirm that the consortium meets the capacity and experience criteria (Article 16).

- 3 Submit the bid with bid security**
Work programme, profit-petroleum split, bonuses where applicable, training and research commitments; bid security under Article 25.

- 4 Obtain approval of the selection result**
Evaluation under Article 22; approval of the result under Article 23.

- 5 Negotiate the contract with Petrovietnam**
On the model PSC and accounting procedure in Decree No. 45/2023/ND-CP; agree dispute resolution and governing-law provisions.

- 6 Appraisal and Prime Ministerial approval**
MOIT appraises; the Prime Minister approves the contract, replacing investment policy approval (Article 26), and fixes the CIT rate within 25% to 50% for an ordinary block.

- 7 Sign, obtain the IRC and set up**
Sign with PVN; MOIT issues the IRC (Article 27); the operator registers its operating office and opens the joint account (Article 38).

Fiscal and contract terms by block category (Law No. 12/2022/QH15)

Term	Ordinary block	Incentivised block	Specially incentivised block
Maximum contract term	30 years	35 years	35 years
Maximum exploration period	5 years	10 years	10 years
Extensions (MOIT approval)	Up to 5 years each for contract and exploration period	Same	Same
Cost recovery cap	50% of annual production	70%	80%
CIT	25% to 50%, fixed by the Prime Minister per contract	32%	25%
Crude export duty	Export tariff, Decree No. 26/2023/ND-CP as amended	10%	5%
Natural resources tax, crude	10% to 29% by daily output (7% to 23% for encouraged projects)	As for the project's category	As for the project's category
Environmental protection fee	VND 100,000 per tonne of crude; VND 50 per m3 of gas	Same	Same
Source	Articles 31 and 33	Articles 31, 33, 53 and 54	Articles 31, 33, 53 and 54

WORKED EXAMPLE

An illustrative profit-oil computation for an incentivised oil field

A contractor group holds 100% of an incentivised block producing an average of 20,000 barrels of crude a day, all exported, in a year in which the realised price is USD 70 a barrel and recoverable costs are USD 260 million. The contract gives the contractors 50% of profit oil at this production level. Natural resources tax is assumed to be taken in kind at the 7% rate for encouraged projects, and the exchange rate is assumed at VND 26,000 to the US dollar. The order of calculation is simplified and the figures are illustrative, not a tax computation.

Gross production value	20,000 x 365 = 7.3 million barrels x USD 70 = USD 511.0 million.
Natural resources tax (7%)	USD 35.8 million, taken first.
Cost oil	Cap: 70% x USD 511.0 million = USD 357.7 million; recoverable costs of USD 260.0 million are below the cap and recovered in full.
Profit oil	511.0 - 35.8 - 260.0 = USD 215.2 million; contractors 50% = USD 107.6 million; Petrovietnam 50% = USD 107.6 million.

Contractors' entitlement	Cost oil 260.0 + profit oil 107.6 = USD 367.6 million.
Export duty (10%)	10% x USD 367.6 million = USD 36.8 million.
CIT (32%)	Taxable income assumed as 367.6 - 260.0 - 36.8 = USD 70.8 million; CIT about USD 22.7 million.
Environmental protection fee	About 1.0 million tonnes x VND 100,000 = VND 100 billion, about USD 3.8 million.
Contractors' net cash after costs	367.6 - 260.0 - 36.8 - 22.7 - 3.8 = about USD 44.3 million.
State's total take	35.8 + 107.6 + 36.8 + 22.7 + 3.8 = about USD 206.7 million, or about 82% of the USD 251.0 million left after costs.

Had the block been ordinary, the 50% cap (USD 255.5 million) would have limited cost oil to that amount and carried USD 4.5 million of costs forward, natural resources tax would have been 10% unless the project was encouraged, and the CIT rate would have been fixed by the Prime Minister between 25% and 50%.

Had Petrovietnam's subsidiary taken a 20% participating interest after the discovery, it would also have received 20% of the contractors' entitlement and borne 20% of the costs.

Questions investors ask about petroleum contracts and fiscal terms

What contract does Vietnam use for oil and gas?

The production sharing contract is the standard form under Article 29 of Law No. 12/2022/QH15, on the model annexed to Decree No. 45/2023/ND-CP. Contractors fund operations at their own risk, recover costs from a capped share of production and share the profit petroleum with Petrovietnam. Other forms are permitted on main terms the Prime Minister decides.

How much of production can a contractor use to recover costs?

Up to 50% of annual production for ordinary blocks, 70% for incentivised blocks and 80% for specially incentivised blocks, under Article 33 of the Petroleum Law. Costs above the cap are carried forward under the contract's accounting procedure, and Petrovietnam audits and settles recoverable costs.

What corporate income tax applies to oil and gas in Vietnam?

Between 25% and 50%, fixed by the Prime Minister for each petroleum contract under Article 10(4)(a) of Law No. 67/2025/QH15, according to location, conditions and reserves. Incentivised blocks pay 32% and specially incentivised blocks 25% under Article 54 of the Petroleum Law. Each contract is taxed separately.

How long does a petroleum contract last?

Up to 30 years with an exploration period of up to five years, or 35 and ten years for incentivised and specially incentivised blocks, under Article 31 of Law No. 12/2022/QH15. Each may be extended by up to five years with MOIT approval, and at least two years before expiry the contractor may propose a new contract.

Can a contractor sell its participating interest?

Yes, with the Prime Minister's approval on MOIT's appraisal and an adjusted IRC, provided the buyer assumes the seller's obligations and both meet the law's requirements, under Article 36. Petrovietnam has a pre-emption right under Article 39, and the seller must pay the tax arising on the transfer.

THE 2027 HORIZON

- Law No. 10/2026/QH16, in force from 1 March 2027, is reported to make contracts more flexible, allowing extensions of the contract term and adjustments of work commitments, and to add incentives for small, marginal, deepwater and far-offshore fields; the specific terms will be in the law's text and its implementing decree.
- The new law is reported to move some approvals away from the Prime Minister; contracts and assignments to be approved after 1 March 2027 should be planned against the final allocation of powers.
- A revised model contract may follow the new law and decree; bidders in rounds launched in 2027 should check which model applies.

Terms you will meet in the documents

English	Vietnamese	Meaning
Production sharing contract (PSC)	Hợp đồng chia sản phẩm dầu khí	The standard petroleum contract under Article 29.
Cost oil	Dầu thu hồi chi phí	The share of production used to recover costs, within the Article 33 cap.
Profit oil	Dầu lãi	Production after natural resources tax and cost oil, shared with Petrovietnam.
Participating interest	Quyền lợi tham gia	A contractor's percentage share of rights and obligations under the contract.
Direct appointment	Chỉ định thầu	Selection of a contractor without competition, in defined cases (Article 21).
Competitive offer	Chào thầu cạnh tranh	A quicker competitive selection method (Article 20).

English	Vietnamese	Meaning
Incentivised block	<i>Lô dầu khí được hưởng chính sách ưu đãi đầu tư</i>	A block on the Prime Minister's list under Article 53.
Pre-emption right	<i>Quyền ưu tiên mua</i>	Petrovietnam's right to acquire an interest being transferred (Article 39).

FOREIGN V VIETNAMESE INVESTOR

Foreign and Vietnamese contractors sign the same model contract and bear the same fiscal terms. The differences are on the edges: Petrovietnam and its subsidiaries hold participation and pre-emption rights that a private contractor does not; a foreign operator must establish an operating office; offshore suppliers bear foreign contractor tax; and a foreign contractor's profits leave Vietnam under the foreign exchange rules. Disputes with foreign contractors are commonly referred to international arbitration under Article 37.

WATCH OUT FOR

- Assuming the CIT rate for an ordinary block before the Prime Minister fixes it; model a range between 25% and 50%.
- Overlooking natural resources tax, which is charged on production before cost recovery and rises with daily output.
- Costs above the cost recovery cap, which are deferred rather than lost but delay payback, particularly at 50% on ordinary blocks.
- Farm-in agreements that close before the Prime Minister's approval, the lapse of PVN's pre-emption right and the adjusted IRC.
- Indirect changes of control above the contractor, which must be reported under Article 59(5) and can carry tax.

OFFICIAL SOURCES

- National Legal Database (vbpl.vn): Law No. 12/2022/QH15, Articles 15 to 41 and 53 to 57; Decree No. 45/2023/ND-CP and its model PSC — <https://vbpl.vn>
- National Legal Database (vbpl.vn): Law No. 67/2025/QH15, Article 10(4); Resolution No. 1084/2015/UBTVQH13 — <https://vbpl.vn>
- Ministry of Industry and Trade (contract appraisal, IRCs, development plans) — <https://moit.gov.vn>
- Vietnam National Industry - Energy Group (Petrovietnam): bidding rounds and open blocks — <https://www.pvn.vn>

Decommissioning, local content and the 2027 Petroleum Law: the decommissioning plan and fund, carrying out decommissioning, training and employment of Vietnamese staff, Vietnamese goods and services, domestic sales, safety, environment and insurance, the transition to Law No. 10/2026/QH16 on 1 March 2027 and what it may mean for existing contracts, and the overlap with offshore wind and carbon capture

Reviewed 10 October 2026 · Prepared by a foreign investment lawyer (now retired) with 20 years' experience advising on Vietnamese investment law · Legal and tax information, not legal advice · [How we check](#) · [Open in the app](#)

WHAT YOU NEED TO KNOW

- A contractor must prepare a decommissioning plan for approval and, within one year of first commercial production, set up a decommissioning fund, paid annually to Petrovietnam in proportion to participating interests and treated as a recoverable cost; shortfalls are topped up and surpluses returned (Articles 50 and 51, Law No. 12/2022/QH15; Articles 51 to 55, Decree No. 45/2023/ND-CP).
- Petrovietnam deposits unused fund money with a commercial bank in which the State holds a controlling stake, and interest is added to the fund; contributions must be completed before the contract or the field's production phase ends (Article 51).
- The contract must contain commitments on training, a research fund and priority for Vietnamese labour and services, and the contractor must transfer technology, train and employ Vietnamese workers and select suppliers competitively, reporting to Petrovietnam (Articles 30 and 59(3) and (12)).
- When the Government so requires, the contractor must sell its share of gas and its crude, at internationally competitive prices, in the Vietnamese market (Article 59(8)).
- Law No. 10/2026/QH16 replaces Law No. 12/2022/QH15 on 1 March 2027, adding post-closure responsibilities, carbon capture and storage, shared infrastructure and offshore energy linked to petroleum operations; MOIT has stated that the law respects the principle of non-retroactivity, but the transitional treatment of existing contracts should be confirmed in its text and decree.

Why decommissioning is front-loaded

Vietnam's producing fields are ageing. Many offshore installations in the Cuu Long and Nam Con Son basins were built in the 1980s and 1990s, and several fields are approaching or past the end of their original contracts. The State's concern is that the cost of removing platforms, plugging wells and restoring the seabed should not fall on the budget if a contractor leaves or fails. The 2022 law answers that concern by requiring decommissioning to be planned early and funded during production, through a fund the State party holds, rather than left to the contractor's balance sheet at the end of field life (FAQ 114).

The decommissioning plan

Article 50 of Law No. 12/2022/QH15 requires the contractor to prepare a **decommissioning plan** for the facilities in the contract area, which is appraised and approved by MOIT, with Petrovietnam's involvement; under Government Resolution No. 66.6/2025/NQ-CP some approvals of this kind are delegated to PVN until 28 February 2027. The plan must be submitted through PVN within one year of first commercial production and updated at least a year before the contract or the field's production ends (FAQ 114). Article 51 of Decree No. 45/2023/ND-CP governs the preparation and content of the plan, which in practice identifies the facilities to be removed, the methods, the timetable, the estimated cost and the environmental and safety measures.

The plan need not require full removal of every structure. Article 55 of the decree allows the authority to approve leaving facilities in place, deferring decommissioning, or carrying it out in part or in full, where the conditions in the decree are met; reuse of a platform for a new development or, in future, for a carbon storage project is the kind of case in which partial removal or deferral may be sought. A decision to leave facilities in place transfers continuing responsibilities, and the post-closure responsibilities introduced by the 2027 law are likely to bear on those decisions.

The decommissioning fund

Article 51 of the law requires the contractor to set up a **fund to secure the decommissioning obligation** within one year of the first commercial production of oil or gas from the contract area. Contributions are made **annually**, on the basis of the approved decommissioning plan, and paid to **Petrovietnam**, which manages the fund; each contractor contributes in proportion to its participating interest, and the contributions are **recoverable costs** under the contract. Contributions must be completed before the contract or the field's production phase ends. While the money is not used, Petrovietnam deposits it with a commercial bank in which the State holds a controlling stake, and the interest, after related financial obligations, is added to the fund.

If the fund is insufficient when decommissioning takes place, the contractors must contribute the shortfall; if there is a surplus after decommissioning is complete, it is returned to the contract parties as the contract provides. Articles 52 to 54 of Decree No. 45/2023/ND-CP govern the calculation of contributions, the management and use of the fund and its final settlement. Because contributions are recoverable, they are effectively funded out of production, and they reduce profit petroleum in the years they are made; because they are tied to the plan's cost estimate, an updated plan with a higher estimate increases the annual contribution.

Carrying out decommissioning

Article 52 of the law requires decommissioning to be carried out in accordance with the approved plan when the contract ends, when a field's production ends, or when facilities are no longer needed, and Article 59(7) makes clearing petroleum facilities, equipment and vessels a contractor obligation. The fund pays for the approved work. Where the contractor's term ends and Petrovietnam or another entity takes over the field under Article 41, the decommissioning obligation and the fund follow the facilities, and the handover agreement should settle who bears which liabilities, including for wells already plugged and for facilities left in place.

A buyer of a participating interest in a producing field inherits its share of the decommissioning obligation. Due diligence should cover the approved plan and its latest cost estimate, the fund balance, the contributions made by each party, any disputes about the estimate, and the contractual allocation of decommissioning liability between seller and buyer, which Vietnamese law leaves to the parties provided the obligation to the State is met.

Local content: training, labour, services and technology

Vietnam's local-content regime is principally contractual. Article 30 requires every petroleum contract to contain commitments on **training**, a **research fund** and the **priority use of Vietnamese labour and services**, and those commitments are bid variables in a licensing round. Article 59(3) obliges the contractor to transfer technology, train and employ Vietnamese workers and protect their lawful rights, and Article 59(12) requires the contractor to select suppliers of petroleum services and goods through competitive, fair, transparent and efficient processes consistent with the contract and to report the selection to Petrovietnam ([FAQ 114](#)). In practice, Petrovietnam's own service subsidiaries, in drilling, technical services, construction and shipping, compete strongly for contracts, and an operator must show PVN that its procurement complied with the contract.

Foreign specialists are employed under the ordinary work permit rules, which permit exemptions and simplified procedures in some cases ([Work permits for foreign staff](#)), and the operator's Vietnamese employees are covered by the Labour Code, social insurance and the operator's internal labour rules ([Chapter 4](#)). Technology transfer to Vietnamese parties may need registration under the technology transfer law ([Technology transfer and licensing](#)).

Domestic sales, safety, environment and insurance

Article 59(8) requires the contractor, when the Government so requires, to sell its share of natural gas under gas development projects in the Vietnamese market as agreed, and to sell its share of crude in Vietnam at internationally competitive prices. Domestic refineries and gas-fired power plants depend on that obligation, and gas sales agreements are negotiated against it. Article 59(10) requires the contractor to share existing infrastructure with third parties under agreement where this does not disrupt its operations, and Article 59(11) to allow other resource activities in the contract area that do not hinder petroleum operations.

Safety is governed by Article 8 of the law and Chapter V of Decree No. 45/2023/ND-CP (Articles 39 to 44), which govern safety management, risk assessment and emergency response for petroleum facilities under MOIT's supervision. Article 49 restricts flaring and venting of gas. Environmental impact assessments for field developments and environmental licences for operations are required under Law No. 72/2020/QH14, and contractors must maintain oil spill response capability under the Prime Minister's regulations on oil spill response. Insurance of facilities, wells, pollution and third-party liability is dealt with in the petroleum contract and the operator's insurance programme under Vietnamese insurance law; the coverage required should be checked against the specific contract, and placement through or alongside Vietnamese insurers may be required.

The transition to Law No. 10/2026/QH16

Law No. 10/2026/QH16 on Petroleum takes effect on **1 March 2027** and replaces Law No. 12/2022/QH15. MOIT's public statements in September 2026 describe five core changes: greater decentralisation to the State management authority and delegation of powers to Petrovietnam, with simplified procedures and stronger supervision, while powers relating to defence, security and force majeure stay with the competent authorities; additional incentives for small and marginal fields and for deepwater and far-offshore projects, and encouragement of enhanced recovery and tail-end production; a framework for carbon capture and storage, offshore energy and high-technology services linked to petroleum operations, including shared infrastructure; more flexible contracts that protect contractors' interests and allow the contract term to be extended and work commitments adjusted, with rules on how Petrovietnam's costs are treated where it performs obligations for the State; and accounting, audit and cost settlement rules aligned with international practice. Reports of the law also mention provisions on carbon credits and **post-closure responsibilities**.

What the law means for **existing contracts** depends on its transitional provisions and the implementing decree, which MOIT circulated in draft in 2026 for adoption by 1 March 2027. MOIT has said that the law observes the principle of non-retroactivity, which ordinarily means that contracts approved and signed under the 2022 law, and their fiscal terms, continue to apply, while procedures carried out after 1 March 2027, such as approvals of plans, amendments, extensions and transfers, follow the new law. Whether existing contractors can opt into the new incentives, and how pending applications are treated, should be confirmed against the final text before relying on any assumption. Contractors negotiating extensions or new contracts in late 2026 should consider whether to conclude them before or after the change.

Offshore wind and carbon capture: where the regimes meet

Two new activities will share Vietnam's offshore with petroleum. **Offshore wind** is electricity generation governed by Law No. 61/2024/QH15 on Electricity, which took effect on 1 February 2025 and contains specific provisions on offshore wind, together with the marine and investment laws on the use of sea areas ([FAQ 93](#)). The 2027 Petroleum Law's provisions on offshore energy concern facilities and infrastructure linked to petroleum operations, not offshore wind as such, so a wind project remains subject to the electricity regime even where it uses a petroleum platform or pipeline corridor. Conflicts over sea areas between wind and petroleum blocks are resolved through marine spatial planning and the approvals of the competent authorities.

Carbon capture and storage has had no specific legal framework in Vietnam. Law No. 10/2026/QH16 introduces rules on the location of carbon capture, the responsibilities of those who capture and store carbon, shared use of infrastructure and safety, limited to activities directly connected with petroleum operations, such as reinjection of carbon dioxide into depleted reservoirs. Its detail will be in the implementing decree. An investor considering CCS in a Vietnamese field should treat the framework as new and untested and should expect the allocation of long-term storage liability, and its link with decommissioning and post-closure responsibilities, to be the central question.

Preparing for 1 March 2027

Steps a contractor, or an investor in a petroleum contract, should take before Law No. 10/2026/QH16 takes effect.

☐ **Map pending approvals**

List plans, amendments, extensions and transfers that will be decided after 1 March 2027, and identify which authority will decide them under the new law and decree.

☐ **Review contract terms against the new incentives**

Assess whether marginal, deepwater or far-offshore fields could qualify for the new incentives and whether an amendment or a new contract would be needed to obtain them.

☐ **Check the decommissioning position**

Update the decommissioning plan and cost estimate; reconcile the fund balance; consider the effect of post-closure responsibilities on facilities left in place.

☐ **Track delegated approvals**

Note that the delegation of certain MOIT approvals to PVN under Resolution No. 66.6/2025/NQ-CP ends on 28 February 2027.

☐ **Plan farm-ins and exits**

Decide whether a transfer should be approved before or after the change, given the approval chain and any new conditions.

☐ **Assess CCS and shared infrastructure**

Identify depleted reservoirs, platforms or pipelines that could be used for carbon storage or shared with third parties under the new rules.

☐ **Refresh local content plans**

Confirm training, research fund and procurement reporting against the contract and any new requirements in the decree.

Key obligations now and the 2027 direction of travel

Topic	Under Law No. 12/2022/QH15 (to 28 February 2027)	Under Law No. 10/2026/QH16 (from 1 March 2027, as reported)
Approval of contracts and transfers	Prime Minister, on MOIT's appraisal (Articles 26 and 36)	Greater decentralisation to the State management authority and PVN; defence and security matters reserved; detail in the text and decree
Decommissioning	Plan approved by MOIT; fund paid annually to PVN within one year of first production; recoverable (Articles 50 to 52)	Carried over, with post-closure responsibilities added
Incentives	Incentivised and specially incentivised blocks on the Prime Minister's list (Articles 53 and 54)	Additional incentives for small, marginal, deepwater and far-offshore fields; enhanced recovery and tail-end production
Contract flexibility	Extensions of up to five years with MOIT approval (Article 31)	Extensions of term and adjustments of work commitments made easier
Carbon capture and storage	No specific framework	Framework for CCS linked to petroleum operations; carbon credits
Shared infrastructure and offshore energy	Contractor must share infrastructure by agreement (Article 59(10))	Rules on shared use and offshore energy linked to petroleum operations
Accounting and cost settlement	Articles 56 and 57; Appendix B of Decree No. 45/2023/ND-CP	Aligned with international practice; new decree
Local content	Contract commitments on training, research fund, Vietnamese labour and services (Articles 30 and 59)	Expected to continue; check the new decree

WORKED EXAMPLE

Funding decommissioning for a mid-life oil field

A three-party contractor group (operator 50%, a Japanese partner 30%, Petrovietnam's subsidiary 20%) started commercial production in March 2025 and has an approved decommissioning plan with an estimated cost of USD 240 million. The production phase is expected to end in 2040. The figures and the contribution profile are illustrative; the actual method follows Decree No. 45/2023/ND-CP and the contract.

Deadline to set up the fund	Within one year of first commercial production: by March 2026 (Article 51).
Contribution period	Annual contributions from 2026 to 2039, completed before the production phase ends.

Annual contribution (straight-line illustration)	USD 240 million over 14 years = about USD 17.1 million a year, before interest credited to the fund.
Shares	Operator about USD 8.6 million, Japanese partner about USD 5.1 million, PVN subsidiary about USD 3.4 million a year.
Cost recovery	Contributions are recoverable costs, recovered within the cost recovery cap, so they reduce profit oil in each year of contribution.
Updated plan in 2032	Estimate rises to USD 300 million; remaining contributions are recalculated to close the gap by 2039.
Decommissioning in 2040 to 2042	Work carried out under the approved plan; actual cost USD 285 million; surplus of USD 15 million plus accrued interest returned to the contract parties as the contract provides.
If the Japanese partner sells in 2030	The buyer takes over the 30% share of the obligation and of the contributions already made; the farm-in agreement allocates any shortfall attributable to the period before completion.

Had the field been handed to Petrovietnam at contract expiry under Article 41, the fund and the decommissioning obligation would have followed the facilities, and the handover agreement would have settled residual liabilities.

Had part of the facilities been approved to remain in place for a carbon storage project, the plan and the fund would have been adjusted under Article 55 of the decree, and the post-closure responsibilities under the 2027 law would need to be addressed.

Questions investors ask about decommissioning, local content and the 2027 law

When must a decommissioning fund be set up for a Vietnamese oil field?

Within one year of the first commercial production of oil or gas from the contract area, under Article 51 of Law No. 12/2022/QH15. Contributions are paid annually to Petrovietnam in proportion to participating interests, based on the approved plan, are recoverable costs, and must be completed before the contract or the field's production phase ends.

What happens if the decommissioning fund is too small or too large?

If the fund is insufficient when decommissioning is carried out, the contractors must contribute the shortfall. If money remains after decommissioning is complete, the surplus is returned to the contract parties as the contract provides. Unused money is deposited with a State-controlled commercial bank and interest is added to the fund.

What local-content obligations does a petroleum contractor have?

The contract must contain commitments on training, a research fund and priority for Vietnamese labour and services under Article 30. The contractor must transfer technology, train and employ Vietnamese workers, select suppliers competitively and report to Petrovietnam under Article 59, and sell gas and crude domestically when the Government requires.

Will the 2027 Petroleum Law change my existing contract?

MOIT has said that Law No. 10/2026/QH16 observes the principle of non-retroactivity, which ordinarily preserves signed contracts and their fiscal terms, while procedures after 1 March 2027 follow the new law. The transitional provisions and implementing decree should be checked, particularly for extensions, transfers and access to the new incentives.

Does the new Petroleum Law cover carbon capture and offshore wind?

It introduces a framework for carbon capture and storage, shared infrastructure and offshore energy, limited to activities directly linked to petroleum operations. Offshore wind remains electricity generation under Law No. 61/2024/QH15 on Electricity and the marine and investment laws, even where it uses petroleum infrastructure.

THE 2027 HORIZON

- Law No. 10/2026/QH16 takes effect on 1 March 2027; its transitional provisions and the implementing decree that MOIT circulated in draft will decide how existing contracts, pending applications and decommissioning plans are treated, and should be checked before any assumption in this section is relied on.
- New rules on carbon capture and storage and on post-closure responsibilities are expected in the implementing decree; they may affect decisions to leave facilities in place and the size of decommissioning funds.
- The delegation of approvals to Petrovietnam under Resolution No. 66.6/2025/NQ-CP ends on 28 February 2027, and any revised model contract and incentivised-block list may follow the new law.

Terms you will meet in the documents

English	Vietnamese	Meaning
Decommissioning	<i>Thu dọn công trình dầu khí</i>	Removal or making safe of petroleum facilities (Articles 50 to 52).
Decommissioning plan	<i>Kế hoạch thu dọn công trình dầu khí</i>	The approved plan with methods, timetable and cost estimate (Article 50).
Decommissioning fund	<i>Quỹ bảo đảm nghĩa vụ thu dọn công trình dầu khí</i>	The fund held by Petrovietnam to secure decommissioning (Article 51).

English	Vietnamese	Meaning
First commercial production	<i>Dòng dầu, khí thương mại đầu tiên</i>	The event that starts the one-year deadline for the fund.
Research fund	<i>Quỹ nghiên cứu khoa học</i>	The contractual commitment to fund research, a local-content term.
Carbon capture and storage	<i>Thu giữ và lưu trữ carbon</i>	Capture and storage of carbon dioxide, covered by the 2027 law where linked to petroleum operations.
Post-closure responsibility	<i>Trách nhiệm sau đóng mỏ</i>	Obligations continuing after a field is closed, introduced by the 2027 law.
Flaring and venting	<i>Đốt bỏ và xả khí</i>	Burning or releasing gas, restricted by Article 49.

FOREIGN V VIETNAMESE INVESTOR

Decommissioning and local-content obligations bind every contractor in proportion to its participating interest, Vietnamese or foreign, including Petrovietnam's own subsidiaries. For a foreign contractor the local-content commitments are more demanding in practice, because its staff and suppliers are more likely to be foreign: it must train and employ Vietnamese workers, obtain work permits for foreign specialists, procure competitively with reporting to PVN, and bear foreign contractor tax on offshore services. The 2027 law applies equally to both.

WATCH OUT FOR

- Missing the one-year deadline after first commercial production for setting up the decommissioning fund.
- Buying a participating interest without reviewing the decommissioning estimate, the fund balance and the contractual allocation of liability.
- Treating local-content commitments in the bid as aspirational; they are contract terms that PVN monitors.
- Assuming that the 2027 law's new incentives apply automatically to existing contracts.
- Planning carbon storage in a depleted field without settling long-term storage liability and its link with decommissioning.

OFFICIAL SOURCES

- National Legal Database (vbpl.vn): Law No. 12/2022/QH15, Articles 30, 49 to 52 and 59; Decree No. 45/2023/ND-CP, Articles 39 to 44 and 51 to 55 — <https://vbpl.vn>
- National Legal Database (vbpl.vn): Law No. 10/2026/QH16 on Petroleum (effective 1 March 2027) — <https://vbpl.vn>
- Ministry of Industry and Trade (briefing on Law No. 10/2026/QH16; draft implementing decree) — <https://moit.gov.vn>
- Vietnam National Industry - Energy Group (Petrovietnam): decommissioning fund management — <https://www.pvn.vn>