

# Tax Alert

January 2025

## DECREE 182/2024/ND-CP ON THE ESTABLISHMENT, MANAGEMENT, AND USE OF THE INVESTMENT SUPPORT FUND

According to the policy approved by the National Assembly in Resolution 110/2023/QH15 dated 29 November 2023, in the context of Vietnam applying the Global Minimum Tax rule from 1 January 2024, the Government issued Decree 182/2024/ND-CP (“Decree 182”) on 31 December 2024, regarding the establishment, management, and use of the Investment Support Fund (“the Fund”). This fund aims to stabilize the investment environment, encourage and attract strategic investors, and support enterprises in specific prioritized fields.

Decree 182 takes effect on 31 December 2024 and applies starting from the fiscal year 2024.

Noteworthy points of the Decree are summarized as follows:

### 1. Eligible enterprises and conditions to apply for investment support payment

Enterprises	(a) High-tech enterprises	(b) Enterprises with high-tech products manufacturing projects	(c) Enterprises with high-tech application projects	(d) Enterprises with investment projects in research and development centers (“R&D”)
<b>Conditions on Minimum Capital Scale or Minimum Annual Revenue</b>	<p>Enterprises must achieve a minimum investment capital of VND12,000 billion, or a minimum annual revenue of VND20,000 billion.</p> <p>Some typical cases:</p> <ul style="list-style-type: none"> <li>For enterprises investing in the chip industry, semiconductor integrated circuits, and artificial intelligence (“AI”) data centers: A minimum investment capital of VND6,000 billion, or minimum annual revenue of VND10,000 billion is required;</li> <li>For high-tech enterprises, enterprises with investment projects for producing high-tech products, and enterprises with projects applying high technologies where such technologies or products are listed as breakthrough high technologies or high-tech products prioritized for research and development by the Prime Minister: Conditions of either investment capital or annual revenue are not required.</li> <li>For enterprises with microchip design projects: Condition of either investment capital or annual revenue are not required. However, enterprises must commit to employing at least 300 Vietnamese engineers and managers after 5 years of operation in Vietnam and annually support Vietnam in training at least 30 high-quality engineers in the field of microchip design.</li> </ul> <p>The minimum revenue condition is the revenue that meets the conditions of the high-tech enterprises, high-tech application projects, and high-tech product manufacturing projects in the fiscal year applying for support payment.</p>			<p>Minimum investment capital VND3,000 billion</p>
<b>Conditions on the deadline for completing the disbursement of minimum investment capital</b>	<p><i>Investment projects granted with Investment Registration Certificates, Investment Policy Approval Decisions, or Investor Approval Decisions (collectively referred to as “investment license”) from 31 December 2024</i></p> <ul style="list-style-type: none"> <li>To disburse VND12,000 billion within 05 years or VND10,000 billion within 03 years from the original investment license issuance date.</li> <li>To disburse VND6,000 billion within 05 years or VND4,000 billion within 03 years from the original investment license issuance date, applicable to investment projects in chip industry, semiconductor integrated circuits, AI data centers.</li> </ul> <p><i>Investment projects whose registered investment capital has not reached the minimum level of VND12,000 billion before 31 December 2024 but adjusted to increase investment capital from 31 December 2024 to reach the minimum level of VND12,000 billion or VND6,000 billion for the chip industry, semiconductor integrated circuits, AI data centers:</i></p>			<p>VND1,000 billion within 03 years from the date of investment license issuance.</p>

	<ul style="list-style-type: none"> <li>If the increased investment capital is less than VND10,000 billion: To disburse VND10,000 billion within 03 years from the issuance date of the amended investment license.</li> <li>If the increased investment capital is from VND10,000 billion or more: To disburse VND12,000 billion within 05 years from the issuance date of the amended investment license.</li> </ul> <p>Investment projects in the fields of the chip industry, semiconductor integrated circuits, AI data centers:</p> <ul style="list-style-type: none"> <li>If the increased investment capital is less than VND4,000 billion: To disburse VND4,000 billion within 03 years from the issuance date of the amended investment license.</li> <li>If the increased investment capital is from VND4,000 billion or more: To disburse VND6,000 billion within 05 years from the issuance date of the amended investment license.</li> </ul> <p><i>Investment projects granted with investment licenses before 31 December 2024 with registered investment capital of at least VND12,000 billion or VND6,000 billion for the chip industry, semiconductor integrated circuits, AI data centers but have not completed disbursement:</i></p> <ul style="list-style-type: none"> <li>To disburse according to the registered timeline of the investment licenses or</li> <li>To disburse VND12,000 billion, or VND6,000 billion for investment projects in the chip industry, semiconductor integrated circuits, and AI data centers within 05 years from the issuance date of the original or latest amended investment license before 31 December 2024.</li> </ul> <p><i>Investment projects with registered investment capital of at least VND12,000 billion or VND6,000 billion for the chip industry, semiconductor integrated circuits, AI data centers, granted with investment licenses before 31 December 2024 and completed disbursement: Be entitled to apply for investment support payment.</i></p>	
<b>Compliance conditions</b>	No overdue tax debts or state budget debts at the time of application submission.	

## 2. Investment Support Policies

### (i) Cost Support

The Fund provides direct cash grant for the following cost items:

Items of cost support	Training and human resource development costs	R&D costs	Investment costs for forming fixed assets	High tech product manufacturing costs	Investment costs for social infrastructure projects	Other cases
<b>Subject</b>	All eligible enterprises as aforementioned	All eligible enterprises as aforementioned, excluding enterprises with R&D center investment projects	All eligible enterprises as aforementioned, excluding enterprises with R&D center investment projects	All eligible enterprises as aforementioned	All eligible enterprises as aforementioned	As decided by the Government
<b>Support level</b>	Maximum 50% of the actual expenses incurred in the fiscal year on human resource development training activities for Vietnamese workers.	Depending on the total actual R&D costs spent in the fiscal year, enterprises will be supported at progressive rate on the R&D costs incurred, specifically: <ul style="list-style-type: none"> <li>High-tech enterprises, enterprises with high-tech application projects: from 20% to 30%.</li> <li>Enterprises with R&amp;D center investment projects: from 10% to 20%.</li> <li>Enterprises with high-tech product manufacturing investment projects: from 1% to 10%.</li> </ul>	The enterprise will receive support payment at a progressive rate calculated on the historical cost of the newly acquired fixed assets, but it will not exceed 0.5% of the total investment capital, specifically: <ul style="list-style-type: none"> <li>High-tech enterprises, enterprises with high-tech application projects: from 8% to 10%.</li> <li>Enterprises with high-tech product manufacturing investment projects: from 1% to 3%.</li> </ul>	<ul style="list-style-type: none"> <li>High-tech enterprises, enterprises with high-tech application projects: from 1% to 3% of the added manufacturing value of high-tech products in the fiscal year;</li> <li>Enterprises with high-tech product manufacturing investment projects: from 0.5% to 1% of the added manufacturing value of high-tech products in the fiscal year.</li> </ul>	Maximum 25% of actual costs incurred and expended during the fiscal year.	

### (ii) Initial Investment Support

Enterprises with investment projects in R&D centers in the semiconductor and AI that meet specific criteria and conditions may receive support of up to 50% of the project's initial investment cost, or other support levels as decided by the Government.

### 3. Principles for applying investment support policies

- Enterprises self-declare and are responsible for the documentation applying for investment support payment. In case of violations, enterprises must reimburse the granted support payment, interest, and administrative penalties.
- Each eligible enterprise and eligible project are supported for a maximum period of 5 years unless extended by the Prime Minister's decision.
- If an enterprise is eligible to apply for support payment from the Fund and another fund or other supports from the Government for the same cost support item, the enterprise can only choose one type of support unless otherwise regulated by the Government or decided by the Prime Minister.
- If an enterprise is simultaneously eligible to apply for cost or initial investment support, it can only choose one type of support.
- Support payment received from the Fund is not subject to Corporate Income Tax.

### 4. Procedures and timeline to apply for investment support payment

- Before 10 July of the following year, enterprises must apply as prescribed to the designated Receiving Agency. Based on the enterprise's application, the investment support request will be further processed by the Fund's Executive Agency, the Fund Management Council, and the Government, respectively.
- The Government would review and decide on the total investment support amount for the enterprise.

Please contact KPMG for further consultancy on any related issues you are concerned about.

## Contact us

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