

**LEGAL RULES
AND DEVELOPMENT
OF
VIETNAM'S GREEN BOND MARKET
– A DEEP DIVE**

NOVEMBER, 2025

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ABBREVIATIONS

ASEAN Capital Markets Forum	ACMF
ASEAN Green Bond Standards	ASEAN GBS
Climate Bonds Initiative	CBI
Climate Bonds Standard	CBS
Decision No. 21/2025/QD-TTg	National Green Taxonomy
Environmental impact assessment report	EIAR
Green Bond Principles	GBP
International Capital Market Association	ICMA
Law on Environmental Protection 2020	LoEP 2020
Ministry of Natural Resources and Environment	MONRE

LEGAL RULES AND DEVELOPMENT

OF VIETNAM'S GREEN BOND MARKET – A DEEP DIVE

In an era increasingly defined by the escalating threats of environmental degradation, climate change, and the unsustainable depletion of natural resources, the paradigm of sustainable development has transitioned from a theoretical aspiration to a global imperative. The international community has formally acknowledged this urgency through the adoption of landmark agreements, most notably the United Nations' 2030 Agenda for Sustainable Development and the Paris Agreement on Climate Change. These frameworks collectively underscore the necessity of harmonizing economic advancement with social equity and robust environmental stewardship. However, the transition to a sustainable global economy is capital-intensive, requiring massive investments in climate-resilient infrastructure, renewable energy, and innovative technologies. It is within this critical financing gap that green finance has emerged as a transformative force. Among its various instruments, green bonds have gained prominence as a pivotal mechanism for mobilizing the large-scale private capital necessary to fund projects that align with environmental sustainability goals.

Despite significant progress in the global green finance landscape, its development remains markedly uneven. Emerging economies, which often stand to benefit most from climate-resilient investments, frequently encounter a unique set of obstacles that stifle the growth of their domestic green finance markets. These barriers can include underdeveloped regulatory frameworks, a lack of technical expertise, and perceived investment risks. Vietnam provides a striking and critical example of this dichotomy. As a fast-growing Southeast Asian nation with a long coastline and a dense, low-lying population, Vietnam is ranked among the countries most vulnerable to the adverse effects of climate change. Recognizing this existential threat, the Vietnamese government has demonstrated strong political commitment through ambitious policies, including the national integration of the sustainable development goals and a bold pledge to achieve net-zero carbon emissions by 2050.

Nevertheless, a significant disconnect exists between Vietnam's high-level policy ambitions and the on-the-ground reality of its financial markets. The country's green bond market remains notably underdeveloped, especially when compared to regional peers such as Malaysia and Singapore. This discrepancy suggests the presence of deep-rooted structural, regulatory, and market-based impediments.

Therefore, this document aims to explore the legal regulations and development of Vietnam's green bond market.

I. Green Bonds: Overview

1. Formation of the Green Bond

Climate change and the attendant global warming, amongst others, are the foremost environmental concerns of the 21st century. In 2007, the Intergovernmental Panel on Climate Change (an agency of the United Nations) released a report that cautioned about the consistent increase in global atmospheric temperatures and its consequences, including rising sea levels, retreating Arctic glaciers, and widespread food shortages. Despite numerous efforts to mitigate or halt the rise in atmospheric temperatures, significant progress has been elusive.

The idea of sourcing investments for climate change projects while ensuring good investment returns for investors was introduced as a way of ensuring climate change and other environmentally beneficial projects are adequately financed in an economically beneficial way for investors. Investors will therefore be attracted by the prospects of contributing to a better environment while securing financial benefits in the process, in the form of “fixed returns to fix the planet”. This is the idea behind the introduction of “Green Bonds” which are, for all intents and purposes, conventional bonds but with a restriction on the application of the proceeds of the bond to strictly climate change and environmental projects.

In 2007, the European Investment Bank made history by issuing the world’s first green use of proceeds bonds, the inaugural Climate Awareness Bond, to finance renewable energy projects based on climate protection targets. A year later, the World Bank followed suit by launching its first green bond in 2008 in partnership with Skandinaviska Enskilda Banken.

In 2014, the International Capital Market Association (ICMA) introduced the Green Bond Principles (GBP), laying the foundation for global standardization of green bond issuance. Following GBP, Green Bonds are *“Any type of bond instrument where the proceeds or an equivalent amount will be exclusively applied to finance or re-finance, in part or in full, new and/or existing eligible Green Projects and which are aligned with the four core components of the GBP”*.

Broadly aligned with the definition of GBP, ASEAN Green Bond Standards (ASEAN GBS, 2017; revised 2018 & 2023) define a green bond as *“A bond where the proceeds will be used exclusively to finance or refinance, in part or in full, new and/or existing eligible Green Projects that are aligned with the ASEAN Green Bond Standards”*.

Similarly, under the EU Greenbond standard, green bond is defined as *“A bond that is marketed as environmentally sustainable and whose proceeds are used to finance or refinance, in part or in full, fixed assets or expenditures that are aligned with the EU Taxonomy Regulation”*.

In Vietnam, following the **Law on Environmental Protection 2020 (LoEP 2020)**, *“Green bonds are bonds issued by the Government, local authorities and enterprises in accordance with regulations of law on bonds to raise capital for environmental protection activities and investment projects that offer environmental benefits”*¹. In another expression, a green bond is a conventional bond with two distinguishing features: the proceeds raised from issuance are specifically allocated to projects with environmental benefits (which are, by nature, associated with social co-benefits), and there is a clear commitment to transparency and disclosure regarding the management of those proceeds. Put differently, in terms of structure, a green bond is similar to a regular bond, sharing the same risk–return profile and issuance procedures, but the funds raised are used to finance various climate- and environment-related projects².

¹ Article 150.1 of the Law on Environmental Protection 2020

² Ủy ban Chứng khoán Nhà nước Việt Nam (2021), “Hướng dẫn phát hành cho trái phiếu xanh, trái phiếu xã hội và trái phiếu bền vững”, <https://asianbondsonline.adb.org/green-bonds/pdf/How%20to%20Issue%20Guide%20Vietnamese%20FINAL%20PRINT.pdf>

2. Growth of the Green Bond

Since their emergence as a new form of environmental financing in 2007, green bonds have stirred investors and environmentalists with the promise of providing a direct means of investing in environmentally-oriented projects. While still viewed by investors as a niche product in the broader fixed income market, green bond issuance has grown rapidly in the past decade, from USD 807 million in total issuance in 2007 to USD 671.7 billion in 2024 (see Exhibit 1).

Two key catalysts for the market's development were the introduction, in January of 2014 by the International Capital Market Association, of the Green Bond Principles, which are the basis for many of the existing green labels (see ICMA 2025 for the current version), and the global political momentum of the Paris Agreement. Since then, the market for labeled green bonds has expanded dramatically almost doubling after each subsequent year. This was achieved through initiatives such as the EU's proposal to establish an EU Green Bond Standard, the announcement of the EU Green Deal³, and the launch of Climate Bonds Standard V3.0, which incorporated enhanced definitions, guidance, and alignment with the forthcoming EU Green Bond Standard. Additionally, the publication of Climate Resilience Principles served as a precursor to the development of Climate Resilience Criteria^{4,5}. Although the COVID-19 pandemic posed unforeseen challenges and led to significant declines in issuance from various issuers, the overall volume of green bond issuance still experienced an increase compared to 2019, albeit at a relatively modest growth rate.

Despite a challenging macroeconomic backdrop, the green bond market demonstrated remarkable resilience and reached a critical milestone in 2021. The post-COVID-19 economic recovery, coupled with rising energy prices, fueled persistent inflation. Yet, in this very year, investor commitment to sustainable finance surged, propelling annual green bond issuance to break the half-trillion-dollar mark for the first time. The market concluded 2021 at a record USD 582.4 billion – a staggering 75% increase from the prior year.

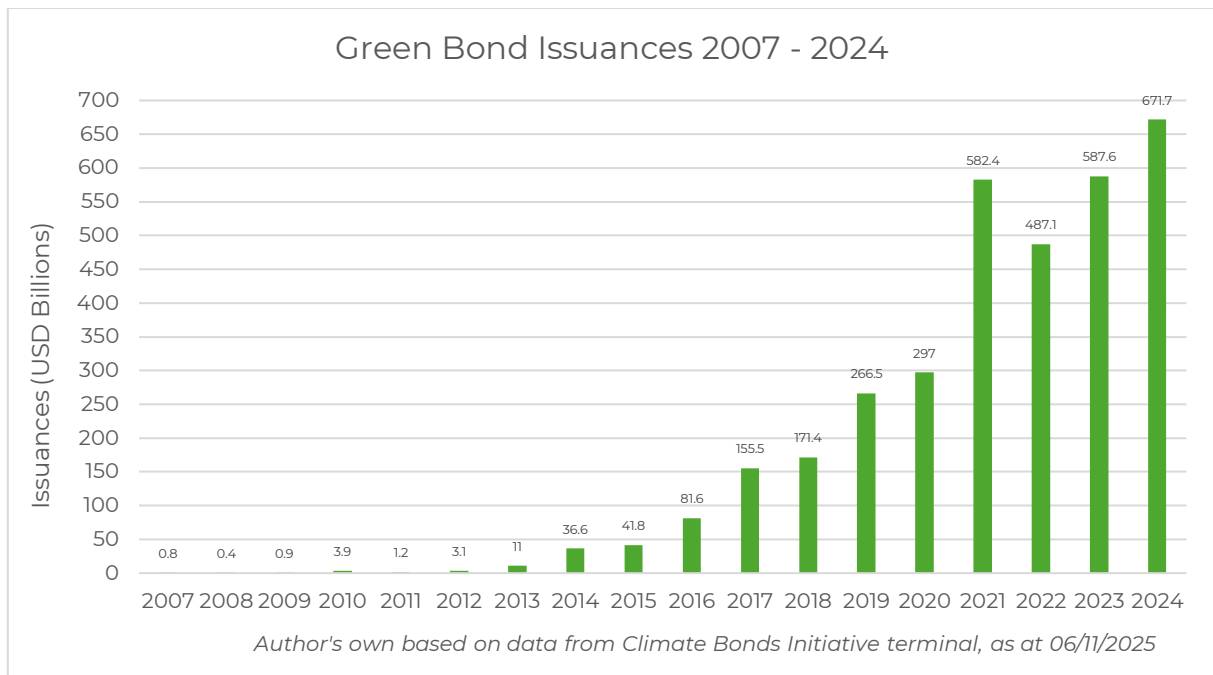
This momentum, however, was tested in 2022. The Russia-Ukraine conflict triggered severe energy price spikes, further accelerating global inflation. In response, central banks began a rapid tightening of monetary policy. The resulting expectations and consequences of rising interest rates rapidly cooled the broader debt capital market, leading to a decline in issuance across all bond categories, including green bonds. Despite this contraction, the market's underlying strength was evident. After a subdued 2022, issuance volumes in both 2023 and 2024 powerfully rebounded to once again surpass the symbolic half-trillion-dollar threshold. This recovery underscores the enduring demand for sustainable assets and suggests the green bond market has matured into a permanent and core component of global finance.

³ Sustainable Finance, European Commission, 2020.

⁴ Climate Bonds Standard V3.0, Climate Bonds Initiative, 2020.

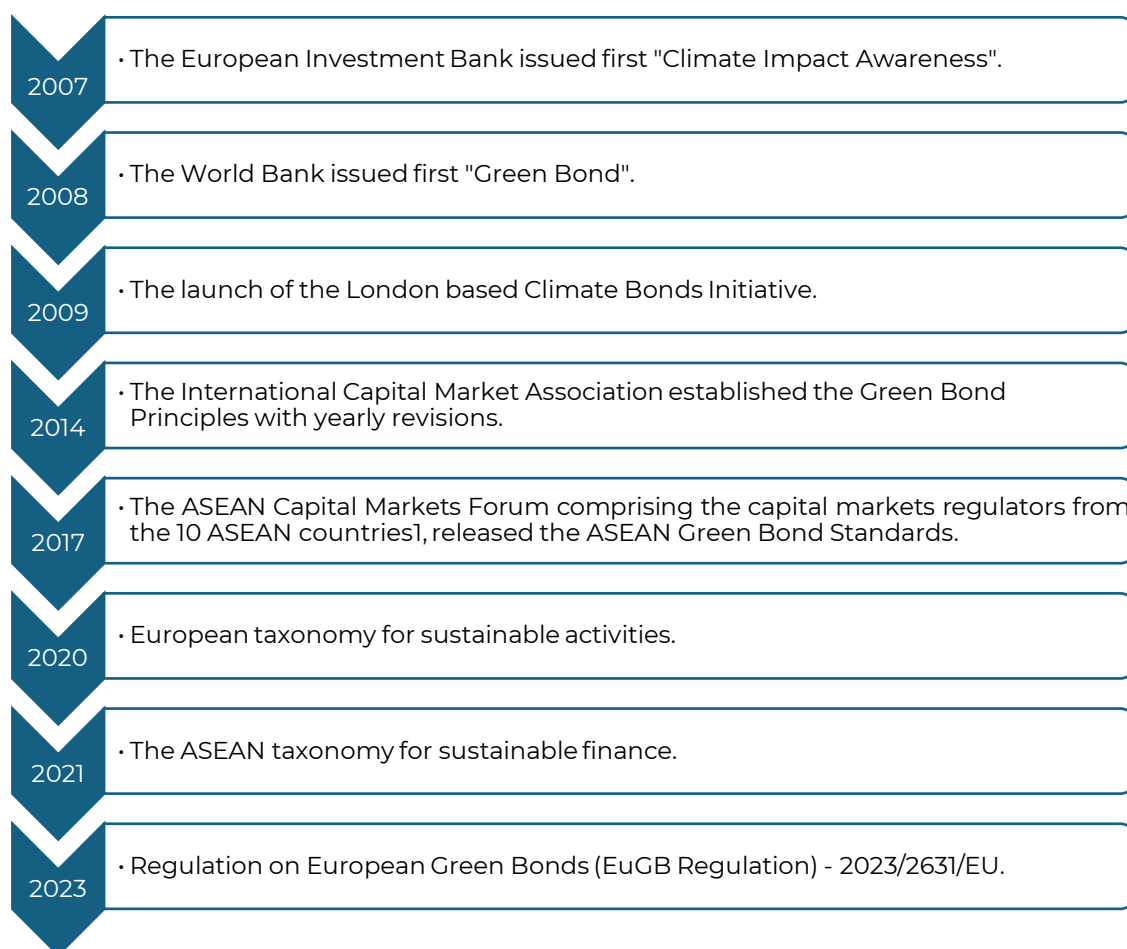
⁵ Climate Resilience Principles, Climate Bonds Initiative, 2020.

Exhibit 1: Green Bond Issuances 2007 – 2024:



3. International Guidance and Standards

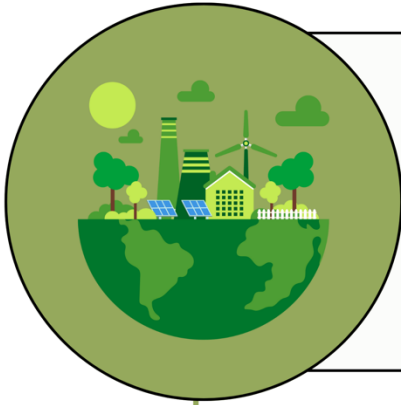
In general, the formation and development of the international green bond market mainly depend on the strong promotion of participants from the financial market and various social organizations. A series of rules generated during the interactions between these participants, but not from domestic or international legislation, has eventually evolved into the system of rules on issuance, certification, rating, and information disclosure of green bonds.



3.1. Green Bond Principles (GBP)

The challenge of developing a common framework led to a pivotal market innovation in 2014, the Green Bond Principles (GBP). Established by the International Capital Market Association (ICMA), a global body with over 530 members including the World Bank, the GBP provided the first voluntary framework for the green bond market. These principles have since become the foundational model for the industry. While regional authorities like the People's Bank of China and the ASEAN Capital Markets Forum have since developed their own guidelines, most are aligned with and build upon the GBP, adapting them to local contexts. The GBP's enduring influence stems from its robust four-pillar framework, which governs a bond's entire lifecycle, from the use of proceeds and project selection to fund management and ongoing reporting, ensuring transparency and integrity for investors⁶.

⁶ International Capital Market Association, Green Bond Principles, June 2025, <<https://www.icmagroup.org/assets/documents/Sustainable-finance/2025-updates/Green-Bond-Principles-GBP-June-2025.pdf>>



01. Use of Proceeds

- Identify eligible green projects (renewable energy, energy efficiency, pollution control, clean transportation, water management, biodiversity, climate adaptation, circular economy, green buildings, etc.).
- Clearly state environmental benefits and quantify them where possible.
- Ensure projects can be independently verified.

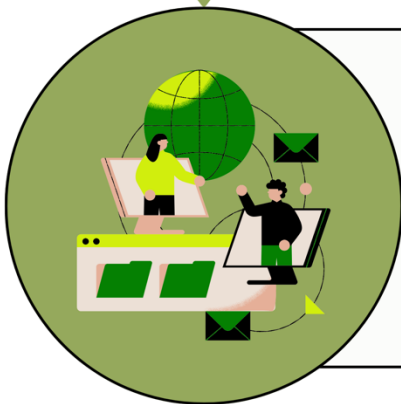
02. Project Evaluation & Selection

- Define environmental objectives (e.g., climate mitigation, climate adaptation).
- Establish criteria for evaluating and selecting eligible green projects.
- Assess potential environmental risks or negative impacts.
- Describe the process used to determine project eligibility and the entities/departments involved.



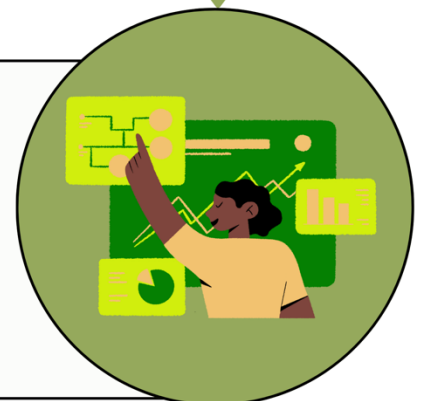
03. Management of Proceeds

- Track and manage proceeds in a dedicated or clearly identifiable account.
- Allocate proceeds to green projects as early as possible.
- Disclose how unallocated funds are temporarily managed.
- Use external auditors to enhance transparency.



04. Reporting

- Provide public updates at least annually.
- Report:
 - List of financed projects and allocation of proceeds.
 - Amount of unallocated proceeds and their temporary placement.
 - Project progress updates.
 - Expected or actual environmental benefits.



3.2. Climate Bonds Standard

Similar in purpose to the GBP, the Climate Bonds Initiative (CBI)⁷ created the first green bond standard in 2010, the Climate Bonds Standard (CBS)⁸. The CBS forms part of the CBI Climate Bond Standard and Certification Scheme, which is the only framework that specifically focuses on climate change, as compared with other frameworks that cover the broader ESG spectrum. The CBS incorporates the GBP and establishes the requirements for certification of a bond by the CBI. The CBS outlines requirements to be followed both pre-issuance and post-issuance.

The CBS has two parts: (i) the parent standard detailing management and reporting processes; and (ii) a suite of sector criteria detailing the requirements assets must meet to be eligible for certification. The CBS is underpinned by the Climate Bonds Taxonomy, which provides guidance about green assets to facilitate consistent climate classifications.

The certification scheme requires issuers to obtain independent verification, pre- and post-issuance, to ensure the bond meets the requirements of the CBS. Approved Climate Bonds Verifiers independently assess whether a bond complies with the requirements of the CBS using a specified international standard.

The CBS goes beyond the GBP by requiring the issuer to include physical assets associated with the green bond, disclose environmental and social aspects of the projects, and ensure that proceeds are not contaminated by environmentally inconsistent activities. Green bond issuers must direct 95 per cent of proceeds acquired explicitly to green assets if they want to issue labelled green bonds. The issuer is to self-report in the event of non-compliance.

3.3. ASEAN Green Bond Standards

The ASEAN Capital Markets Forum (ACMF), which comprises capital market regulators from across Southeast Asia, is tasked with promoting greater integration and connectivity within the region's capital markets. A key initiative in this effort has been the development of a dedicated green asset class, underscoring the vital role of green finance in supporting sustainable growth and meeting ASEAN's substantial infrastructure needs.

To this end, the ACMF developed the ASEAN Green Bond Standards (ASEAN GBS). These standards are directly aligned with the internationally accepted GBP from ICMA, ensuring global consistency. First issued in November 2017 and subsequently revised in October 2018⁹, the ASEAN GBS provides a region-specific application of the GBP. For a bond to be labelled an "ASEAN Green Bond," issuers must demonstrate full compliance with these standards.

This framework serves a dual purpose: it provides investors with certainty that bonds bearing the ASEAN green bond label meet a uniform set of criteria, while giving

⁷ The Climate Bonds Initiative is an international, investor-focused not-for-profit that is focused on mobilizing the \$100 trillion bond market for climate change solutions: see Climate Bonds Initiative, <<https://www.climatebonds.net/>>.

⁸ The current version of the Climate Bonds Standard is version 4.3, August 2025, <https://www.climatebonds.net/files/documents/CBI_Standard_V4.3_FINAL_2025-08-20-102147_gbqn.pdf>.

⁹ ASEAN Capital Markets Forum, ASEAN Green Bond Standards, October 2018, <<https://www.theacmf.org/images/downloads/pdf/AGBS2018.pdf>>

issuers clear guide rails on green bond best practices. To date, the cumulative issuance of labelled ASEAN green bonds has reached approximately USD 31.2 billion, with issuances coming from six member states: Malaysia, the Philippines, Thailand, Indonesia, Cambodia, and Singapore¹⁰.

The ASEAN GBS are aligned and guided by the four core components of the GBP, i.e. use of proceeds, process for project evaluation and selection, management of proceeds, and reporting. Key additional features of the ASEAN GBS include:



¹⁰ ASEAN Capital Markets Forum, Statistics: Data Visualization, access date November 06, 2025, <<https://www.theacmf.org/sustainable-finance/statistics>>

II. Green Bond Market Development in Vietnam

1. Implementation status of Green Bond in Vietnam

In 2016, the green bond market began to take shape in Vietnam with several key issuances. Ho Chi Minh City issued VND 3,000 billion in 15-year local government bonds to fund projects under the local budget's expenditure tasks, 11 of which were environmentally-focused projects. Similarly, Ba Ria – Vung Tau province issued VND 500 billion in 5-year bonds for local budget projects, including one environmental protection project. These issuances came out of a pilot program between the Ministry of Finance and the German International Cooperation Agency (GIZ), aiming to prepare the market for future issuances¹¹.

In 2022, EVF Finance Joint Stock Company issued VND 1,725 billion in green bonds with an annual coupon rate of 6.7% and a 10-year tenor. The issuance was partially guaranteed by GuarantCo, a multinational guarantee service company¹². This transaction marked the first time the Vietnamese market recorded a green bond issuance aligned with a Green Bond Framework based on the ICMA's 2021 Green Bond Principles. It also voluntarily complies with the 2018 ASEAN Green Bond Standards.

In 2023, the Joint Stock Commercial Bank for Investment and Development of Vietnam (BIDV) issued VND 2,500 billion in green bonds, becoming the first bank to issue green bonds in the domestic market aligned with the ICMA's Green Bond Principle¹³.

In 2024, in accordance with Vietnam Bond Market Report 2024 of Vietnam Bond Market Association, the green bond, sustainable bond, and sustainability-linked bond (SLB) market in 2024 saw the participation of six issuers, including three commercial banks (SeABank, BIDV, and Vietcombank) and three non-financial institutions that issued bonds with longer-than-average maturities and were guaranteed by international organizations, specifically:

- VND 700 billion from Biwase – Long An Water JSC, with a 10-year maturity, guaranteed by CGIF.
- VND 875 billion from Hoa Binh – Xuan Mai Clean Water Company (under AquaOne Group), with a 20-year maturity, guaranteed by GuarantCo.
- VND 1 trillion from IDI Company (under Sao Mai Group), with an 8-year maturity, guaranteed by GuarantCo.

The total issuance value of green, sustainable, and sustainability-linked bonds in 2024 reached VND 11,075 billion, double the 2023 figure.

¹¹ SSC/IFC/SECO/CBI, How to Issue Green Bonds, Social Bonds and Sustainability Bonds, page 14, <<https://asianbondsonline.adb.org/green-bonds/pdf/How%20to%20Issue%20Guide%20English%20FINAL%20PRINT.pdf>>

¹² Vietnam Bond Market Association, Weekly Report (11/7/2022 – 15/7/2022), <<https://vbma.org.vn/storage/reports/July2022/11072022-15072022%20WEEKLY%20BOND%20MARKET%20REPORT.pdf>>

¹³ BIDV, BIDV successfully issues VND2,500 billion bonds to finance environmental project <https://bidv.com.vn/bidv_en/tin-tuc/thong-tin-bao-chi/bidv-phat-hanh-thanh-cong-2500-ty-dong-trai-phieu-tai-tro-cho-cac-du-an-vi-moi-truong>

This year 2025, to date, only one deal of VND 317.2 billion from Xuan Mai – Hanoi Clean Water Transmission Co., Ltd (under AquaOne Group), with a 20-year maturity, guaranteed by GuarantCo has been announced.

Exhibit 2: Green, sustainable, and sustainability-linked bond issuances, 2023-2024¹⁴

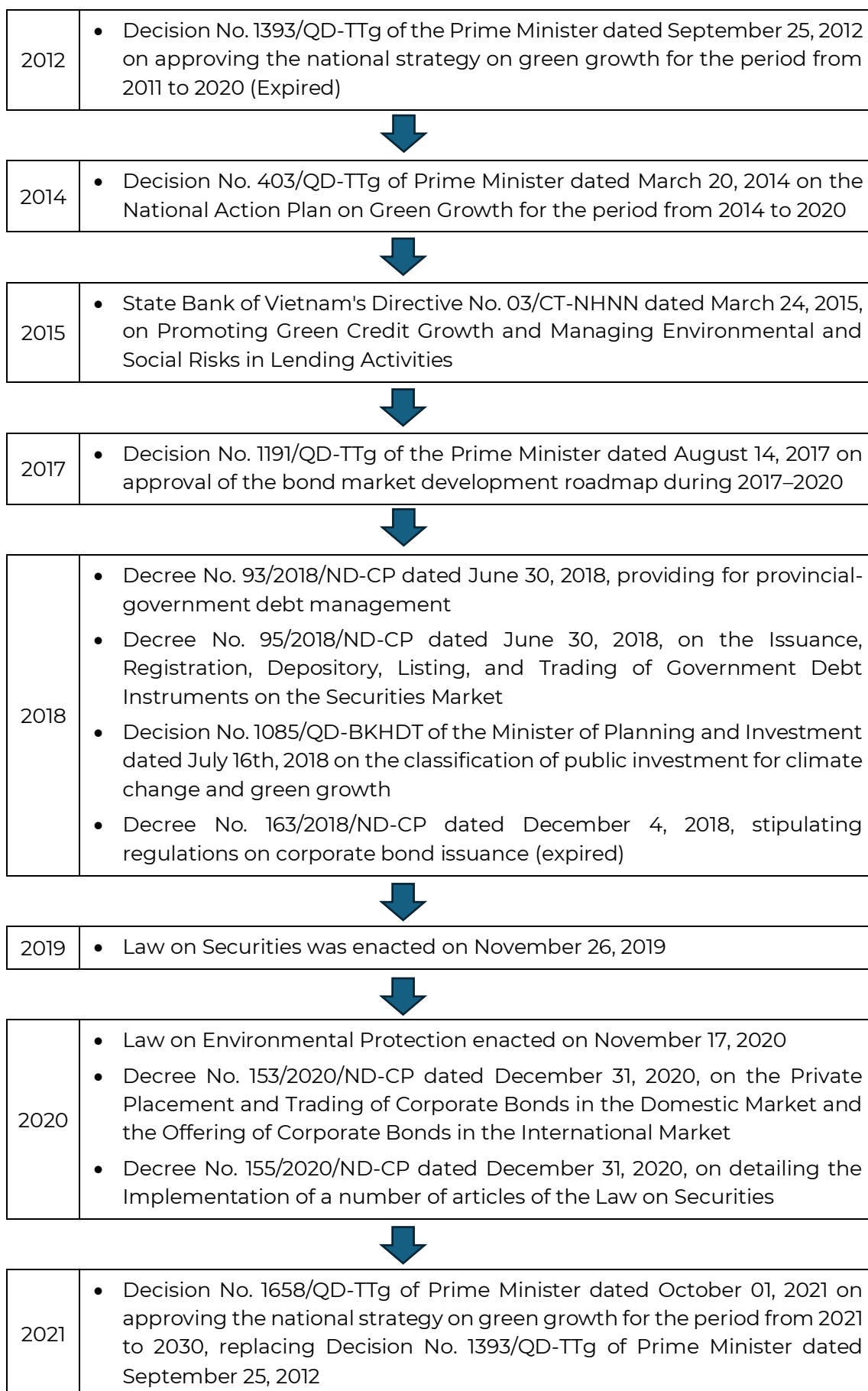
Issuer	Issuance Date	Bond Type	Value (VND billion)	Maturity	External reviewer	Reference standard
BIM Land	Aug 2023	Sustainability-Linked	2,333	7 years	DNV GL	ICMA, GBP
Thanh Xuan JSC	Sept 2023	Sustainability-Linked	583.5	7 years	DNV GL	ICMA, GBP, GBS
BIDV	Oct 2023	Green	2,500	5 years	Moody's	ICMA
SeABank	June 2024	Green & Blue	3,500	_____		
BIDV	Sept 2024	Sustainability-Linked	3,000	5 years	Moody's	ICMA
IDI Group	Oct 2024	Green	1,000	8 years	FiinRatings	ICMA
Vietcombank	Nov 2024	Green	2,000	2 years	S&P	ICMA
Biwase – Long An	Nov 2024	Green	700	10 years	FiinRatings	ICMA
Hoa Binh – Xuan Mai Clean Water	Nov 2024	Green	875	20 years	FiinRatings	ICMA

A 2025 study by Le and Vivian published in the Asian Journal of Economics and Banking, which drew on interviews with key market participants, including commercial banks, securities firms, and financial consultancies, identified significant barriers to green bond issuance for Vietnamese corporations¹⁵. The primary challenges are: (i) the underdevelopment of critical intermediaries, such as agencies for credit rating and "green" project verification; (ii) a deficient regulatory environment, lacking specific guidelines for issuance and provisions for monitoring fund usage and reporting; (iii) broader market shortcomings, including opaque information disclosure, the absence of a centralized exchange, and a market dominated by private issuances; and (iv) the low yield of green bond in Vietnam.

¹⁴ Vietnam Bond Market Association, Vietnam Bond Market Report 2024, <https://vbma.org.vn/storage/reports/March2025/VBMA_BAO%20CAO%20THUONG%20NIEN%202024.pdf>

¹⁵ Hong Minh Le, Andrew Vivian, Green bond market in Vietnam: barriers to corporate issuers, attractiveness to investors and potential growth, <<https://www.emerald.com/ajeb/article-pdf/9/2/162/10047872/ajeb-05-2025-0045en.pdf>>

2. Legal framework for Green Bonds in Vietnam





2022	• Government Decree No. 08/2022/ND-CP dated January 10, 2022, providing guidelines for the implementation of a number of articles of the Law on Environmental Protection 2020 • Decision No. 882/QD-TTg of the Prime Minister dated July 22, 2022 on the National Action Plan on Green Growth for the period from 2021 to 2030 • Decree No. 65/2022/ND-CP dated September 16, 2022, Amending and Supplementing a Number of articles of Decree No. 153/2020/ND-CP dated December 31, 2020, on the Private Placement and Trading of Corporate Bonds in the Domestic Market and the Offering of Corporate Bonds in the International Market
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2025	• Decision No. 21/2025/QD-TTg of Prime Minister dated July 04, 2025 on environmental criteria and verification of investment projects under the green taxonomy (the “National Green Taxonomy”)
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In 2012, the Vietnamese Government approved the National Strategy on Green Growth for the 2011-2020 period, with a vision to 2050, aiming to build an efficient, sustainable economy and support the national climate change strategy. Building on this foundation, the State Bank of Vietnam issued Directive No. 03/CT-NHNN in 2015 to promote green credit and manage environmental and social risks in lending.

A significant milestone was reached in 2017 with Prime Minister's Decision No. 1191/QD-TTg. This document, which approved a development roadmap for the bond market, explicitly called for the first time for mechanisms and policies to develop a green bond market, thereby facilitating capital mobilization for green projects.

The legal framework for green bonds in Vietnam was established in 2018, initially covering the public sector through Decrees No. 95/2018/ND-CP (government bonds) and No. 93/2018/ND-CP (municipal bonds). The corporate sector was incorporated later that year under Decree No. 163/2018/ND-CP, a regime that was later superseded by Decree No. 153/2020/ND-CP. The provisions governing corporate green bonds in Decree 153/2020 did not introduce significant changes compared to its predecessor. The key evolution lies in the definition: under Decree 153/2020, a corporate green bond is defined as a bond issued to invest in projects within the field of environmental protection or projects that deliver environmental benefits. This broadens the scope from the definition in Decree 163/2018, which was limited to bonds issued for projects solely in the field of environmental protection. Beyond this definitional shift, the core operational requirements, including those for information disclosure, accounting procedures, and the management of proceeds, were carried over from the previous decree without major revision.

Despite these regulatory advances, a critical legal gap persisted: the lack of official criteria for classifying green projects. This need was first identified in the 2012 Decision No. 1393/QD-TTg, which prioritized creating a green project framework for the 2011-2015 period. Initial progress was made in 2017 when the Ministry of Natural Resources and Environment (MONRE) (now, the Ministry of Agriculture and Environment), in coordination with other ministries, preliminarily established a "Catalogue of Green Projects".

The urgency of this issue was reaffirmed by Decree No. 08/2022/ND-CP, which assigned MONRE the task of developing formal environmental criteria and a verification process for green credit and bonds by the end of 2022. Although a draft decision was released for public comment in August 2022, the official Prime Minister's Decision stipulating environmental criteria and verification under a green taxonomy was not promulgated until July 2025, taking effect on August 22, 2025 (the Decision No. 21/2025/QĐ-TTg of Prime Minister dated July 04, 2025 on environmental criteria and verification of investment projects under the green taxonomy).

The sectors and types of investment projects eligible for consideration and confirmation under the green taxonomy pursuant to the National Green Taxonomy are stipulated as follows:

ENERGY



Solar power generation



Gas generation from biomass sources



Power generation from sustainable energy sources



Wind power generation



Electrical works to support the development of renewable energy, clean energy and sustainable energy



Energy-effective and energy-saving power distribution systems



Production of sustainable aviation fuel



Manufacture of high-tech and eco-friendly batteries and accumulators



Heat or cooling generation from renewable and new energy sources



Installation of energy storage systems for renewable energy

PROCESSING AND MANUFACTURING INDUSTRY



Energy-saving and energy-efficient electrical equipment, machinery and devices



Transportation vehicles using low-carbon technologies



Chemicals and chemical products derived from natural and eco-friendly sources



Eco-friendly packaging



Technologies, equipment and products serving environmental protection



Electronic components and devices to support the development of low-carbon technologies

TRANSPORTATION



Investment in zero-emission or low-carbon emission vehicles for transportation purposes



Development of infrastructure to supply fuel or energy to zero-emission or low-carbon transportation vehicles



Provision of energy recharging services for zero-emission or low-carbon transportation vehicles

WATER RESOURCES



Construction of water supply and drainage facilities



Extraction, treatment and supply of clean water



Management of quality and protection of water resources

ENVIRONMENTAL SERVICES

	Waste recycling		Collection, classification, transfer, transportation of domestic solid waste, common industrial solid waste		Treatment of domestic solid waste and common industrial solid waste
	Collection of wastewater from urban areas and densely populated residential zones		Treatment of wastewater from urban areas and densely populated residential zones		Collection and treatment of medical wastewater
	Collection, treatment of wastewater from production, business and services		Air emission treatment		

AGRICULTURE, FORESTRY, FISHERIES, AND BIODIVERSITY CONSERVATION

	Cultivation of annual and perennial crops in accordance with sustainable		Livestock farming model in accordance with standards for good agricultural practices		Natural and planted forests, sustainable forest management; application of agroforestry practices
	Sustainable inland aquaculture		Sustainable marine aquaculture		Sustainable food production and processing
	Ecotourism		Conservation and development of genetic resources; rare, endangered animal and plant species		Development of technical infrastructure for risk mitigation and disaster management
	Sloping land, low-lying land, acid sulfate soil, saline soil, coastal sandy soil, degraded land,...		Pollution treatment, reclamation, restoration, and protection of soil resources		Useful products from by-products and waste generated from agricultural, forestry and fisheries activities.

CONSTRUCTION

	Green building and types of house that support effective and economical use of energy		Existing public utility buildings that are eco-friendly and energy-saving
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Eligible Green Bond Issuers

Article 150 of the LoEP 2020 stipulates that green bonds may be issued by the (i) Government, (ii) local authorities, and (iii) enterprises.

(a) Government Green Bonds

Pursuant to Article 21 of Decree No. 95/2018/ND-CP, the procedures for the issuance, registration, and listing of government green bonds follow the same mechanisms applicable to other sovereign debt instruments.

Before implementation, the Ministry of Finance, in coordination with the Ministry of Natural Resources and Environment (currently the Ministry of Agriculture and Environment), is required to prepare a Green Bond Issuance Proposal specifying the purpose, total amount, terms and conditions, and eligible investors.

The proceeds raised from government green bonds may be allocated to national-level green projects (e.g., renewable energy, forest resource protection) or used to support Vietnam's international commitments and national strategies on environment and climate change.

(b) Municipal Green Bonds

Currently, there are *no specific regulations* governing green bonds issued by local authorities. Accordingly, local government issuance must comply with general provisions applicable to subnational bonds and Decree No. 93/2018/ND-CP on the management of local government debt. Funds raised through such bonds may be used to finance local green development projects, such as waste treatment, clean energy, or urban greening initiatives, in line with provincial sustainable development strategies.

(c) Corporate Green Bonds

Bond issuers must be joint stock companies or limited liability companies that are legally established and operating in Vietnam¹⁶. Therefore, only these entity types are eligible to issue green bonds; private enterprises and partnerships are prohibited from issuing bonds, green bonds included.

3. Conditions for Green Bond Offering

Green bonds are subject to **the same offering conditions as conventional bonds**, in accordance with applicable Vietnamese law.

3.1. General Conditions for Green Bond Issuance

(a) Government Bonds and Municipal Bonds

The issuance of Government bonds and local municipal bonds is governed respectively by Decree No. 95/2018/ND-CP and Decree No. 93/2018/ND-CP, which stipulate detailed procedures on approval, offering, registration, custody, and listing.

¹⁶ Article 2 of Decree No. 153/2020/ND-CP

Green bonds issued by these authorities must therefore comply with the same procedural and prudential requirements applicable to conventional government debt instruments, in addition to specific environmental or green criteria (as relevant).

(b) Corporate Bonds

Corporate issuers must comply with general bond offering conditions under the Law on Securities 2019 and Decree No. 153/2020/ND-CP (as amended by Decree No. 65/2022/ND-CP), depending on whether the offering is conducted publicly, privately within the domestic market, or in the international market.

3.2. Conditions on the Use of Proceeds from Green Bonds

(a) Investment projects in environmental protection or those that yield environmental benefits:

Proceeds from the issuance of green bonds must be recorded and monitored in accordance with the laws on bond issuance and used exclusively for investment projects in environmental protection or projects generating environmental benefits, including¹⁷:

- (i) Renovation and upgrading of environmental protection works;
- (ii) Replacement of technologies towards the application of best available techniques;
- (iii) Application of circular economy and green economy models, and reduction of carbon emissions;
- (iv) Prevention and reduction of environmental pollution;
- (v) Environmental remediation following environmental emergencies;
- (vi) Efficient use of natural and soil resources, energy saving and development of renewable energy;
- (vii) Construction of multi-purpose and environmentally friendly infrastructure;
- (viii) Efficient water management and wastewater treatment;
- (ix) Climate change adaptation and investment in the development of natural capital; and
- (x) Other investment projects generating environmental benefits.

(b) Environmental Criteria and Green Project Verification:

The regulations on environmental criteria, as well as the procedures for confirming a project's eligibility under the aforementioned categories, are stipulated in detail in the National Green Taxonomy.

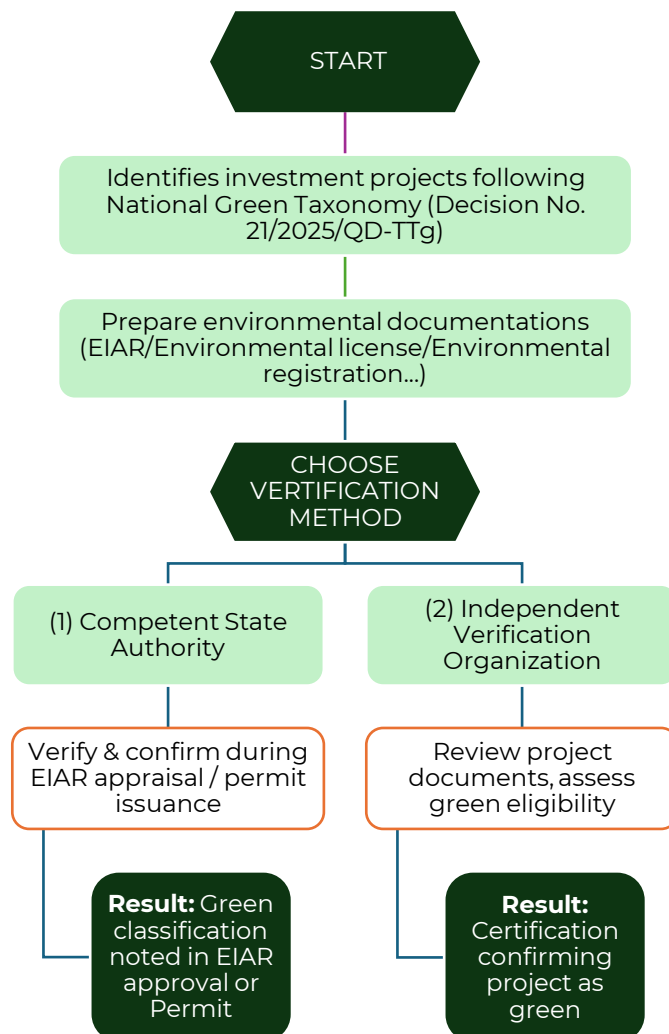
¹⁷ Article 150.2 of the Law on Environmental Protection 2020

(b.1) Criteria for recognition of a green project:

- (i) Projects in the field of environmental protection or those that deliver environmental benefits, as listed in section (a) above, must also satisfy the requirements stipulated in Appendix I issued together with the National Green Taxonomy.
- (ii) The project must have obtained one of the following environmental documents (unless exempted):
 - (ii.1) Decision on approval of appraisal result of environmental impact assessment report (**EIAR**);
 - (ii.2) Environmental permit; or
 - (ii.3) Environmental registration.

(b.2) Verification of green investment projects may be carried out through one of the following two mechanisms:

Process for Obtaining Green Project Certification under National Green Taxonomy:



It should be noted that, for Independent Verification Organizations, the entity must satisfy the following conditions:

Requirements

(i) Have judicial personality

(ii) Legally established in accordance with Vietnamese law

(iii) Operate form

Provide conformity assessment service
or perform conformity assessment
function

Provide auditing services

(iv) Management and
operation requirements

National Standards TCVN ISO/IEC
International Standards ISO/IEC
17029:2019

Vietnamese Standards on assurance
service contracts No. 3000

International Standards on Assurance
engagement (ISAE 3000)

3.3. Comparison of Vietnam's Evolving Green Bond Legal Framework

The adoption of the National Green Taxonomy marks a major shift in Vietnam's green bond framework. Previously, Vietnam mainly followed international voluntary principles such as the ICMA Green Bond Principles (GBP) and the ASEAN Green Bond Standards (GBS), allowing issuers to self-assess their green projects. The National Green Taxonomy transforms this approach by introducing a national green taxonomy, mandatory verification, and stricter reporting requirements, turning global best practices into binding legal standards.

The following table provides a detailed comparison between the ICMA GBP (2025), ASEAN GBS (2018), and Vietnam's green bond regulations both before and after the National Green Taxonomy, highlighting the key similarities, divergences, and regulatory advancements:

Criteria	ICMA Green Bond Principles (GBP)	ASEAN Green Bond Standards (GBS)	Vietnamese Legal Framework (Current)
Issuers	Open – any type of issuer (corporates, financial institutions, local governments, sovereigns) may issue green bonds, provided that the principles are observed.	Also open , but limited to entities with ASEAN linkage (organizations incorporated or operating within ASEAN, or projects located in ASEAN member states).	Specifically defined groups: (1) The Government; (2) Local authorities; (3) Enterprises (including credit institutions). Issuers must satisfy the legal and financial eligibility criteria under the Law on Securities and Decrees on corporate bonds.
Object of assessment (focus)	- Focuses on the issuer's Green Bond Framework with four pillars: Use of Proceeds Project Evaluation & Selection, Management of Proceeds Reporting - The description of the underlying projects financed by the bonds. (does not prescribe technical criteria but must fall within the Eligible Green Project Categories)	Similar to ICMA (both the framework and projects), aiming for regional harmonization across ASEAN member states. (excluding fossil fuel power generation projects)	Assessment covers only the projects . Projects must comply with the National Green Taxonomy and obtain official certification of “green project” status before being included in the Use of Proceeds. The framework must align with the taxonomy and fulfill mandatory disclosure/reporting obligations under Vietnamese law.
Verification / Review requirements	External review is recommended (Second Party Opinion, verification, or certification) but not mandatory; relies on market transparency and investor confidence.	External review is recommended but not legally mandatory; follows the same voluntary approach as ICMA.	Mandatory verification: projects must be certified by a competent state authority during environmental appraisal or permitting, or verified by an independent assessment organization (meeting legal and technical criteria). Issuers must submit semi-annual and annual reports, which may include independent verification.
Green taxonomy / eligibility criteria	Open-ended taxonomy linked to environmental objectives; no national taxonomy required; no strict exclusions at the principle level.	Lists specific eligible sectors and objectives aligned with ASEAN priorities; explicitly excludes fossil fuel-related activities to ensure environmental integrity.	National Green Taxonomy established (Annex with sectoral and technical criteria). Projects must fall within the official list and meet technical eligibility standards; environmental documentation (EIA, permit, or registration) is a legal prerequisite for green bond qualification.

4. Obligations of Green Bond Issuers

- (a) Disclosure and Information Provision Obligations (as applicable to conventional bonds)

Enterprises issuing green bonds must first comply with all standard disclosure obligations for corporate bonds, which include the following:

- (i) Information disclosure prior to issuance¹⁸:

At least 01 working day before the official issue date, the issuer shall disclose information before offering to investors for their subscription, and send the disclosed information to the Stock Exchange.

- (ii) Disclosure of the issuance result¹⁹:

Within 05 working days from the completion date of the bond offering, the issuer shall disclose information on offering results to bondholders, and send the disclosed information to the Stock Exchange. The information to be disclosed shall comply with guidelines given by the Ministry of Finance of Vietnam.

If the offering is unsuccessful or an offering wave is cancelled, within 05 working days from the completion of bond distribution, the issuer shall disclose information and send the disclosed information to the Stock Exchange.

- (iii) Periodic disclosure obligations²⁰:

Every six months and annually, based on the fiscal year until the bond maturity date, the issuing enterprise must send periodic information disclosures to bondholding investors and the Stock Exchange:

- within 60 days from the end of the first six months of the fiscal year, the enterprise must publish its semi-annual periodic information; and
- within 90 days from the end of the fiscal year, the enterprise must publish its annual periodic information.

- (b) Disclosure of Environmental Impact Assessments for Green Bond-Funded Projects²¹:

The green bond issuer must annually disclose and provide information assessing the environmental impact of the projects financed by the proceeds from green bonds throughout the bond's term until maturity.

The disclosed information shall include (i) Decision approving the results of EIAR (if applicable); (ii) environmental permit (if applicable); and (iii) information on the assessment results of the environmental benefits generated by the projects funded by green bond proceeds.

¹⁸ Article 19 of Decree No. 153/2020/ND-CP amended by Article 1.14 of Decree No. 65/2022/ND-CP

¹⁹ Article 20 of Decree No. 153/2020/ND-CP amended by Article 1.15 of Decree No. 65/2022/ND-CP

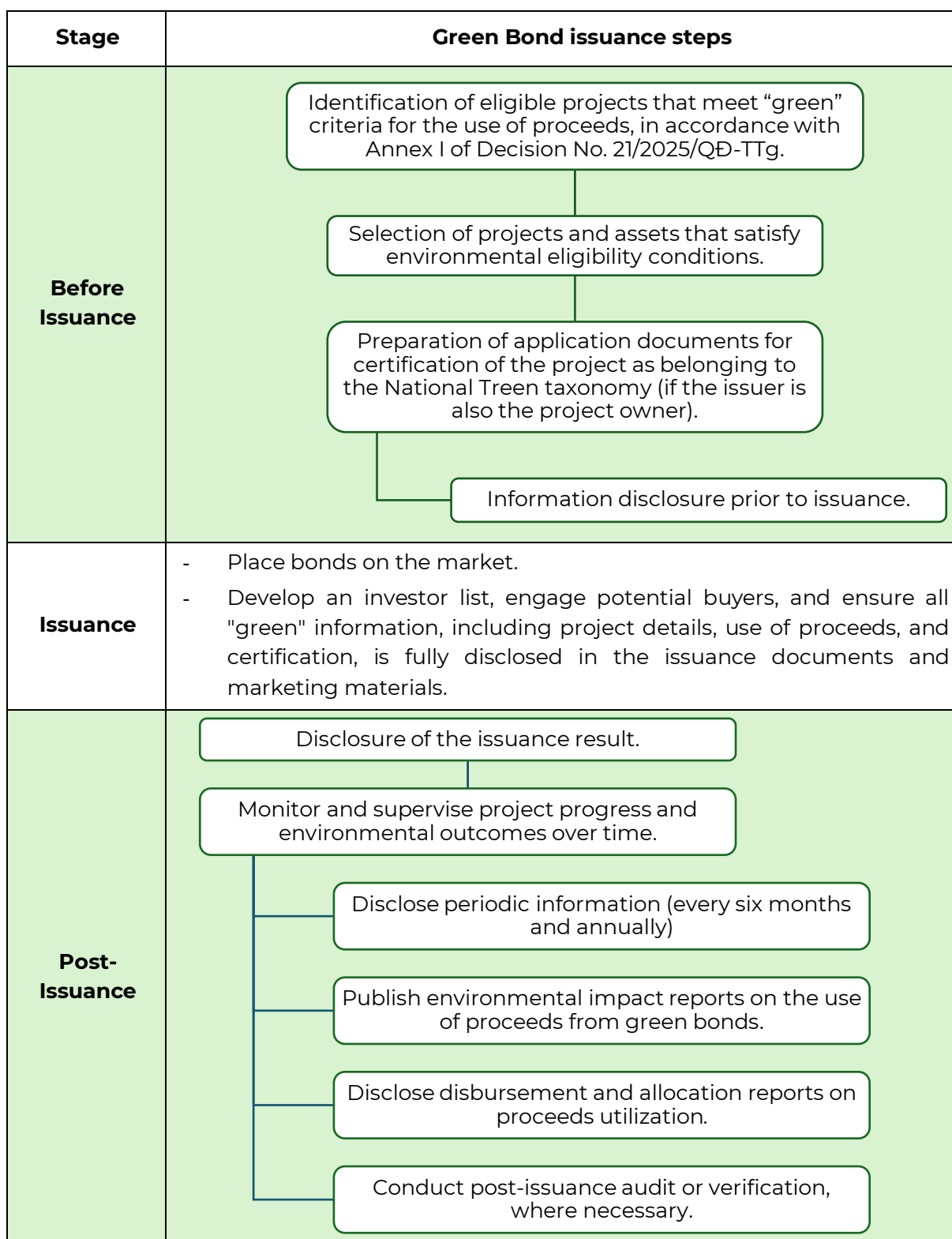
²⁰ Article 21 of Decree No. 153/2020/ND-CP

²¹ Article 157.6 of Decree No. 08/2022/ND-CP

- (c) Disclosure and Reporting on Management and Disbursement of Green Bond Proceeds:

Issuers are required to regularly disclose and report the status of management, allocation, and disbursement of proceeds raised from green bond issuance to ensure transparency and accountability in the use of funds.

5. Green Bond Issuance Steps



6. Incentive Policies for Green Bond Issuers

Green bond issuers and investors are entitled to receive the following incentives:

- (i) Issuers and investors of green bonds are entitled to a 50% reduction in service fees for the registration, listing, listing management, trading, partial cancellation or adjustment of registered securities, and depository of green bonds²²; and
- (ii) Corporate income tax exemption is granted for income derived from green bond interest and from the initial transfer of green bonds post-issuance²³.

FINAL THOUGHTS

The analysis highlights that, although green bonds have gained strong global momentum as an important instrument for mobilizing climate finance, Vietnam's green bond market is still at an early stage of development and has not yet matched either regional progress or the country's own ambitious environmental objectives. This gap stems not from a lack of policy intent but from structural constraints that continue to limit the market's scale, depth, and credibility.

No single solution will suffice, unlocking the full potential of this market requires a cohesive and multi-faceted strategy. This must begin with decisive structural reforms, particularly the full and effective implementation of a clear green taxonomy to provide the certainty that investors and issuers demand. This foundational step must be coupled with targeted capacity building to enhance the capabilities of all market participants, from issuers to verifiers. Furthermore, strategic financial incentives are crucial to stimulate initial market activity and level the playing field with conventional bonds. Underpinning all these efforts must be sustained and unambiguous policy signaling from the government, which reinforces a long-term commitment to a green economy.

Ultimately, the maturation of Vietnam's green bond market is not merely a financial objective but a critical prerequisite for achieving the nation's climate goals and ensuring a sustainable, climate-resilient economic future.

²² Article 3.6 of the Circular No. 83/2024/TT-BTC

²³ Article 4.10 of the Law on Corporate Income Tax 2025

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