

The Andersen logo features a stylized white wing above the word "ANDERSEN" in a white, serif, all-caps font. The background of the entire cover is a satellite image of Earth at night, showing the illuminated landmasses of Asia and Australia against the dark blue of the oceans and the blackness of space.

ANDERSEN®

VIETNAM

Legal and Tax Digest

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Technology & Data Protection

Law No. 91/2025/QH15 on Personal Data Protection in Vietnam ("PDPL"), promulgated on June 26, 2025 and entering into effect on January 1, 2026

The law establishes a robust framework for personal data protection. Personal data protection in Vietnam is currently regulated under Decree No. 13/2023/ND-CP, but this decree is temporary and is not comprehensive. The PDPL was promulgated to overcome these limitations.

Comprehensive legal authority

The PDPL, grounded in the Constitution, establishes comprehensive legal authority over personal data processing, with broad jurisdictional reach covering both domestic and foreign entities, regardless of their physical presence in Vietnam.

- **Data subjects:** (i) Vietnamese citizens and (ii) Vietnamese origin without determined nationality residing in Vietnam.
- **Regulated entities:** Both domestic and foreign companies processing this personal data.
- **Extraterritorial reach:** Includes foreign companies without a physical presence in Vietnam.

Defined personal and sensitive data

- **Personal data:** This now encompasses non-digital forms identifying individuals, rather than just digital forms, as before; anonymized data is explicitly excluded.
- **Sensitive data:** Data tied to privacy (e.g. biometrics, health), will be specified in future government decrees.

Strict consent regulations

- **Requirements:** Data processing requires clear, voluntary, verifiable consent for each type of use.
- **Prohibition:** The information for consent cannot be bundled with the contract terms.
- **Exceptions:** "Legitimate/justifiable" rights of controllers/third parties; agreements with data subjects; or exceptions specified in other laws.

Severe monetary penalties for violations

- Up to 10 times the revenue earned from illegal data trading or VND3 billion (approx. US\$115,000).
- 5% of the prior year's revenue or VND3 billion for cross-border transfer violations.
- VND3 billion for other violations.

Data protection impact assessments and offshore transfer impact assessments

- Household businesses and microenterprises are exempt from having to conduct these unless they are processing sensitive/large-scale data or providing data processing services. SMEs and startups are exempt for a five-year period.

- Offshore transfer impact assessment exemptions apply to state agency transfers, employee cloud data, data subject-initiated transfers, and government-specified cases.
- Data protection impact assessments and offshore transfer impact assessments are required to be updated on a biannual basis or when there are significant changes (e.g. dissolution).

Sector-specific protections

The PDPL also introduces detailed rules that specifically apply to employment (e.g. on deletion of data of candidates not hired, termination of employment), finance, banking, healthcare, insurance, advertising, social media, AI, blockchain, metaverse, and cloud computing.

***Law No.71/2025/QH15 on the Digital Technology Industry**, promulgated to take effect on January 1, 2026, with certain provisions becoming applicable from July 1, 2025.*

The law establishes the country's first comprehensive legal framework for artificial intelligence ("AI") governance, digital asset recognition, and digital technology enterprise development. The entirety of the law is effective from January 1, 2026, with provisions on incentives implemented from July 1, 2025.

AI governance principles

The law establishes foundational principles for the safe and ethical use of AI:

- **Transparency:** AI systems must be transparent about their functionality and decision-making rationale.
- **Accountability:** Developers and operators bear responsibility for legal and ethical compliance.
- **Safety and security:** AI must be designed to prevent harm and misuse.
- **Non-discrimination:** AI must not exhibit biases or discriminatory behavior.

Compliance requirements

AI is categorized into high-risk, high-impact, and non-high-risk groups, with high-risk systems subject to strict technical standards and rigorous monitoring. While all AI systems must be overseen and monitored by humans, there are other key requirements specific to the type of system, such as:

- **Government approval:** Government approval is required for AI applications in sensitive sectors, such as critical infrastructure and law enforcement.
- **Labeling requirement:** For systems that interact directly with humans or generate digital products, clear identification is mandatory.

Digital Asset Classification

The law recognizes two primary categories of digital assets:

- Virtual assets
- Crypto assets

Other digital assets that fall outside of the above two categories also need to comply with this law except for securities and digital forms of legal currency (“**CBDCs**”) which are explicitly excluded from the definition of digital assets.

Compliance requirements

Entities providing digital asset services must meet certain business conditions and obtain the required license to operate.

Specific guidance on the licensing requirements, application procedures, and business conditions is expected to be detailed in government implementing regulations following the law's effective date of January 1, 2026.

Government supervision

The management of digital assets will be closely supervised to ensure cybersecurity, and prevent money laundering, terrorism financing, and the financing of the proliferation of weapons of mass destruction. The supervision authority of digital assets will be introduced in future government decrees.

Incentives and Benefits

The law sets out a number of financial and investment incentives for digital technology activities as below; these entered into effect early, from July 1, 2025.

- **Tax incentives:**
 - Corporate income tax reductions for digital technology enterprises.
 - Special tax treatment for priority projects in technology, semiconductors, AI, and data centers.
 - Tax relief for AI-related research and development activities.
- **Investment support:**
 - Investments in software production, AI, semiconductor chips, and AI data centers may qualify for special incentives.
 - Government funding for technological innovation projects.
 - Investment capital for special digital technology projects.
- **Business development incentives:**
 - Subsidies of up to 50% on technology acquisition and prototype development for domestic startups.
 - Infrastructure investment assistance for SMEs.
 - Priority for digital technology enterprises in public procurement projects.
- **Workforce benefits:**
 - High-quality professionals in the sector will be exempt from personal income tax for five years.
 - Foreign experts will benefit from five-year visas and work permit exemptions.

Amendments to Existing Frameworks

Law No. 90/2025/QH15 issued by the National Assembly on June 25, 2025 amending the following laws: the Law on Investment, the Law on Public-Private Partnership Investment, the Law on Bidding, the Law on Customs, the Law on Export and Import Duties, the Law on Public Investment, and the Law on the Management and Use of Public Property.

This law, which entered into effect on July 1, 2025, introduces a number of reforms to streamline procurement processes, enhance investment incentives, and modernize tax administration across multiple sectors.

AMENDMENTS TO THE LAW ON INVESTMENT

New investment incentive sectors

The law expands preferential sectors to include the following:

- **Science and technology training:** Human resource training in science, technology, innovation, and digital transformation
- **Digital infrastructure:** Large data center infrastructure, cloud computing, 5G+ mobile infrastructure, and other digital infrastructure in strategic technology fields
- **Strategic technology:** Investment in strategic technology fields and production of strategic technology products
- **Innovation and digitalization:** Investment in innovation and digital transformation per science/technology/innovation laws
- **Digital products and services:** Production of digital technology products and provision of digital technology services
- **Environmental sustainability:** Waste collection, treatment, recycling, or reuse, as well as water development, storage, source restoration
- **Railway sector:** Railway transport businesses, railway industry, and railway human resource training

Preferential investment changes

- **Expanded preferential zones:** Industrial zones, export processing zones, high-tech zones, centralized digital technology zones, and economic zones
- **Streamlined approval:** Projects qualify for investment policy approval and investor selection without auction/bidding
- **Fast-track processing:** Projects are eligible for special investment procedures

Flexible establishment procedures for foreign investors

The law offers foreign investors involved in new projects on e-infrastructure, strategic technology sectors/products, and innovation centers more streamlined procedures for business establishment and simplified regulatory processes.

- **Pre-IRC establishment:** Allows foreign investors to establish an entity before obtaining an Investment Registration Certificate.
- **Fast-track option:** They are also eligible for special investment procedures which expedite the approval processes and reduce administrative requirements for qualifying strategic projects.

Restructured authority for investment policy approval

- National Assembly to Prime Minister: Nuclear power plants
- Prime Minister to Provincial People's Committees: Resettlement projects ($\geq 10,000$ people in the mountainous areas $\geq 20,000$ people elsewhere); new airports, runways; international passenger terminals; cargo terminals with capacity of at least 1 million tons/year; new passenger air transport projects; oil/gas processing projects; housing/urban area projects (any scale); Type-I seaport terminals; infrastructure in industrial/export/high-tech/digital zones (newly added)
- Cross-provincial projects: Prime Minister no longer approves; Government to issue specific regulations.

Updated conditional business lines

- **Removed:** Urban railway business is no longer classified as a conditional business requiring special licensing.
- **New additions:** Personal data processing services and services related to crypto assets now subject to conditional business requirements and regulatory oversight.

AMENDMENTS TO THE LAW ON PUBLIC-PRIVATE PARTNERSHIP INVESTMENT

Simplified procedures

- **Remove of pre-feasibility study requirement:** The law eliminates the pre-feasibility study report requirement for projects not under the National Assembly or Prime Minister's investment policy approval authority. Instead, these projects can use an investment policy proposal or proceed directly to a feasibility study report, reducing administrative steps.
- **Exemption from investment policy approval:** No investment policy approval is required for public-private partnership ("PPP") projects without State capital; science, technology, innovation projects; high-tech application projects; operations and maintenance contract projects; or Build-Transfer ("BT") contract projects paid with land funds, simplifying initiation for these categories.
- **Flexible investor selection:** Open bidding is no longer mandatory for all PPP projects. The law permits direct appointment for specific projects:
 - Projects proposed by investors owning/using strategic technology
 - Projects must continue to select investors who have previously established digital infrastructure and platforms to ensure technical compatibility, synchronization, and integration.
 - Projects that need to be expedited for socioeconomic benefits/the national interest, as approved by the competent authorities.

Optional PPP project entity establishment

Investors are no longer required to establish a PPP project entity in cases where:

- The investor is a state-owned enterprise.
- The project uses a BT contract and is a science/technology PPP project.
- The project has a total investment amount equivalent to Group B or C projects under the Public Investment Law.

Expanded business scope

PPP project entities can now engage in business activities beyond the PPP contract scope if:

- Such activities are approved by the lenders;
- Revenue and costs are independently managed/accounted for; and
- The additional activities do not affect PPP contract obligations.

Relaxed restrictions on share/capital contribution transfers

Investors and consortium members can transfer shares/capital contributions to each other or external investors before project construction completion, with relaxed requirements compared to prior restrictions.

AMENDMENTS TO THE LAW ON BIDDING

Procedural simplification

- **Documentation:** The new law streamlines the bidding process by reducing documentation requirements for bidding dossiers and shortening tendering timeframes.
- **Limited role of the bidding party:** The role of the "bidding party" (bên mời thầu) is being phased out. Its responsibilities are transferred to the investor (chủ đầu tư) and the expert team (tổ chuyên gia) to streamline the process and reduce administrative burdens.
- **Appraisal or verification of bidding results:** This is for competitive bidding and direct procurement is removed to shorten project timelines.

Decentralization and autonomy

State-owned enterprises and public service units that are financially self-sufficient can now make their own purchasing decisions for activities not funded by the State budget. Investors and competent authorities are also given more authority to choose the bidding method, such as direct contracting, to speed up project implementation.

Promotion of science, technology, and innovation

The law introduces new provisions to encourage investment in high-tech and digital sectors:

- **Direct contracting:** It expands the application of direct contracting to include the procurement of products resulting from scientific research and the purchase of technology secrets to accelerate digital transformation.

- **Bidding preferences:** It grants bidding preferences to newly established science and technology businesses, high-tech enterprises, and innovation centers. These entities may be exempted from certain requirements related to legal status, experience, and revenue.
- **New bidding methods:** The law allows for the use of "combined technical and price" and "technical-based" evaluation methods for technology, telecommunications, and high-tech-related projects, to ensure quality and prevent the selection of outdated or low-quality technology.

AMENDMENTS TO THE LAW ON CUSTOMS

Eligibility requirements for priorities

- The requirement for a company's IT system to be fully "networked" with customs is replaced with the more flexible "connected or shared" system, to reduce the burden on businesses with proprietary or large data systems.

On-site export and import

- A new article has been added to regulate on-site export and import goods, defining them as goods delivered and received in Vietnam under contracts with foreign traders. These goods are subject to customs procedures but are eligible for a 0% value added tax rate.

Incentives for high-tech industries

- Special customs preferences are extended to entities in the semiconductor, high-tech, and digital technology sectors if they meet specific conditions on internal controls, accounting, and tax compliance.
- This preferential treatment applies to the export and import of goods related to semiconductors, high-tech, and key digital technologies, based on a list to be issued by the Ministry of Science and Technology.

AMENDMENTS TO THE LAW ON EXPORT AND IMPORT DUTIES

The revisions provide significant tax exemptions to support the development of science, technology, and innovation.

Expanded tax exemption

The tax exemption for imported goods used for scientific research and technology development has been broadened to include items for innovation and digital transformation.

New tax-exempt categories

- **Capital assets:** Imported goods that form the fixed assets of investment projects in science, technology, innovation, and digital transformation.
- **Raw materials:** Imported raw materials, components, and parts for manufacturing digital technology products that cannot be produced domestically.
- **Limited-time exemption:** A five-year import tax exemption is granted to science, technology, and innovation organizations for imported raw materials, supplies, and components used in their production activities.

AMENDMENTS TO THE LAW ON PUBLIC INVESTMENT

The revisions focus on the decentralization, simplification, and streamlining of procedures to accelerate the execution of public projects.

Decentralization

The law transfers more decision-making power from the Prime Minister and higher-level authorities to ministers and local People's Committees. This allows for greater flexibility and faster project implementation at the local level. The authority to adjust annual public investment plans is now also decentralized.

Procedural simplification

- The requirement for a separate project proposal for ODA and concessional loans has been eliminated, simplifying the process for these projects and aligning it with domestic investment procedures.
- The investment decision-making process has been streamlined by removing the need for a separate State Appraisal Council for certain projects.
- A new article was added to define and provide a legal basis for special public investment projects (dự án đầu tư công đặc biệt), which can be implemented with a simplified procedure to meet urgent deadlines.

Improved efficiency

- **Legal revenue sources:** A new provision clarifies the use of legal revenue sources, including grants from organizations and individuals, for public investment activities.
- **Capital limits:** A new article sets specific capital limits for public investment projects, enabling ministries and localities to take proactive action without waiting for approval from the central government.

AMENMENTS TO THE LAW ON THE MANAGEMENT AND USE OF PUBLIC PROPERTY

The revisions aim to simplify administrative procedures and provide a new legal framework for specific types of public property.

Simplified management

- The detailed delegation of authority for managing public property has been removed, as this is now governed by the Law on the Organization of the Government and the Law on the Organization of Local Governments.
- The process for managing the revenue from public property sales has been streamlined by allowing the managing agency to directly handle expenses before remitting the remainder to the State budget.
- The authority to handle public assets in special cases is now delegated to the government, replacing the need for case-by-case approval from the Prime Minister.

New legal frameworks for specific types of public assets

- The revisions clarify that public assets resulting from scientific and technological tasks funded by the State are now governed by the Law on Science, Technology, and Innovation, not the Law on the Management and Use of Public Property. This change creates a more specialized legal framework for managing these assets.
- The changes address the issue of revenue shortfalls for public assets managed by entities, allowing for State budget funding to cover deficits.
- The provision allowing the use of public assets to pay for BT projects has been removed, in line with recent legal changes.
- The provision on "land fund exploitation to generate capital for infrastructure development" has been removed, as this is now covered by the 2024 Land Law.

Law No. 96/2025/QH15 dated June 27, 2025 on "Amending the 2024 Law on Credit Institutions"

This law, which enters into effect October 15, 2025, introduces new frameworks for special loans, which are emergency financial assistance provided by the State Bank of Vietnam to credit institutions facing financial difficulties or distress. Under the amendments, these loans will be entitled to preferential terms, including:

- **Interest rate:** The special loans now carry a 0% interest rate per year.
- **Collateral requirements:** The State Bank of Vietnam can now grant special loans with or without collateral.
- **Streamlined procedure:** The Prime Minister's decision-making role in special loan approvals has been removed, streamlining the process under the State Bank's authority.

New collateral seizure rights

Credit institutions, foreign bank branches, and bad debt purchasers/managers can seize collateral when guarantors fail to hand over collateral for liquidation.

Labor

Decree No. 158/2025/ND-CP dated July 1, 2025 issued by the Government on "Compulsory Social Insurance"

This decree, which replaces Decree No. 115/2015/ND-CP, introduces significant updates to Vietnam's social insurance ("SI") framework, as highlighted below.

Expanded participants in compulsory social insurance

The decree broadens participants to include:

- Household business owners (phased approach: tax declarers from July 1, 2025; registered households from July 1, 2029).

- Entity managers who do not receive a salary if they meet specific criteria (e.g. have a labor contract, or public officials).
- Foreign employees under contracts of 12 months or longer.

New term: “reference level” (Mức tham chiếu)

This new term is introduced with the intention to replace the "base salary" (a benchmark used by the state to set minimum wages and social insurance) as the benchmark for calculating social insurance benefits. Initially, its value will be the same as the base salary. However, once the base salary is abolished, the government will adjust the Reference Level based on factors like economic growth and inflation.

Clarified salary bases for contributions

Under the decree, the salary basis for part-time employees includes the agreed monthly wages (calculated by hour/day/week worked as applicable). It excludes allowances fluctuating with productivity, work process, or quality. For managers, the basis is their compensation as allowed by laws; foreign currency wages are to be converted using the average buying rates announced by 4 State-owned commercial banks as of January 2 for the first 6 months of the year and July 1 for the last 6 months of the year.

Retirement regime for mixed voluntary/compulsory SI participants

For individuals who participated in voluntary social insurance before January 1, 2021, and have at least 20 years of participation, the retirement age is 60 for men and 55 for women.

*Decree No. 219/2025/ND-CP dated August 7, 2025 issued by the Government on “**Foreign Workers in Vietnam**”*

This decree, which replaces Decree 152/2020/ND-CP (as amended by Decree 70/2023/ND-CP), introduces significant updates to work permit processes for foreign employees.

Streamlined process for the foreign labor demand report

The report on the demand for foreign labor is now merged into the work permit application, eliminating the required separate process.

Simultaneous processing with criminal record certificate

Employers can submit work permit and criminal record applications online simultaneously via the National Public Service Portal. Both are transferred to the respective authorities, with digital results returned together, streamlining the process.

Reduced experience requirements for experts

Experts now need:

- A bachelor's degree or higher; and
- At least two years of relevant experience (at least one year for specialized fields like science, technology, innovation, digital transformation, or priority socioeconomic sectors), (the previous requirement was at least three years of experience).

Expanded work permit exemptions

Exemptions have been expanded to apply to 15 situations with more clarity in the regulations.

Key changes include:

- **Short-visit exemptions:** An exemption now applies to foreign employees working less than 90 days in one calendar year (previously the exemption was for those working less than 30 days per visit). Notification to the competent authority in writing at least three working days before the foreign employee's expected start date is still required.
- **New exemptions:** Employees in priority sectors (finance, science, technology, innovation, digital transformation, socioeconomic development) as confirmed by the relevant ministries or provincial committees, are now exempt from work permit requirements.

Company Establishment

*Decree No. 168/2025/ND-CP dated July 1, 2025 issued by the Government on “**Enterprise Registration**”*

This decree, which replaces Decree No. 01/2021/ND-CP, introduces significant updates to Vietnam's enterprise registration framework.

Simultaneous processing and reduced timelines

Entities can submit a single application to register, update, or correct registration information. Procedures like capital changes, beneficial ownership updates, or certificate reissuance are to be processed within one working day, minimizing disruptions.

Electronic declaration and authentication

Individuals must declare personal details (e.g. name, ID number) and consent to data sharing with the National Population Database. Electronic authentication (e.g. biometrics, OTP) is mandatory for authorized persons, with strict responsibility for accuracy. Non-compliance may lead to application rejection.

Reorganized business registration agencies

The two-tier model is as follows:

- **Provincial:** Registration authority for most businesses shifts to the Department of Finance; High-Tech Zone Management Boards handle registrations in high-tech zones.
- **Commune/Ward:** Economic or Economic-Infrastructure-Urban Divisions (under the Commune People's Committee) issue household business certificates and manage data.

Beneficial ownership disclosure

Entities must declare individuals who own 25% or more of capital/voting shares or control key decisions (appointment, dismissal, or removal of managerial or executive positions, amendment of the company's charter, changing of the entity's internal management structure, reorganization or dissolution of the entity). In addition, entities are also responsible for

maintaining and updating ultimate beneficial ownership information throughout the course of their operations.

Registration of non-VSIC business lines

It is now confirmed that entities can register non-VSIC business lines (businesses that are not on the Vietnam Standard Industrial Classification List) not prohibited by law. This clarifies previous ambiguities where the regulation mentioned the right of entities to register a business line that is not included in the VSIC, but the wording was incomplete, which resulted in the authority's approach of "considering adding the proposed business line" when these applications come up or just rejecting it.

Disclosure of M&A transaction actual value

The decree also amends Decree No. 31/2021/ND-CP guiding the Law on Investment, and requires the inclusion of the contents of the actual M&A transaction value when applying for M&A approval, instead of the previously required estimated value. This may pose challenges for transactions with fluctuating values (e.g. earn-outs), as applications are often submitted before transaction closure.

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