

## LEGAL UPDATE (March 16<sup>th</sup>, 2023)

### **Resolution No. 33/NQ-CP 2023: Measures to Resolve and Promote Safe, Healthy, and Sustainable Real Estate Market Development.**

In March 2023, the Vietnamese Government issued Resolution No. 33/NQ-CP on some measures to remove barriers and promote the real estate market's safe, healthy, and sustainable development ("Resolution"). This is reflected in the removal of some restrictions on credit lending and reduction of interest rates on loans for real estate projects.

Regarding the requirement to create favorable conditions for businesses, home buyers, and investors to access credit, the Resolution aims to address difficulties in the real estate market and provide various credit solutions. Some of these solutions are related to enhancing financial management efficiency, strengthening monetary and financial policies, addressing bad debts in the real estate sector, and promoting the handling of real estate projects on a large scale.

Beside that, the Resolution requires banks to reduce interest rates for loans related to real estate projects. However, it does not mention specifically how much interest rates should be lowered but requires banks to provide appropriate solutions to help investors access loans more easily.

The Government also recognizes that reducing difficulties in the real estate market cannot solely rely on credit solutions but must diversify investment resources. Therefore, other solutions, such as attracting foreign investment, enhancing management and supervising in the real estate sector, are also mentioned in the Resolution.

Furthermore, Resolution No. 33 also provides other measures related to promoting the handling of real estate projects on a large scale. Specifically, the Government will enhance monitoring and take control of the real estate project progress to ensure transparency and publicity while addressing obstacles and disputes during the project implementation.

Regarding promoting and controlling raising capital through the issuance of bonds, the Government also mentioned promoting the bond market. Specifically, the Resolution encourages businesses to issue bonds to increase sources of capital and improve debt structure management. However, this raising capital must be closely controlled to avoid speculation, manipulation, and price inflation.

Regarding the promotion of social housing development, the Government has proposed some specific solutions to promote social housing development, including strengthening the management and effective use of the social housing fund, encouraging businesses to invest in social housing, intensifying the selection of beneficiaries for social housing support, and creating favorable conditions for localities to implement social housing policies.

Regarding improving the legal framework for construction, housing, and real estate business, the Government will continue to study and improve the legal system related to construction investment, housing, and real estate business. Measures include amending and issuing laws, decrees, and

resolutions to address the challenges in this field. The Government is also focusing on improving mechanisms and policies to exploit and develop real estate more effectively.

We can find that the Government has issued Resolution No. 33/NQ-CP to address the difficulties and challenges facing the real estate market in Vietnam. However, to achieve the highest efficiency of the Resolution, the Government need to implement the Resolution carefully along with detailed plans to ensure that the solutions are properly implemented and benefit the residents and the country's economy. We hope that these solutions will help to enhance the strength and development of the Vietnamese real estate market in the future.

We hope this Newsletter would bring you useful information.

Best regards.

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