



**Vietnam Chamber of Commerce and Industry
Center for WTO and Economic integration**

REPORT

**REVIEW VIETNAM'S LEGAL FRAMEWORK AGAINST COMMITMENTS
UNDER EUROPEAN UNION - VIETNAM FREE TRADE AGREEMENT (EVFTA)
ON INVESTMENT**

INTRODUCTION

At the beginning of December 2015, the European Union and Vietnam announced the conclusion of negotiations for the European Union - Vietnam Free Trade Agreement (EVFTA), one of the two largest new-generation free trade agreements of Vietnam. With a broad coverage of various trade and trade-related sectors at and behind countries' borders, EVFTA is forecasted to have a significant impact on Vietnam's legal framework and economic institutions in the coming time.

Investment is one of the committed sectors that could have direct effects and make considerable changes to the situation of Vietnam's current domestic legislations and policies during EVFTA implementation process. The principles of investment liberalization and protection based on European standards are higher than that of Vietnam's current ones. In addition, Vietnam's market access commitments in service sectors for EU's investors under EVFTA are significantly broader than that under WTO. Therefore, it is necessary to review Vietnam's investment-related legislations against EVFTA commitments to clarify differences and make amendments of Vietnam's legal framework for a purpose of achieving compatibility.

The review of Vietnam's legal framework against EVFTA commitments on Investment is conducted by Vietnam Chamber of Commerce and Industry (VCCI) with analyses about the compatibility of Vietnam's legal framework against commitments from the perspectives of its firms. From this, recommendations are made to guarantee the conformity to the Agreement in the most beneficial ways for firms.

This Review belongs to a series of reviews of Vietnam's legal framework against EVFTA commitments on five important aspects (including Investment, Government procurement, Intellectual property, Customs and trade facilitation, and Transparency). All of these reviews are carried out by Vietnam Chamber of Commerce and Industry (VCCI) in the Program titled "The readiness of Vietnam's legal framework in implementing EVFTA" with the supports of the Embassy of the United Kingdom of Great Britain and North Ireland in Vietnam.

This Review report is expected to be a good and useful information source for the process of reviewing the legal framework for EVFTA enforcement of the Government, and also considered a meaningful reference for the Congress's authorities in the process of approving, directing, implementing and controlling the EVFTA implementation.

Vietnam Chamber of Commerce and Industry expresses its thanks to the Embassy of the United Kingdom of Great Britain and North Ireland in Vietnam for their supports in the implementation of this meaningful program./.

TABLE OF CONTENT

	Page
Introduction	2
Section 1	6
Summary about results of the Review	
<i>I. Targets and situation of the Review</i>	6
<i>II. Coverage of the review</i>	8
1. About commitments on Investment in EVFTA	8
2. About Vietnam's Investment-related legislations	8
<i>III. Summary about results of the Review and Recommendations</i>	10
1. The group of EVFTA's investment commitments that Vietnam's legal framework have been compatible with	10
Review results	12
Assessments and Recommendations	13
2. The group of EVFTA's investment commitments that Vietnam's legal framework have partly or totally been incompatible with	13
Review results	13
Assessment and Recommendations	15
Section 2	21
The detailed review table of Vietnam's legal framework against EVFTA commitments on Investment	