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LEGAL ALERT

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**Decree No. 342/2026/ND-CP –
Key Considerations for Foreign
Investors Establishing Retail
Outlets in Vietnam?**



On 3 September 2026, the Government issued Decree No. 342/2026/ND-CP (“**Decree 342/2026**”), providing detailed regulations under the Law on Commerce and the Law on Foreign Trade Management on trading and other activities directly related to trading by foreign investors and foreign-invested economic organizations in Vietnam. Decree 342/2026 will take effect from 18 October 2026, replacing Decree No. 09/2018/ND-CP (“**Decree 09/2018**”), and introducing several notable changes to the establishment and operation of retail outlets in Vietnam.

1. Specific floor area requirements for different types of retail outlets

Decree 342/2026 classifies certain types of retail outlets as follows: (i) convenience stores: sales area of less than 300 m²; (ii) mini supermarkets: sales area of no more than 500 m²; and (iii) supermarkets: sales area of more than 500 m². The sales area includes areas for displaying, storing and selling goods, as well as areas used for ancillary activities directly serving retail operations.¹ This is also one of the bases for determining the type of retail outlet, a required document for obtaining the Retail Outlet Establishment Licence, determining the scope of application of economic needs test, and cases where national security consultation is required.

2. Stricter legal requirements for the location of retail outlets

Compared with Decree 09/2018, Decree 342/2026 provides more specific requirements regarding documents evidencing the legal status of the proposed retail outlet location. Accordingly, the enterprise must have: (i) documents evidencing its right to exploit and use the location; and (ii) documents evidencing that the location satisfies the relevant legal requirements concerning land, planning, investment, construction, fire prevention and fighting, traffic safety and environmental sanitation.

3. Licensing authority transferred to provincial-level people’s committees

Under Decree 342/2026, the provincial-level People’s Committee is the competent authority to grant, re-grant, amend, extend and revoke Business Licences and Retail Outlet Establishment Licences, *instead of the Department of Industry and Trade*.

In addition, instead of the mechanism under Decree 09/2018 for obtaining opinions from the Ministry of Industry and Trade and relevant line ministries, Decree 342/2026 introduces a mechanism for obtaining opinions from the Ministry of Public Security and the Ministry of National Defence on national security matters in certain specific cases.

4. Introduction of national security consultation requirements

Decree 342/2026 requires the licensing authority to seek opinions from the Ministry of Public Security and the Ministry of National Defence on national security matters in certain cases, notably including:²

- (1) applications for a Business License by foreign investors from countries or territories that are not party to an international treaty to which Vietnam is a party;
- (2) where a foreign investor controls an economic organization operating

¹ Articles 3.12 and 3.13 of Decree 342/2026

² Articles 8.3 and 9 of Decree 342/2026

certain large-scale e-commerce platforms or digital platforms; and

- (3) applications for a Retail Outlet Establishment License where the investor has reached the prescribed number of retail outlets, namely: (i) 100 outlets or above with the sales area of each outlet less than 500 m²; and/or (ii) 50 outlets with the sales area of each outlet from 500 m² to less than 3,000 m²; and/or (iii) 30 outlets with the sales area of each outlet being 3,000 m² or more.

5. Narrowing the Scope of Application of the Economic Needs Test (ENT)

Compared with Decree 09/2018, Decree 342/2026 narrows the scope of investors required to undergo an ENT when establishing retail outlets in addition to the first retail outlet. Accordingly, the requirement to undergo an ENT takes into account whether the investor's country or territory is a party to an international treaty to which Vietnam is a member that contains a commitment to abolish the ENT. The specific application must be determined based on the scope and conditions of the relevant international treaty.³

6. 5,000 m² threshold for determining the geographic market scope for ENT

For cases subject to an ENT, Decree 342/2026 determines the affected geographic market based on the sales area of the retail outlet as follows: (i) for a retail outlet with a sales area of less than 5,000 m², the assessment is conducted within the relevant commune, ward or equivalent

administrative unit; and (ii) for a retail outlet with a sales area of 5,000 m² or more, the assessment is conducted within the relevant province or centrally governed city.⁴

Accordingly, the 5,000 m² threshold does not determine the authority responsible for conducting the ENT, but rather determines the geographic scope of the affected market for ENT purposes.

7. Maintain compliance with market access conditions throughout operations

Decree 342/2026 not only requires investors to satisfy market access conditions at the time of applying for a licence, but also requires such conditions to be maintained throughout the course of their business operations in Vietnam. In addition, a foreign-invested economic organization may be required to suspend its operations if it fails to maintain the conditions or criteria applicable to the licensed business activities or retail outlet. If the violation is not remedied within 12 months, the relevant business activity may be terminated.⁵

8. Adjustment to the timing for submission of retail outlet licence renewal applications

Under Decree 342/2026, an application for renewal must be submitted no more than three months before the expiry date of the Retail Outlet Establishment Licence⁶, *instead of at least 30 days before the licence expiry date as previously prescribed.*

³ Article 22.1 of Decree 342/2026

⁴ Article 22.2(a) of Decree 342/2026

⁵ Articles 9.1(a), 40.1(c) and 41.1(d) of Decree 342/2026

⁶ Article 35 of Decree 342/2026

9. Increase in periodic reporting frequency to twice a year

Decree 342/2026 increases the periodic reporting frequency applicable to foreign investors and foreign-invested economic organizations **from once to twice a year**. Accordingly, enterprises must submit: an annual report by 15 January; and a six-month report for the first half of the year by 15 July.⁷

Accordingly, Decree 342/2026 both simplifies certain procedures and strengthens post-licensing supervision of retail activities conducted by foreign investors and foreign-invested economic organizations in Vietnam. Therefore, before establishing a new retail outlet in Vietnam, foreign investors and foreign-invested economic organizations should proactively:

- (1) **Accurately determine the sales area**, rather than relying solely on the total leased area or total floor area of the premises.
- (2) **Determine the type of retail outlet** based on its sales area and the characteristics of the goods intended to be traded.

(3) **Conduct a comprehensive legal due diligence of the premises** before entering into a lease agreement.

(4) **Identify the international treaties applicable to the investor**, particularly commitments concerning distribution rights and the abolition of the ENT.

(5) **Assess whether an ENT is required** for the second and subsequent retail outlets.

(6) **Monitor the number and sales area of all outlets within the retail chain** to determine whether national security consultation with the Ministry of Public Security and the Ministry of National Defence is required.

(7) **Periodically review market access conditions**, particularly where there are changes to the ownership structure, controlling investor, business lines or scope of goods traded.

(8) **Update licence expiry dates and reporting schedules** to avoid the risk of business interruption or licence revocation due to administrative non-compliance.

⁷ Article 38.1(a) of Decree 342/2026

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