



SPECIAL LEGAL UPDATE

LATEST UPDATES ON INVESTMENT INCENTIVES IN DA NANG HI-TECH PARK AND FREE TRADE ZONE, VIETNAM



DSEZA

Innovation Hub - Sustainable Development

Prepared in collaboration with
Da Nang Specific Economic Zones Authority



The enactment of Law No. 57/2024/QH15 and Decree No. 19/2025/NĐ-CP has rolled out the red carpet for investors with faster, simpler procedure and shorter timeline towards strategic investment into cutting-edge industries like hi-tech and innovation – making Vietnam in general and Da Nang in particular one of the most favourable investment environments in Asia.

In the implementation of Resolution No. 136/2024/QH15 issued by National Assembly of Vietnam, Da Nang is currently launching a Free Trade Zone – the 1st management model ever in Vietnam with the state-of-art solutions in land access, tax incentives and customs barrier removal. The city is aiming to be the next technological hub in AI and semiconductors in Asia – “a sweet deal” for investors looking for investment opportunities and expansion of supply chain.

These regulatory advancements align Vietnam with global investment trends, enhance procedural clarity and operational speed for capital deployment. For Da Nang, the synergy of national and regional policies creates a fertile ground for high-value projects, allowing it to capitalize on a market primed for growth.



SPECIAL INVESTMENT PROCEDURES

- Law No. 57/2024/QH15 dated November 29, 2024 (“Law 57/2024”) on the amendment and supplementation of the Law on Planning, the Law on Investment, the Law on Investment under a Public-Private Partnership Model, and the Law on Bidding
- Decree No. 19/2025/NĐ-CP dated February 10, 2025 (“Decree 19/2025”) on Special Investment Procedure under the Law on Investment

Law 57/2024 introduces special simplified investment procedure for businesses involved in development of innovation and research and development (“**R&D**”) centers, or in high-tech and semiconductor industry that are **located in industrial parks, export processing zones, hi-tech parks, or economic zones**. One of the key new features is that the time period for new businesses to receive an **investment registration certificate** is set at **15 calendar days** since the date a complete application is submitted.

Decree 19/2025 further elaborates on this new feature. Notably, it limits the project conformity assessment to construction planning only, rather than requiring review of land use, industrial development, or environmental protection, which are normally part of the process.

However, the decree does require that the investors commit to complying with regulations on construction, environmental protection, and fire prevention, and

such commitment will be included in the investment approval that will be sent to the relevant governmental management departments for future evaluation.

In addition to the expedited investment registration certificate process, other procedural enhancements have been introduced with respect to licensing for construction, environmental protection, and fire prevention—resulting in a reduction of total administrative processing time up to 260 days.

LAND MANAGEMENT IN DA NANG

Directive No. 06/CT-UBND dated December 4, 2024 on Enhancement of Land Management in Da Nang

This directive sets out a number of measures aimed at more efficient land allocation procedure in Da Nang, including:

- The acceleration of land allocation, leasing, and Land-Use Right Certificate processes for ongoing projects.
- The strict assessment and management of the 1/500 (detailed, large scale) planning and guidance to investors in compliance with planning adjustment.
- The promotion of the recently enacted 2024 Land Law and related regulations to raise awareness among citizens, officials, and organizations about their roles and responsibilities in land management.

- The review and revision of outdated legal documents, and the introduction of flexible, consistent policies to address gaps in the current regulations.
- Regular updating of the land database to facilitate the early detection of violation, and the introduction of firm enforcement measures to handle improper land leases and recover financial obligations.

DA NANG PRIORITIZES STRATEGIC INVESTORS AND INVESTMENT IN THE FREE TRADE ZONE

Resolution No. 136/2024/QH15 dated June 26, 2024 entered into force from **January 1, 2025** on the Organization of Urban Government and the Pilot Implementation of Specific Regulations and Policies for the Development of Da Nang

This resolution prioritizes attracting strategic investors in high-value sectors, including investments in innovation and R&D centers (with a value from VND 2 trillion, approximately USD 80 million), semiconductor and hi-tech industries (with a value from VND 4 trillion, approximately USD 160 million), infrastructure for the functional areas within the Da Nang Free Trade Zone (with a value from VND 3 trillion, approximately USD 120 million), inland waterway tourism (with a value of from VND 8 trillion, approximately USD 320 million), and the expansion of Lien Chieu Seaport project (with a value of from VND 45 trillion, approximately USD 1,800 million). These areas emphasize the focus on technology, infrastructure, and tourism to drive economic growth. Besides satisfying the minimum charter capital requirement, investors must also demonstrate prior experience on comparable projects with a specified total investment value.

Incentives for such strategic investors include a 150% deduction of actual R&D expenses in their corporate income tax calculation as well as prioritized customs and tax procedures for project-related imports and exports. In addition, strategic investors in AI, semiconductors, IT, innovation, and R&D could opt for state land leases with a one-time rental payment for the entire lease term.

The resolution also contemplates the establishment of the Da Nang Free Trade Zone to be associated with the Lien Chieu Seaport. It will include four functional areas — **Production-Logistics Zone, Trade-Service Zone, Digital Technology Industry and Innovation Zone** and **Other Functional Zone**.

Investment projects in the Da Nang Free Trade Zone will benefit from tax incentives and land rent reductions. Entities with investment projects in the zone will also receive preferential customs treatment for export and import activities when they meet the conditions prescribed by law. These incentives have been submitted to the Minister of Finance for an assessment.



DA NANG AS AN INVESTMENT DESTINATION

Da Nang, the largest city in central Vietnam, is a major port city. Over the past several decades, it has registered impressive growth, and continued to develop into a cutting-edge center for innovation, trade, finance, logistics, hi-tech industries, supportive industries, and information technology.

On December 11, 2024, the Municipal People's Committee meeting highlighted Da Nang's positive economic growth in 2024, with its gross regional domestic product estimated to have increased by 7.51% year-on-year, ranking second among municipal cities in Vietnam. Key growth sectors include services, tourism, and industrial production.

Da Nang's future expansion strategy will prioritize projects in Free Trade Zone, as well as the development of the Da Nang Hi-Tech Park. It will also prioritize projects involving the production of chips, biosensors, and integrated circuits, as well as projects on aviation, space technology, design technology, robot manufacturing, and mechanical manufacturing for the oil and gas and wind power sectors.

Recent legislation changes in Vietnam are also paving the way for Da Nang to attract more strategic investments.

DA NANG HI-TECH PARK

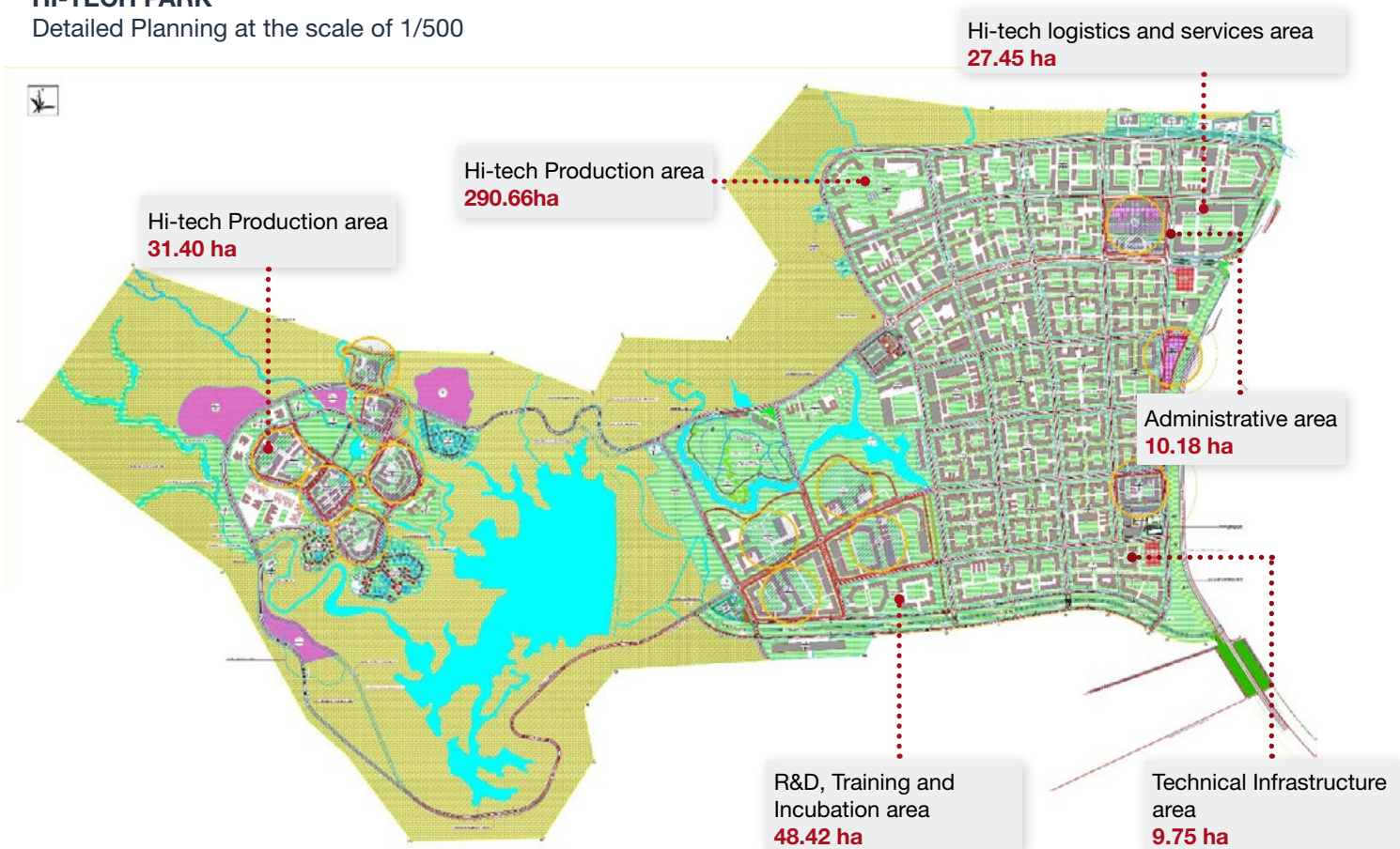
As one of the three hi-tech parks in the country, and the only one in Central Vietnam, the Da Nang Hi-Tech Park, located in Hoa Vang District's Hoa Lien Commune, has been identified as of significant importance to positioning Da Nang as a hi-tech center. Investment projects in the park will benefit from tax and land rental fee incentives alongside well-developed infrastructure and abundant human resources.

Conclusion No. 79-KL/TW of the Central Steering Committee dated May 13, 2024 on the Continuation to implement the Resolution No. 43-NQ/TW on the Building and Development of Da Nang to 2030 with a Vision to 2045 is also oriented to continuing to expand the Da Nang Hi-tech Park along with urban areas and satellite services to become a complex of modern urban and hi-tech.

With the readiness of infrastructure, human resources, and investment incentive policies, the authorities will concentrate on attracting investors in hi-tech fields, particularly microchip semiconductors, to expand production in clean industries that provide high added value.

HI-TECH PARK

Detailed Planning at the scale of 1/500



TECHNICAL INFRASTRUCTURE IN HI-TECH PARK

POWER SUPPLY

Power station 110kV



TELECOMMUNICATION

- High quality transmission line
- Smooth connection and information security



WATER SUPPLY

Hoa Trung water plant
20.000m³ / day.night



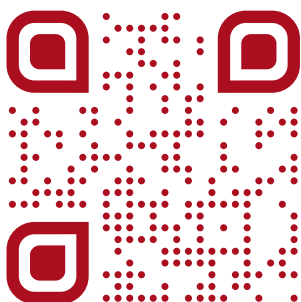
WASTE WATER TREATMENT PLANT

18.000m³ / day.night



NOTABLE INVESTMENT PROJECTS

- **Aviation:** Aerospace Industry – Universal Alloy Corporation (Singapore – USD 170 million); KP Aero Factory (Korea – USD 20 million)
- **Medical field:** ICT VINA (Korea – USD 257 million)
- **Electronics Manufacturing:** Foxlink Electronics Factory (USD 135 million)



**SEE LIST OF HI-TECH PRIORITIZED FOR
DEVELOPMENT INVESTMENT
AND LIST OF HI-TECH PRODUCTS ENCOURAGED
FOR DEVELOPMENT**

<https://s.id/18vrb>

ATTRACTIVE INVESTMENT INCENTIVES

LAND RENT EXEMPTION INCENTIVE

DURING CONSTRUCTION	AFTER THE CONSTRUCTION PERIOD
Exempt for up to 3 years	Exempt for the entire leasing period to projects of: <ul style="list-style-type: none">• Hi-tech application prioritized for development investment regulated by the Prime Minister of Vietnam;• Hi-tech production encouraged for investment promotion regulated by the Prime Minister of Vietnam;• Hi-tech incubation and hi-tech enterprise incubation; and• Hi-tech research and development.

CORPORATE INCOME TAX INCENTIVE

- Tax rate of **10%** for **15 years*** from the first year the enterprise generates revenue
- Tax exemption for **4 years** from the first year the enterprise has taxable income or the fourth year from the first year of generating revenue, whichever is earlier; and
- Tax reduction of **50%** for the **next 9 years**

** Projects with a value from VND 3,000 billion, approximately USD 120 million: 10% for 30 years, and exemption for compensation and land clearance*

YEAR	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
	Tax exemption														
Tax rate					5%										
														10%	

Note: for clarity, the above diagram assumes that the project generates taxable income in the same year as its revenue.



OTHER INVESTMENT INCENTIVES IN DA NANG HI-TECH PARK

1

Tax Exemption for Fixed Asset Imports

Import to create fixed assets for data center projects in the Da Nang Hi-Tech Park is exempt from import tax. Eligible items include:

- Machinery, equipment, component, parts, and materials used to manufacture or assemble machinery, equipment and components, etc.
- Specialized transport vehicles integrated into the technological production process.
- Construction materials not yet produced domestically.

This exemption applies to both new investment projects and expansion projects, facilitating scalability and technological upgrades.

2

Five-Year Tax Exemption for Production Inputs

Raw materials, supplies, and components not yet produced domestically, imported for the production activities of data center projects, are exempt from import tax for a period of **five years** from the commencement of production.

3

Tax Exemption for Research and Development (R&D)

Import of machinery, equipment, spare parts, specialized materials, and scientific documents not yet produced domestically, used directly for scientific research, technology development, technology incubation, science and technology enterprise incubation, or technological innovation, are exempt from import tax.

4

Immigration

Investors, experts, and workers who are Vietnamese residing abroad or foreigners working directly in the Da Nang Hi-Tech Park, along with their family members (defined as parents, spouses, and natural or adopted children under 18 years old), could be eligible for **multiple-entry visas**, with validity periods aligned with the purpose of entry. This provision ensures ease of mobility for key personnel and their families, supporting the operational needs of data center projects.

DATA CENTER PROJECTS classified as hi-tech service providers under Decree No. 10/2024/ND-CP dated 1 February 2024 and Decision No. 38/2020/QĐ-TTg dated 30 December 2020, are eligible for special investment procedure under Decree No. 19/2025/NĐ-CP dated 10 February 2025.

Such data center projects in the Da Nang Hi-Tech Park may also qualify for CIT incentives, land rent benefits, import tax exemptions and immigration benefits aforementioned under Decree No. 04/2018/NĐ-CP dated 4 January 2018.

DA NANG FREE TRADE ZONE

This soon-to-be first free trade zone in the country will be linked to the Lien Chieu Seaport and have a total planned area of 1,500 hectares. The free trade zone will include four main functional zones:



Production – Logistics Zone, comprising: manufacturing industries applying modern, advanced technology, following the green industrial model and creating high added value; multimodal logistics services and related accompanying support in a modern direction, applying digital technology and automation, creating high added value.



Trade-Service Zone, comprising: high-quality, international-class commercial and service activities: duty-free business, cross-border e-commerce, trade promotion, etc.; tourism services (entertainment, betting, etc.); high-quality education and health services; ancillary services and warehousing.

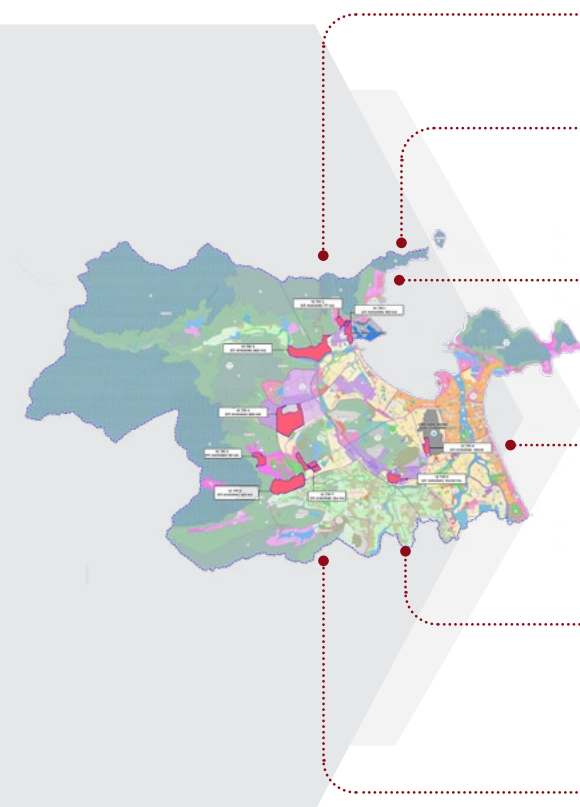


Digital Technology Industry and Innovation Zone, comprising: digital technology clusters (information technology and new technologies, artificial intelligence, big data, cloud computing, internet of things, blockchain, etc.); cross-border e-commerce; trade finance services and financial technology (fintech).



Other Functional Zone, comprising: related support services (providing office space for rent, housing, accommodation services, restaurants, sports services, entertainment services, exhibitions, etc.).

INVESTMENT INCENTIVES AND SUPPORT POLICIES FOR ALL INVESTORS



■ Duration of investment project operation up to 70 years

■ Foreign investors are not required to have an investment project or to undergo the procedures for issuance or adjustment of the Investment Registration Certificate prior to an entity establishment

■ Exemption and reduction on land rent for projects in construction and operation of infrastructure functional zones are similar to regulations applicable to economic zones.

■ Corporate income tax incentives:

- Tax rate of 10% for 15 years
- Exemption for the first 4 years, reduction of 50% for the next 9 years

■ Tax incentives for goods and services traded within functional zones of the Free Trade Zone (“FTZ”); between other domestic areas and foreign entities within functional zones of the FTZ are similar to regulations applicable to non-tariff zones in economic zones

- Incentives on tax, land, credit, accounting are similar to incentives for projects in economic zones
- Priority customs treatment

INVESTMENT INCENTIVES FOR STRATEGIC INVESTORS

Priority treatment for customs and tax procedures for the project’s exported and imported goods

Allowed deduction of 150% of actual R&D expenses from taxable income for corporate income tax calculation purposes



ANDERSEN VIETNAM ADVISORY HOTLINE DEDICATED TO DA NANG

For over a decade, Andersen Vietnam has been a trusted partner for businesses and investors navigating the dynamic business and regulatory landscape of Vietnam. With our extensive experience and deep-rooted presence in the country, our teams provide a comprehensive suite of legal and tax advisory services designed to meet the needs of both domestic and international clients.

From structuring complex transactions to optimizing investment incentives, we provide end-to-end guidance to ensure compliance, efficiency, and maximized returns.

Andersen Vietnam has built a reputation for seamlessly integrating legal and fiscal strategies, enabling investors to confidently establish and grow their presence in this vibrant market.

In line with our commitment to support and contribute to the economic growth of the country, Andersen Vietnam proudly collaborates with regional authorities in Da Nang.

We have formalized this partnership through a cooperation Memorandum of Understanding signed with **Danang Hi-Tech Park and Industrial Zones Authority (DHPIZA) (currently, Da Nang Specific Economic Zones Authority (DSEZA))** in January 2025, underscoring our dedication to supporting investors targeting this region. By leveraging our expertise in local regulations, tax frameworks, and incentive programs specific to Da Nang, we help clients unlock the full potential of their investments while ensuring alignment with regional development goals.

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To further enhance our support for investors in Da Nang, Andersen Vietnam has established a dedicated **legal and tax advisory hotline**. This service offers direct access to our team of experts, providing personalized advice on market entry, incentive optimization, and compliance matters. For a complimentary initial consultation, please **email** us or reach out via **Zalo**, or call us at **+84 708 283 668**. Terms and conditions apply.

At Andersen Vietnam, we pride ourselves on being more than just advisers—we are strategic partners invested in your success. Our team stands ready to assist with the insight and precision you need to thrive in this competitive landscape. Contact us today to discover how we can support your next venture in Vietnam.

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