

Addressing ambiguous land law issues

The first issue relates to the obtainment of investment approval from relevant authorities in respect of residential projects, as set out in Decree 71/2010/ND-CP dated June 23, 2010.

As a brief introduction, an investor must obtain an investment certificate that outlines its business line(s) which include real estate development/investment in order to implement a real estate/residential project.

Before an investment certificate is issued, the investor must provide documents proving that it has received investment approval.

However, in order to obtain the investment approval, a certificate of recognition of investor must first be obtained. And prior to that, the investor must be granted an investment certificate that outlines its business line(s) which include real estate development/investment.

Such procedures are convoluted and cumbersome. In practice, these unnecessary requirements are impossible to implement and undoubtedly cause obstacles and delays to many real estate projects.

The concerning laws have therefore been proposed to be amended appropriately so that investors only have to go through a one-step procedure to meet the conditions for a real estate business line.

The second issue relates to revaluing land prices to determine land use fees and land rental payable to the state. Due to the lack of

Despite rising interest in property development in Vietnam, foreign investors have repeatedly complained about ambiguous laws governing the sector. **Nguyet Nguyen, senior associate** from **Mayer Brown JSM**, discuss two key issues under the current laws that substantially hinder investors, causing them to think twice about investing in property projects in Vietnam.

transparency and certainty in the process, property developers are unable to price their projects accurately.

According to Article 11 of Decree 69/2009/ND-CP, dated August 13, 2009, which provides certain situations where land prices set by provincial people's committees at the time of allocation or leasing are lower than the market prices in normal market conditions.

In such cases, the provincial people's committee will have to revalue the land prices based on the actual market prices.

Notably, Article 5 of Decree 188/2004/ND-CP, dated November 16, 2004, states that the price of land determined by the state is already based on the actual market prices.

Furthermore, the current laws do not provide clear guidelines for calculating market prices. Instead, market prices are determined on a case-by-case basis at relevant authorities' discretion.

The two indicated issues have led to lengthy delays for property developers, increasing unnecessary administrative burdens they have to deal with and raising regulatory uncertainty.

As the result, property developers likely have to face mounting operational costs.

It would be desirable to remove such provisions



A one-step licencing procedure should be in place

Parkson ready to open its doors in District 3

By Thanh Thuy

Parkson will open a new shopping centre in Ho Chi Minh City's District 3 in June 2013.

Tham Tuck Choy, director of Parkson Vietnam, said the new shopping mall would cover 11,400 square metres of retail area on the first six floors of Leman C.T Plaza complex project on Nguyen Dinh Chieu street.

"The Parkson Leman C.T Plaza will be home to a range of high-end stores offering trendy, fashionable clothing, cosmetics, household com-

modities and food to meet the shopping demands of not only residents living in the complex, but also other consumers in Ho Chi Minh City," said Choy.

By the end of 2011, Parkson Vietnam and C.T Group, already launched Parkson C.T Plaza in Ho Chi Minh City's Tan Binh district.

C.T Group chairman Tran Kim Chung said his firm and Parkson would also cooperate in other property projects.

Parkson Vietnam has nine high-end shopping malls in the nation, with six in Ho Chi Minh City. ■

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