

Vietnam Legal & Investment Environment Update: January 2026 - Adapting to a "Qualitative Shift": Stricter Data Governance, Labor Legislation, and Industrial Regulations -

Asia Newsletter

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1. Introduction: 2026 Outlook and Impact on Companies

In January 2026, Vietnam marked a major political milestone with the 14th National Party Congress (held in January 2026) and got off to a strong start, as the economic growth forecast was revised upward to 7.5% (according to United Overseas Bank (UOB)'s latest report). According to JETRO's 2025 survey on the business conditions of Japanese companies investing overseas, business sentiment among Japanese companies operating locally is at its highest level since 2009, and the appetite for expansion is currently the strongest within the ASEAN region.

However, behind this boom, Vietnam's legal system is clearly steering away from "deregulation to attract investment" toward "stricter management for social and economic advancement." In this issue, we focus on three key areas from the important laws and regulations that were enacted or enforced starting January 2026—**"Data Compliance," "Labor Laws and Costs,"** and **"Industrial & Environmental Regulations"**—and explain the practical measures required for companies.

2. Phase Shift in Digital & Data Governance

Effective January 1, 2026, **Decree No. 356/2025/ND-CP ("Decree 356")**, which details the Personal Data Protection Law, came into force. With this, personal data protection has entered a stage which "substantive operation and technical protection" are scrutinized, rather than just "formal preparation."

(1) "Opt-out" consent methods prohibited, "Behavioral Tracking Data" Classified as Sensitive Personal Data and the Impact on Digital Marketing

One important change under Decree 356 is that opt-out methods (i.e., default consent mechanisms) for getting consent from data subjects are now clearly prohibited. In addition, "Behavioral tracking/Usage data"—such as individual Web browsing history and app usage status—has been upgraded from "Basic Personal Data" to "Sensitive Personal Data" which requires stricter requirements when processing such data.

- **Practical Impact:** Although Decree No. 13/2023/ND-CP (replaced by Decree 356) already requires that the data subject consent be clearly expressed, voluntarily given in a written or otherwise verifiable form, and provides that silence or non-response does not constitute valid consent, the validity and permissibility of the default consent mechanism remain ambiguous. From January 1, 2026, Decree 356 effectively removes any remaining ambiguity in practice regarding the permissibility of opt-out or default-consent mechanisms for digital marketing data (which was widely processed via opt-out methods). Consequently, organizations will be required to obtain explicit, opt-in consent in a written or verifiable equivalent format from data subjects prior to processing such data.
- **Action Required:** Companies operating e-commerce sites, membership apps, or digital advertising must radically review their Cookie banners and privacy policy consent processes, and urgently upgrade systems to ensure that valid consent is obtained prior to processing and consent logs are reliably stored.

(2) Substantive Review of Cross-Border Transfer of Personal Data Impact Assessment (CTIA)

Procedures for the "Cross-Border Transfer of Personal Data Impact Assessment" (CTIA), required for transferring data to headquarters or third-country recipients, have been tightened.

- **Strict Screening:** The Ministry of Public Security (MPS) will review submitted CTIA documents within 15 days and issue a substantive Pass/Fail judgment. If there are deficiencies, a 30-day correction period is granted; however, if issues remain unresolved, there is a potential risk of being subject to administrative fines.
- **Technical Requirements:** Since descriptions of technical details—such as the destination's system diagram, the features of the system for storing and processing personal data after receiving cross-border personal data, technical methods for protecting personal data—are required, compliance can no longer be handled by the legal department alone; collaboration with the IT department is essential.

3. Amendment of Labor & Employment Laws and Labor Cost Management

Effective January 1, 2026, the **2025 Law on Employment (Law No. 74/2025/QH15)** and **Decree No. 337/2025/ND-CP** on electronic labor contracts (hereinafter "**Decree 337**") came into force, accompanied by a revision of regional minimum wages according to **Decree No. 293/2025-ND-CP** on statutory minimum wages for employees working under employment contracts (hereinafter "**Decree 293**").

(1) Key Points of the 2025 Law on Employment and Decree 337

- **Flexibility in Unemployment Insurance Rates:** The contribution cap for both employers and employees is fixed by law at "1% of monthly salary." While this leaves room for the government to temporarily lower the rate at its discretion, companies must budget based on the statutory cap (1%).
- **Full Legalization of Electronic Labor Contracts:** It has been confirmed that labor contracts concluded in the form of data messages have full legal validity equivalent to paper contracts.
 - **Opportunity:** For companies with stores or factories nationwide, this is an opportunity to improve operational efficiency by making onboarding procedures completely paperless. However, the management of electronic signature data falls within the scope of the aforementioned Decree 356

(Personal Data Protection Decree), so ensuring security is a prerequisite.

(2) Rise in Regional Minimum Wages and Social Impact

According to Decree 293, the revision of minimum wages starting January 2026 will be a factor in raising the base for personnel costs.

| Region | Revised Monthly Wage (VND) | Main Target Areas |
|----------|----------------------------|--|
| Region 1 | 5,310,000 | Most parts of Hanoi and Ho Chi Minh City, Binh Duong (now being a part of Ho Chi Minh City), most parts of Hai Phong, etc. |
| Region 2 | 4,730,000 | Parts of Da Nang and Hai Phong, etc. |
| Region 3 | 4,140,000 | Industrial zones in Bac Ninh, Bac Giang, etc. |

Note: This revision affects not only the raising of base salaries but is also linked to the calculation caps for social insurance premiums such as unemployment insurance (e.g., 20 times the minimum wage). Therefore, the impact on total labor costs must be recalculated.

4. Manufacturing & Industrial Regulations: Verifying Supply Chain Legality

For the manufacturing sector, regulations regarding chemical management and environmental compliance (Green Transformation - GX) have been revamped. These are critical changes related to business continuity.

(1) Overhaul of Management Lists of Chemicals via Decree 24

Under Decree No. 24/2026/ND-CP promulgated on January 17, 2026, the list of regulated chemicals has been significantly changed.

- **Appendix II (Conditional Production/Trading Chemicals):** 786 substances. Obtaining a "Certificate of Eligibility" is mandatory for handling.
- **Appendix III (Special Control Chemicals):** 241 substances. A stricter "License" is required.
- **Action Required:** Manufacturers and trading companies must urgently cross-reference the ingredients of raw materials and products they handle against the new lists to ensure there are no omissions in necessary licenses or certificates. In particular, since "**Chemical Storage Services**" are now newly subject to regulation and a Certificate of Eligibility for, among others, conditional and special control chemicals, the content of contracts with warehouse operators must also be verified.

(2) Carbon Market and Stabilization of Power Supply

- **Launch of Domestic Carbon Market:** Based on Decree No. 29/2026/ND-CP on domestic carbon exchange, the framework for the pilot operation of the domestic carbon exchange (until the end of 2028) has been determined. This opens a path for credit generation through investment in energy-saving equipment to become a future asset.
- **Power & Energy:** A Prime Minister's Directive has demonstrated a strong commitment to avoiding power shortages from 2026–2030, and the enforcement of the 2025 Law on Atomic Energy lays the groundwork

for stable mid-to-long-term energy supply.

5. Conclusion and Recommendations

The Vietnam business environment in 2026 demands a higher level of corporate compliance in exchange for high growth expectations. The following three points are priority matters that should be addressed immediately:

- **Update Data Mapping:** Review and adjust the consent method for processing "Behavioral tracking/Usage Data" and implement stricter protection measures based on Decree 356.
- **Strengthen Collaboration with IT Department:** Recognize that it is no longer possible to meet authority standards for Cross-Border Transfer of Personal Data Impact Assessment (CTIA) or the introduction of electronic contracts without collaboration between Legal and IT.
- **Re-inspect Supply Chain:** Identify legal risks in procurement and production systems in anticipation of chemical regulations and increased labor costs.

Our firm will continue to provide detailed information and support regarding practical responses to these new laws and regulations.

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