

# Legal Alert

June 2025

## New Resolution on International Financial Centre (IFC) in Vietnam promulgated on 27 June 2025 by the National Assembly

At the closing meeting of the National Assembly's 9<sup>th</sup> session on 27 June 2025, the Resolution on the International Financial Centre (IFC) in Vietnam was passed. This introduces a completely new scheme to support our national leadership's ambitions, enabling the development of rapidly growing cities like Ho Chi Minh City and Da Nang City to compete with other major IFCs globally.

The mechanism will take effect from 01 September 2025. Introduced in the draft Resolution No. 32 dated 27 June 2025 and presented for the National Assembly's approval, some key highlights include:

- **IFC Member Requirements:** Entities eligible for applying for recognition as IFC members include (i) financial institutions, investment funds, or companies recognized in the Fortune 500 list at the time of registration or their direct parent companies, and (ii) the top ten inbound financial organizations in terms of charter capital. Other than that, only qualified organizations and financial institutions with competitive financial strengths and alignment with the IFC's development direction are eligible to register as members.

By becoming an IFC member, organizations will gain special privileges such as setting up holding companies, receiving foreign funding through periodic reporting schemes without stringent licensing procedures, having foreign loans which are not counted toward the national debt, and the right to adopt IFRS in lieu of VAS, etc.

- **Trading Exchanges:** The IFC will facilitate the trading of commodities and commodity derivatives, carbon credits, cultural and artistic products, precious metals, green financial products, and other new products as demanded from time to time.
- **Currency:** Transactions between IFC members and foreign entities, conducted within Vietnam's territory, can be made in foreign currency.
- **Incentives:** (i) IFC members will benefit from a corporate income tax rate of 10% for 30 years, with an exemption for up to 4 years and a 50% reduction for up to the subsequent 9 years for encouraged business sectors; and a corporate income tax rate of 15% for 15 years, with an exemption for up to 2 years and a 50% reduction for up to the subsequent 4 years for other sectors. (ii) Experts working in the IFCs are exempt from personal income tax on their salaries for the work performed in IFC until 2030. (iii) Share transfers and transfers of capital contribution rights may be exempted from personal income tax until 2030.
- **Work Permits:** Visas and temporary residence cards with a validity of up to 10 years will be issued for key investors, experts, managers, and highly skilled workers employed by companies operating in IFCs, along with waivers of work permits for foreign employees.
- **Land Incentives:** Investment projects in encouraged sectors within the IFC may be allocated or leased land for a maximum term of 70 years, with a land use term of 50 years for other sectors.

The Government will soon issue a decree to facilitate the implementation of this Resolution.

This new Resolution is a landmark initiative designed to significantly elevate Vietnam's economic standing. By outlining a competitive legal framework with preferential policies and streamlined investment procedures, the Resolution aims to attract a strong inflow of foreign capital and major financial institutions. This strategic move is expected to not only transform Vietnam into a regional hub for capital mobilization and financial services but also to accelerate the development of a modern, transparent, and innovative financial ecosystem.

If you have any questions or require any additional information, please contact Ms. Bui Thi Thanh Ngoc – Partner or Ms. Nguyen Thi Thuy Dung – Associate Director, [KPMG Law in Vietnam](#).

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