

# Legal Update

July 2025

Recently, the National Assembly of Vietnam has passed many important laws that directly impact business operations, notably the amendments to the Law on Investment, the Law on Credit Institutions, the Law on Enterprises, the Law on Bidding, etc. In this Legal update, we would like to present the notable new points that have been amended and supplemented in the Law on Investment and the Law on Credit Institutions.

## 1. Key provisions supplemented to the Law on Investment

The Law on Investment is amended and supplemented by Law No. 90/2025/QH15, which was passed by the National Assembly of Vietnam on 25 June 2025, and will take effect from **1 July 2025**, with the following notable changes:

### a) *New policies to encourage investment in the fields of science, technology, innovation, and digital transformation*

In order to continue creating an outstanding scheme to attract investment projects in the fields of science, technology, and innovation, the Law on Investment has added many new policies, particularly:

- Supplementing many business activities in the field of science, technology, and innovation into the list of sectors eligible for investment incentives, specifically:
  - (i) Investment in building big data center infrastructure, cloud computing infrastructure, mobile infrastructure from 5G and above, and other digital infrastructure;
  - (ii) Investment in the field of strategic technology, manufacturing strategic technology products as decided by the Prime Minister<sup>1</sup>;
  - (iii) Investment in the field of innovation and digital transformation according to the regulations of the law on science, technology, and innovation;
  - (iv) Training human resources in the fields of science, technology, innovation, and digital transformation;
  - (v) Producing digital technology products, providing digital technology services.
- Adding the “concentrated digital technology zone”<sup>2</sup> into areas eligible for investment incentives, besides the existing special purpose zones, i.e., industrial zones, export-processing zones, hi-tech zones and economic zones.
- Supplementing investment projects, including both new and expansion ones, engaging in the business activities (i) and (ii) above into the group of investment projects entitled to special investment incentives according to the Government decisions, provided that such project has a total investment capital of VND3,000 billion or more, and disburses at least VND1,000 billion within 3 years from the date of issuance of the Investment Registration Certificate (IRC) or approval for investment policy **[A]**.

<sup>1</sup> The list of strategic technologies and the production of strategic technology products is issued under Decision No. 1131/QĐ-TTg dated 12 June 2025, by the Prime Minister, specifically comprising 11 groups: (1) Artificial intelligence, digital twins, virtual reality/augmented reality; (2) Cloud computing, quantum computing, big data; (3) Blockchain technology; (4) Next-generation mobile network technology (5G/6G); (5) Robotics and automation technology; (6) Semiconductor chip technology; (7) Advanced biomedical technology; (8) Energy and advanced materials technology; (9) Rare earth, ocean, and underground technology; (10) Cybersecurity; and (11) Aviation and aerospace technology.

<sup>2</sup> Concentrated digital technology zone” is defined in the Law on Digital Technology Industry 2025.

- Additionally, investment projects entitled to special investment incentives also include *investment projects for the production of key digital technology products, research and development projects, design, manufacturing, packaging, and testing of semiconductor chips, projects for building artificial intelligence data centers in accordance with the laws on digital technology industries*, which have a total investment scale of VND6 trillion or more, and must disburse at least VND6 trillion within 5 years from the date of issuance of the IRC or approval for investment policy.
- Simplifying administrative procedures and expediting the investment progress of projects engaging in the business activities (i) and (ii) above by permitting foreign investors to establish economic organizations (companies) to implement investment projects **prior to** undertaking the procedures for the issuance or adjustment of the IRC. This process is different from that applied to normal investment projects for which the foreign investors must complete the investment registration procedure and obtain the IRC before they can establish the company.
- Extending the duration of investment projects for building infrastructure in high-tech zones, centralized digital technology zones, high-tech industrial zones, and those eligible for special investment incentives mentioned in point **[A]** above from 50 years to a maximum of 70 years.

**b) Newly added conditional business activities:**

The Law on Investment has supplemented “Activities providing services related to tokenized assets” to the conditional business activities. This supplementation aims to align with the legal provisions on “digital assets” (including “tokenized assets”) in the Law on Digital Technology Industry, which was approved on 14 June 2025. This new provision also aligns with the international trends and practices by acknowledging and regulating tokenized assets. Concurrently, it aims to implement Decision No. 194/QĐ-TTg of the Prime Minister on the National Action Plan to fulfill Vietnam’s Government’s commitments in combating money laundering, terrorist financing, and the proliferation of weapons of mass destruction.

Additionally, the Law on Investment also supplements “Personal data processing services” into the list of conditional business activities, aligning with the recent legislation on personal data protection. With this new regulation, the activities of personal data processing, which inherently has many risks due to factors related to anonymity, technology, and cybersecurity, will be subject to stricter control.

## 2. Key provisions supplemented to the Law on Credit Institutions

The law amending and supplementing several articles of the Law on Credit Institutions was approved by the National Assembly of Vietnam on 27 June 2025, and will take effect from **15 October 2025**.

The most significant provision added to Law on Credit Institutions this time is the right of credit institutions, foreign bank branches, and debt trading and handling organizations to seize collateral for non-performing loans, especially in cases where the asset holder fails to hand over assets as scheduled/agreed. There are three major issues concerning this right that are addressed in the amended Law: the conditions, the involvement of local authorities, and the mechanism for controlling the right of credit institutions seizing collateral.

- **Regarding the conditions for collateral seizure:** Collateral can be seized when the following conditions are met:
  - (i) In the event of the enforcement of secured asset as stipulated in the Civil Code (i.e., the obligated party fails to perform or improperly performs the obligation when due; or when the obligor is required to fulfill the secured obligation ahead of schedule due to a breach of obligation as per the agreement or legal provisions);
  - (ii) The security agreement includes provisions regarding the right to seize the secured asset;

- (iii) Security for the performance of obligations has come into effect against third parties;
- (iv) The secured asset is not subject to dispute in the case that has been accepted by the court; is not subject to any provisional emergency measures imposed by the court; is not under distraint or subject to enforcement measures; and is not subject to temporary suspension of handling under the provisions of bankruptcy law;
- (v) The secured asset to be seized must meet the conditions stipulated by the Government;
- (vi) Credit institutions, foreign bank branches, or debt trading and handling organizations has fulfilled their obligation of information disclosure as prescribed, specifically:
  - **For real estate:** public announcement at least 15 days before the date of seizure by posting information on the organization's website; sending a notification document to the People's Committee, local police at the commune level, and to the guarantor, the person holding the collateral; and posting at the office of the People's Committee at the commune level where the guarantor registered their address according to the security contract and the office of the People's Committee at the commune level where the collateral is located;
  - **For movable property:** public announcement prior to the seizure by posting information on the organization's website; and sending a written notice to the People's Committee, the local police, the secured party, and the person holding the secured asset.

Based on these regulations, credit institutions, foreign bank branches, and debt trading and handling organizations must establish their own internal regulations on the procedures for seizing secured assets.

- **Regarding the involvement of local authorities:** The commune-level People's Committee and the commune-level local police agency where the seizure of secured asset takes place are responsible for ensuring security, public order, and social safety during the asset seizure process. The involvement of local authorities is expected to help mitigate conflicts as well as enhancing compliance of credit institutions and local residents during the process.
- **Regarding the mechanism for controlling the right of credit institutions to seize assets:** During the process of seizing secured assets, credit institutions, foreign bank branches, debt trading and handling organizations, and authorized organizations for seizing secured assets must not employ measures that violate legal prohibitions or against social ethics.

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