

# LURCs under Land Law 2024

Legal Update | March 2024

Under Vietnam law, entities that have legal rights to use land and/or own assets attached to land (**Legitimate Owner/s**) may be granted a certificate, subject to the provisions of the prevailing land laws and/or construction laws from time to time (generally referred to as "**Certificate**").

On 18 January 2024, the National Assembly passed the new Law on Land, which shall be effective beginning 1 January 2025 (**Land Law 2024**). Much of the current regulations on the Certificate in the older Law on Land (**Land Law 2013**) are assumed in Land Law 2024. Nonetheless, the promulgation of Land Law 2024 has notable implications, which are discussed through the following points.

1. **The Certificate is given a new shorter, but more comprehensive name.** The new full name of the Certificate is "*Certificate of land use rights and **ownership of assets attached to land***" instead of "*Certificate of land use rights and **ownership of residential houses and other assets attached to land***." While the new name is shorter, it provides a more accurate description of the rights which the Certificate is supposed to embody.
2. **Will the Certificate still be a "red book"?** The Ministry of Natural Resources and Environment (**MONRE**) is tasked with issuing regulations on the colour, size, shape, form, and other contents of the Certificate. While not specifically required under Land Law 2024, it remains to be seen if the MONRE may decide on any changes to the form of the Certificate (other than the name change) when Land Law 2024 becomes effective. Therefore, depending on future guidance of the MONRE, a new form of the Certificate (with at least a change in the name) shall then be uniformly issued and used in the country from 1 January 2025.
3. **Those previously issued Certificates shall maintain their legal effect and are not required to be changed.** The following Certificates issued under previous regulations shall still be valid, even after the effectivity of Land Law 2024:
  - Certificates of land use rights;
  - Certificate of residential house ownership and residential land use rights;
  - Certificate of residential house ownership;
  - Certificate of ownership of construction works;
  - Certificate of land use rights, ownership of residential houses and other assets attached to land.

Unless requested by the Legitimate Owner, there is no requirement to reissue or change these Certificates.

In this regard, there are two points to note as follows:

- (i) A Certificate must bear the exact and complete name, as listed above. Otherwise, it shall not be considered valid under the Land Law 2024; and
- (ii) A Certificate must be issued in accordance with the prevailing laws or regulations to be considered valid under Land Law 2024. Only a legally issued Certificate (complying with the applicable law) will continue to have legal effect under Land Law 2024. A qualified legal advisor may assist in determining whether a Certificate was validly issued (e.g., by analysing the relevant documents, the issuance timing, the issuing authority, the applicable regulations at the time of issuance, etc.).

4. **Ownership over perennial trees and forests will no longer be certified in the Certificate.** According to Land Law 2024, a Certificate may be issued to entities possessing land use rights, ***housing ownership rights, and ownership of construction works attached to land***. Thus, assets attached to land that are not "*housing*" or "*construction works*" will not be granted a Certificate. This means that perennial trees and planted forests, which are not construction works (whether in the common sense or by reference to the definition of "construction works" in the current Law on Construction), and which are still granted a Certificate according to current regulations, may no longer be certified for ownership and issued a Certificate from 1 January 2025.
5. **Entities who attempted but failed to obtain a Certificate due to legal obstacles might benefit from Land Law 2024 since Land Law 2024 has legislated in detail and clarified/supplemented certain cases of being granted Certificates.** Certain qualified entities who have failed to obtain a Certificate under Land Law 2013 due to legal obstacles (e.g., lack of legal basis) may consult with a real estate lawyer or the relevant state agency to see if a re-application is possible under Land Law 2024.
6. **Transitional regulations for pending applications.** Land Law 2013 will continue to be applied to still pending applications related to a Certificate received on or before 1 January 2025, unless the applicant requests to apply the Land Law 2024. Nonetheless, the authority to issue Certificates will be in accordance with the Land Law 2024. The Government and the Ministry of Natural Resources and Environment may issue further guidance on this point.

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