

Trends in Amendments to Vietnam's GX-Related Legislation

— Focusing on the Environmental Protection Law, Exhaust Emissions Regulations and Carbon Credits

1. Introduction

In Vietnam, environmental pollution has become a serious social issue amid rapid economic growth. According to the Swiss air-quality technology company, IQAir, Vietnam ranked 18th among the world's most polluted countries based on the annual average PM_{2.5} concentration (µg/m³) in 2025¹.

Against this backdrop, the Vietnamese government has been actively promoting various measures as part of its Green Transformation (GX) initiative. For example, in 2023, the Vietnamese government issued the “National Electricity Development Plan of the 2021-2030 Period and Vision for 2050” (the “VIII Electricity Planning”) under Decision No.500/QĐ-TTg, then issued the “VIII Electricity Planning Amendment under Decision No.768/QĐ-TTg (dated April 15, 2025) and the “Sustainable Development of One Million Hectares for Specialized Farming of Rice with High Quality and Low Emissions Associated with Green Growth of the Mekong Delta by 2030” (Decision No.1490/QĐ-TTg). In addition, in 2024, the government issued “Vietnam's Hydrogen Energy Development Strategy by 2030, with a Vision for 2050” (Decision No.165/QĐ-TTg).

This series of developments demonstrates that Vietnam's environmental legislation is rapidly evolving within a short period of time, and this is expected to have a significant impact on compliance efforts and business operations for companies operating in the country. Against this background, this article will summarize recent trends in amendments to Vietnam's GX-related legislation.

2. Trends in Amendments to the 2020 Environmental Protection Law

The 2020 Environmental Protection Law was enacted on November 17, 2020, and took effect on January 1, 2022. Now, four years after its enactment, the Ministry of Agriculture and Environment (MAE) has published a draft amendment dated April 16, 2026 (hereinafter referred to as “the Draft Amendment”), based on actual implementation practices - including environmental impact assessments (EIAs) - and has opened the Draft Amendment for public comment². As of the date of this article, the Draft Amendment is under review by the Ministry of Justice and had not yet been enacted as of September 2026. The main contents of the Draft Amendment are as follows.

(1) Simplification of Investment Project Classification

¹ Reference URL (<https://www.iqair.com/world-most-polluted-countries>)

² Reference URL (<https://xaydungchinhsach.chinhphu.vn/toan-van-du-thao-luat-sua-doi-bo-sung-mot-so-dieu-cua-luat-bao-ve-moi-truong-119260527100849.htm>)

The Draft Amendment simplifies the classification of investment projects based on environmental risk from the current four categories to three. Specifically, projects are reorganized into “Group I” (projects with a high risk of adverse environmental impact), “Group II” (projects with a risk of adverse environmental impact) and “Group III” (projects with a low risk of adverse environmental impact) (Article 28 of the 2020 Environmental Protection Act, as amended by the Draft Amendment).

(2) Reduction in the Scope of Environmental Impact Assessments and Environmental Permits; Streamlining of Central Government Agency Operations

According to media reports, if this Draft Amendment is enacted, the number of investment projects subject to environmental impact assessment or environmental permits is expected to be reduced by more than 90%³. Additionally, under this Draft Amendment, 96% of the authority regarding EIA reviews and 95% of the authority regarding the issuance of environmental permits are expected to be delegated to local authorities (such as Provincial People’s Committees) (see Articles 35 and 41 of the 2020 Environmental Protection Law, as amended by this Draft Amendment).

Thus, this Draft Amendment appears to aim at establishing a streamlined and effective legal framework by easing *ex ante* regulations at the EIA and environmental permit stages and shifting toward *ex post* reviews, while also reducing the workload of central government ministries and agencies.

3. Development of Emissions Regulations

In recent years, Vietnam has been developing technical standards for automobile and motorcycle emissions and the development of a detailed roadmap for their implementation. Furthermore, in Hanoi, institutional preparations are underway for the full-scale introduction of Low Emission Zones (LEZs).

(1) Establishment of New Emissions Standards

On June 16, 2025, the MAE issued Circular No. 06/2025/TT-BNNMT (hereinafter referred to as “**Circular No. 6**”) and established the national technical standard QCVN 85:2025/BNNMT (hereinafter referred to as “**QCVN No. 85**”) for automobiles. Circular No. 6 classifies the standards applicable to motor vehicles into five tiers (Tier 1 through Tier 5, with standards becoming stricter from Tier 1 to Tier 5) and sets emission limits for CO (carbon monoxide), HC (hydrocarbons), and other pollutants for each tier.

Additionally, on December 31, 2025, Circular No. 92/2025/TT-BNNMT (hereinafter referred to as “**Circular No. 92**”) was promulgated, establishing and enacting National Technical Standard QCVN 99:2025/BNNMT (hereinafter referred to as “**QCVN No. 99**”). Circular No. 92 classifies the standards applicable to motorcycles and mopeds into four tiers (Tier 1 through Tier 4, with standards becoming stricter from Tier 1 to Tier 4) and sets emission limits for CO and HC for each tier.

(2) Specification of the Implementation Roadmap

Regarding the application of National Technical Regulations on exhaust emissions for automobiles participating in road traffic, Decision No. 43/2025/QĐ-TTg (hereinafter referred to as “**Decision No. 43**”) was promulgated on November 28, 2025, and took effect on March 1, 2026. Decision No. 43 established the following phased roadmap for the nationwide implementation of the standards set forth in QCVN No. 85 (Article 4 of Decision No. 43).

³ Reference URL (<https://vneconomy.vn/sua-luat-bao-ve-moi-truong-cat-giam-90-du-an-thuc-hien-dtm-52-chi-phi-tuan-thu.htm>)

		Year of Automobile Manufacture			
		1999 or earlier	1999–End of 2016	2017–End of 2021	2022 and later
Applicable Standards	Hanoi and Ho Chi Minh City (Effective March 1, 2026)	Tier 1 *Effective January 1, 2029: Tier 2	Tier 2	Tier 3 *Effective January 1, 2027: Tier 4	Tier 4 *Effective January 1, 2028: Tier 5
	Other Provinces/Cities (Effective March 1, 2026)	Tier 1	Tier 2	Tier 3	Tier 4 *Tier 5 effective January 1, 2032

Furthermore, regarding the application of National Technical Regulations on exhaust emission standards for motorcycles and mopeds, Decision No. 13/2026/QĐ-TTg (hereinafter referred to as “**Decision No. 13**”) was promulgated on April 2, 2026, and took effect on May 16, 2026. Decision No. 13 established the following phased roadmap until the standards of QCVN No. 99 are implemented nationwide (Article 4 of Decision No. 13).

			Year of Motorcycle or Moped Manufacture or Import				
			Before 2008	2008–End of 2016	January 1, 2017 – June 30, 2026	July 1, 2026– June 30, 2027	July 1, 2027–
Applicable Standards	Hanoi and Ho Chi Minh City (Effective July 1, 2027)	Motorcycles	Tier 1 *Tier 2 effective January 1, 2028	Tier 2	Tier 3	Tier 4	
		Mopeds	Tier 1 *Effective January 1, 2028: Tier 2		Tier 2		Tier 4
	Other Central Direct-Administered Cities (Effective July 1, 2028)	Motorcycles	Tier 1	Tier 2	Tier 3	Tier 4	
		Mopeds	Tier 1		Tier 2		Tier 4
	Other Provinces (Effective July 1, 2030)	Motorcycles	Tier 1	Tier 2	Tier 3	Tier 4	
		Mopeds	Tier 1		Tier 2		Tier 4

(3) Introduction of a Low Emission Zone in Hanoi

In Hanoi, where air pollution is a serious problem, the establishment of an LEZ is proceeding in accordance with the 2024 Capital Law (No. 39/2024/QH15).

On June 29, 2026, the Hanoi People’s Committee (UBND) issued Decision No. 3273/QĐ-UBND, formally approving the plan for the LEZ within Hanoi’s Ring Road No. 1, which had been passed by the Hanoi

People's Council⁴. The plan calls for the phased expansion of the LEZ within Ring Road No. 1 through the following three phases:

Phase 1 (July 1, 2026 – December 31, 2026)

A pilot program will be implemented in Zones 1 and 2 of Hoan Kiem District. In Zone 1, road traffic by all vehicles will generally be prohibited from 7:00 p.m. to midnight on Fridays through Sundays. In Zone 2, the passage of vehicles with a capacity of 16 or more passengers (excluding buses and commuter shuttles) and trucks will be restricted during rush hours and other peak times.

Phase 2 (2027)

The regulated area will be expanded to include Cua Nam District. In Phase 2, fossil-fuel-powered motorcycles and mopeds operating through app-based platforms will be prohibited from driving. Additionally, starting in Phase 2, passenger vehicles with a capacity of 16 or fewer passengers will be prohibited from driving within the LEZ unless they meet Tier 4 standards under QCVN No. 85.

Phase 3 (2028–)

The regulated area will be expanded to cover the entire area within Ring Road No. 1. Starting in Phase 3, motorcycles and mopeds that do not meet Tier 3 of QCVN No. 99 will be prohibited from driving within the LEZ.

(4) Introduction of a Low-Emission Zone in Hanoi

In addition to the introduction of the LEZ described above, the Hanoi People's Council resolved to support the replacement of gasoline-powered motorcycles and mopeds with electric vehicles in Hanoi through the following measures: cash subsidies to individuals from poor households (support amount up to VND 20 million per person) for the period from July 1, 2026 to December 31, 2027, and a 30% interest subsidy on vehicle loans (Resolution No. 68/2026/NQ-HĐND of the Hanoi People's Council, Articles 6 and 7)⁵.

(5) Measures to Promote the Adoption of Electric Vehicles

The government promulgated Decree No. 202/2026/NĐ-CP on June 8, 2026 (effective March 1, 2027, replacing Decree No. 51/2025/NĐ-CP), and decided to continue applying a preferential tax rate of 0% on the initial registration fee for battery-powered electric vehicles until December 31, 2030. Eligibility for this preferential treatment will be determined based on criteria separately established by the Ministry of Construction.

4. Progress on the Carbon Credit System

In the first half of 2026, significant progress was made in establishing the institutional framework for greenhouse gas emissions trading and carbon credit trading within Vietnam.

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Reference URL (<https://baokiemtoan.vn/vi/bai-viet/ha-noi-phe-duyet-de-an-vung-phat-thai-thap-trong-vanh-dai-1>)

⁵ Reference URL (<https://vtv.vn/ha-noi-mien-ve-xe-buyt-vanh-dai-1-ho-tro-ho-ngheo-den-20-trieu-dong-mua-xe-dien-100260615174402268.htm>)

(1) Institutional Framework for the Domestic Carbon Exchange

On January 19, 2026, Decree No. 29/2026/NĐ-CP (hereinafter referred to as “**Decree No. 29**”) was enacted, and the institutional framework for the domestic carbon exchange was finalized based on the roadmap set forth in Decree No. 06/2022/NĐ-CP on Providing Mitigation of Greenhouse Gas Emissions and Ozone Layer Protection (as amended by Decree No. 119/2025/NĐ-CP (hereinafter referred to as “**Decree No. 119**”); hereinafter referred to as “**Decree No. 06**”), the framework for the domestic carbon exchange has been finalized.

Under this system, the carbon trading system is established at the Hanoi Stock Exchange (HNX) (Article 10 of Decree No. 29), and the Vietnam Securities Depository and Clearing Corporation (VSDC) is responsible for the related custody and settlement system (Article 8 of Decree No. 29). Data on emission allowances and carbon credits are centrally managed in the National Registry System administered by the MAE (Article 11 of Decree No. 29).

(2) Allocation of Greenhouse Gas Emission Allowances

On February 9, 2026, the Prime Minister issued Decision No. 263/QĐ-TTg, approving the pilot allocation of greenhouse gas emission allowances for 2025 and 2026. The program covers 34 thermal power plants, 25 steel mills and 51 cement production facilities; the allocation for 2025 is approximately 243 million metric tons of CO₂ equivalent, and the allocation for 2026 is approximately 268 million metric tons of CO₂ equivalent.

(3) Launch of the Carbon Exchange

On June 29, 2026, Vietnam’s domestic carbon exchange officially began operations at the Hanoi Stock Exchange. A total of 92 companies have been authorized to trade greenhouse gas emission allowances. Trading fees are waived during the pilot operation period⁶. The current trading period is set to run through December 24, 2027. The plan is to continue the pilot operation through to the end of 2028, with the goal of launching full-scale market operations in 2029 (Article 17 of Decree No. 06, as amended by Decree No. 119).

5. Conclusion

As outlined above, Vietnam has enacted significant GX-related legislation in recent years. As the Vietnamese government may well further amend the legislative and regulatory framework based on practical implementation and other factors, companies operating in Vietnam need to closely monitor future legislative developments and enforcement practices.

⁶ Reference URL (<https://thanhnien.vn/hom-nay-296-san-giao-dich-carbon-viet-nam-chinh-thuc-giao-dich-185260629091305792.htm>)

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