



Legal capital for real estate business reaffirmed

An enterprise engaged in real estate business must have a legal capital of at least VND 20 billion (instead of current VND 6 billion). Exceptions are organizations, households and individuals that sell, transfer, lease or grant hire-purchase of real estate on an occasional and infrequent basis or on a small scale.



Such is reaffirmed in Government Decree No. 76 dated September 10, guiding the implementation of a number of articles of the 2014 Law on Real Estate Business (the 2014 Law).

According to some lawyers and experts, the prescribed legal capital of VND 20 billion is reasonable and suitable to business practices, and creates an equal footing for small- and medium-sized businesses to join the real estate market abreast of investors with high financial capacity.

Businesses that have not yet satisfied the condition are allowed to continue their operations but must acquire the legal capital by June 30, 2016.

Real estate projects in which investment has been decided by competent agencies, or to which land has been allocated or leased, and have obtained written permissions and contracts for transfer, sale, lease or grant hire-purchase of real estate signed before July 1 this year are not required to carry out the procedures under the 2014 Law.

In addition, documents signed before November 1 (the effective date of this Decree) may continue being executed without having to be re-signed according to new contract forms and procedures prescribed in this Decree.

Before transferring the whole or part of their real estate projects in which investment has been decided by provincial- or district-level People's Committees, investors are requested to notify the transfer in writing to their customers and in the mass media within 15 days before the transfer is made.

Source: vietnamlawmagazine