



Journey to 2030

Vietnam's Next Growth Cycle

KPMG in Vietnam

October 2026

Abbreviations

Common abbreviations used throughout the report.

Abbr.	Full term	Abbr.	Full term
AI	Artificial Intelligence	IED	Import and Export Duties
APA	Advance Pricing Agreement	IFC	International Financial Center
ASEAN	Association of Southeast Asian Nations	IFRS	International Financial Reporting Standards
B2C	Business-to-consumer	IICA	Investment Capital Account
BEPS	Base Erosion and Profit Shifting	IP	Industrial Park
BESS	Battery Energy Storage System	IRC	Investment Registration Certificate
BLT	Business License Tax	ISF	Investment Support Fund
BRO	Business Registration Office	JETP	Just Energy Transition Partnership
C/O	Certificate of Origin	JSC	Joint Stock Company
CAGR	Compound Annual Growth Rate	JSCB	Joint Stock Commercial Bank
CASA	Current Account & Savings Account	KER	Key Economic Region
CAT	Capital Assignment Tax	LLC	Limited Liability Company
CBAM	Carbon Border Adjustment Mechanism	LLR	Loan-Loss Reserve
CbCR	Country-by-Country Reporting	M&A	Mergers & Acquisitions
CEPA	Comprehensive Economic Partnership Agreement	MAE	Ministry of Agriculture and Environment
CIT	Corporate Income Tax	MAP	Mutual Agreement Procedure
CPTPP	Comprehensive and Progressive Agreement for Trans-Pacific Partnership	MIC	Ministry of Information and Communications
DICA	Direct Investment Capital Account	MLI	Multilateral Instrument
DOF	Department of Finance	MNE	Multinational Enterprise
DPPA	Direct Power Purchase Agreement	MOF	Ministry of Finance
DTA	Double Taxation Agreement	MOST	Ministry of Science and Technology
DTI	Digital Transformation Index	NIM	Net Interest Margin
EFTA	European Free Trade Association	NSO	National Statistics Office of Vietnam
EPZ	Export Processing Zone	p/a	per annum
ERC	Enterprise Registration Certificate	PDP8	Power Development Plan VIII
ESG	Environment, Social and Governance	PDPD	Personal Data Protection Decree
ETR	Effective Tax Rate	PIT	Personal Income Tax
EVFTA	European Union-Vietnam Free Trade Agreement	PPP	Public-Private Partnership
EZ	Economic Zone	PSRD	Program on Socioeconomic Recovery and Development
FCT	Foreign Contractor Tax	QDMTT	Qualified Domestic Minimum Top-up Tax
FDI	Foreign Direct Investment	R&D	Research & Development
FMCG	Fast-Moving Consumer Goods	RO	Representative Office
FTA	Free Trade Agreement	SBV	State Bank of Vietnam
GDP	Gross Domestic Product	SI	Supporting Industry
GDPR	General Data Protection Regulation	SOCB	State-Owned Commercial Bank
GII	Global Innovation Index	SST	Special Sales Tax
GMT	Global Minimum Tax	UKVFTA	Vietnam-UK Free Trade Agreement
GRDP	Gross Regional Domestic Product	VAS	Vietnamese Accounting System
GTCI	Global Talent Competitiveness Index	VAT	Value Added Tax
HCMC	Ho Chi Minh City	VIFC	Vietnam International Financial Center
HR	Human Resource	WTO	World Trade Organization

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01

Executive summary

Vietnam grew 8.2% in the first half of 2026, its fastest start in fifteen years. Here, that is the floor, not the finish line. The 10% target demands a pace the country has never sustained.

The momentum is real. Registered FDI jumped 61% to US\$34.65 billion. Trade is heading past US\$1 trillion. In September 2026, FTSE Russell's upgrade opened the door to a new tier of global capital. Long Thanh opens in December 2026, and the IFC is open for business. Resolution No. 10 has also made the message explicit: Vietnam now wants better investment, not just more of it.

For investors, the question has changed. It is no longer where to build a factory, but where to place technology, R&D and capital.

The risks are just as real:

- Concentration: three countries supplied 80% of new FDI, and the North took 81%.
- Funding: US\$1.5 trillion is needed by 2030, 78% of it private, while bank margins thin.
- Power: 7-8 GW of new capacity is needed every year to keep pace.
- A cautious consumer: retail sales rose 12.9% in nominal terms but only 7.3% in real terms.
- External pressure: swings in US tariffs, tighter scrutiny of origin, the first CBAM bills in 2027, and a Global Minimum Tax that blunts incentives.
- Tougher enforcement: new penalty regimes for social insurance, data and cybersecurity.

None of this is a reason to wait. It is a reason to be precise: choose locations on power and talent, build local supply chains early, and treat compliance as a license to operate.

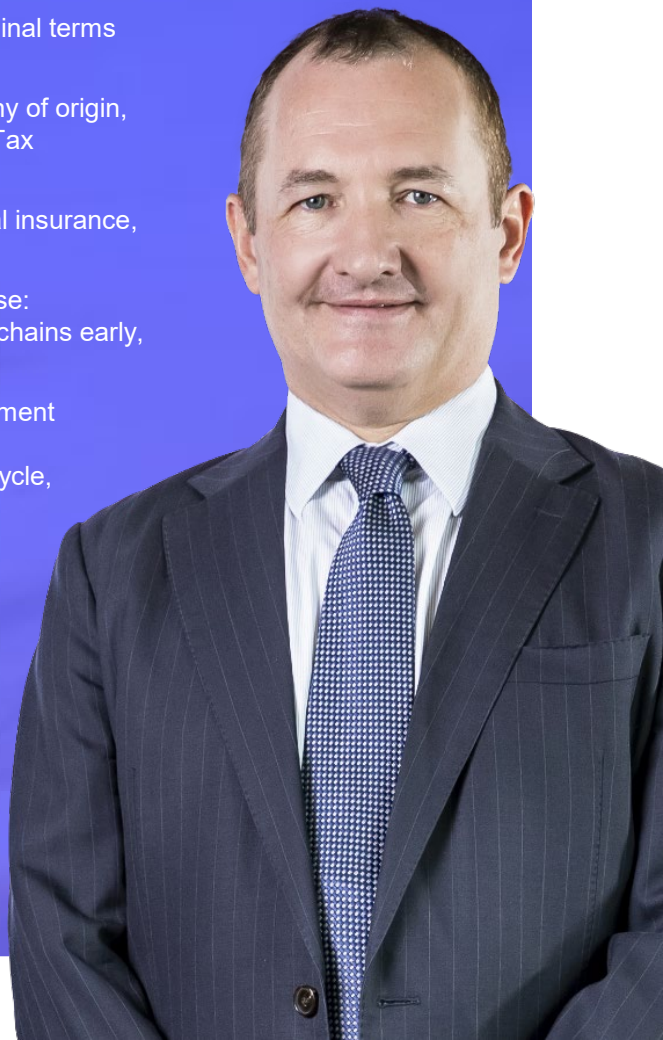
That is where KPMG works every day, alongside government and business leaders, turning policy into practice.

This report is our honest read of Vietnam's next growth cycle, and our invitation to be part of it.



Warrick Cleine MBE

Chairman and CEO
KPMG in Vietnam and Cambodia

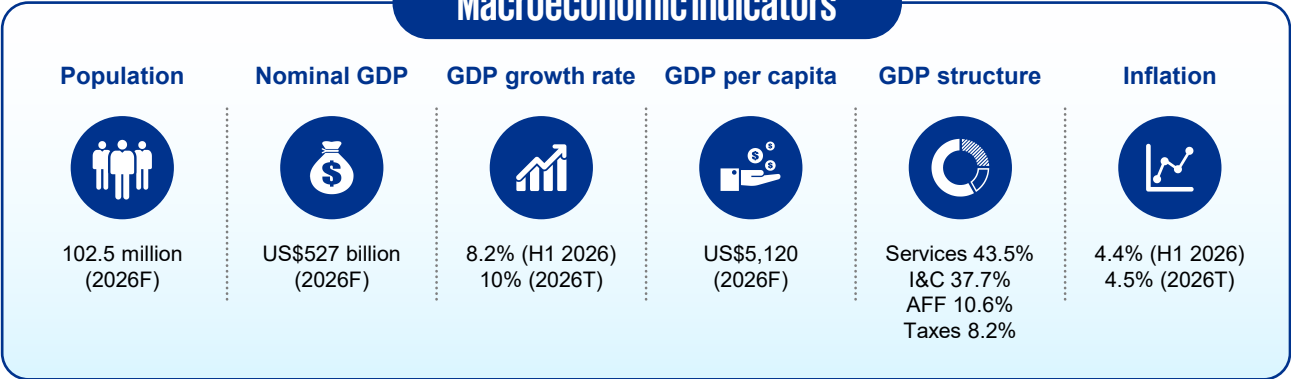


The background of the slide is a photograph of a large steel truss bridge at night. The bridge is illuminated by warm yellow lights, and long-exposure light trails from vehicles are visible on the road surface, creating streaks of red and white. A large, semi-transparent blue number '2' is overlaid on the right side of the image.

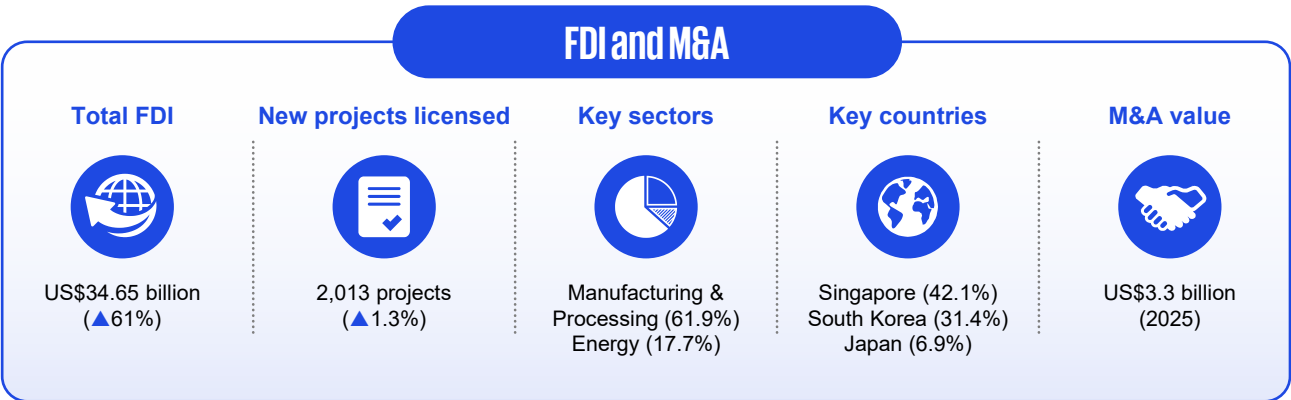
Vietnam macro-economic update

Country Overview

Macroeconomic indicators



FDI and M&A



Territory attractiveness



Legend: F – Forecast; T – Target; I&C – Industry & construction; AFF – Agriculture, forestry & fishery; Taxes – Taxes less subsidies on products

All values are actual values for the first half of 2026 (H1 2026), unless otherwise specified.

Growth rates represent year-over-year changes for H1 2026 against the same period last year.

Source: Economist Intelligence Unit (EIU); Ministry of Finance (MoF); Capital IQ, VIR, KPMG Analysis; WTO and International Trade Center; National Statistics Office of Vietnam (NSO); Ministry of Construction

Vietnam: Leading the regional GDP expansion

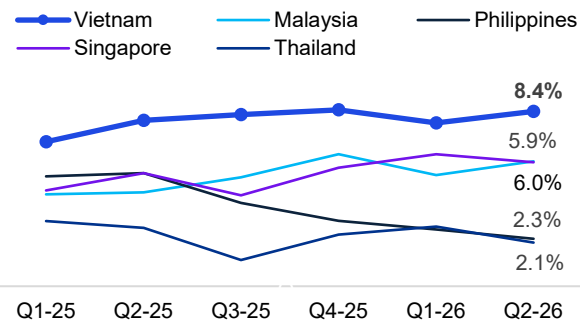
In the first six months of 2026, Vietnam's GDP expanded 8.2%, the highest first-half growth rate in 15 years, supported by a recovery across all three economic sectors. However, achieving the ambitious full-year target of 10% requires historic acceleration and managing challenges in the second half.

1. INDUSTRY DYNAMICS & REGIONAL BENCHMARK

Vietnam's resilience stood out in the face of a challenging global economy, reaching approximately US\$514 billion in 2025 with a robust growth rate of 8.02%.

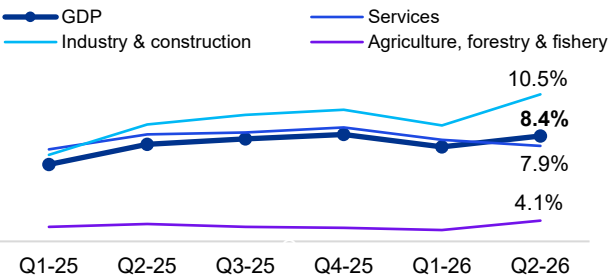
The country's first-half growth leads the region through robust manufacturing output and resilient services.

GDP growth of selected ASEAN countries (%)



Source: NSO, EIU

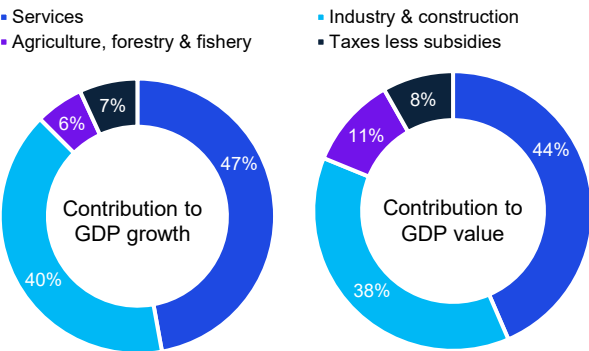
Vietnam's quarterly GDP growth by sector (%)



Source: NSO

While industry leads the current expansion, this balanced structure reinforces Vietnam's position as a top investment hub, combining a strong export base with a massive domestic consumer services pillar.

Vietnam's economic structure, H1 2026 (%)



Source: NSO

2. AMBITIOUS GROWTH TARGETS

Based on the National Assembly's April 2026 Resolution, Vietnam's core macroeconomic indicators are as follows:

≥10%

Average GDP growth per year in the next five years (2026-2030)

US\$8,500

GDP per capita by 2030

Top 30

of the world's largest economies by GDP by 2030

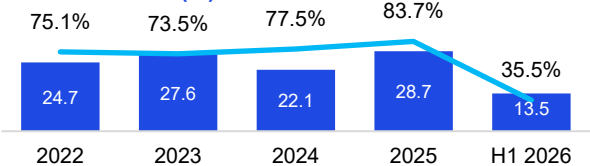
Source: Vietnamese Government

3. INTERNAL ECONOMIC PILLARS

Vietnam's total public investment disbursement plan for 2026 is a record US\$41 billion. The government aims to disburse over 95% of this assigned capital total to support national economic growth targets.

Transport infrastructure development remains one of the government's top priorities in public investment, as accelerating the construction of strategic infrastructure will support long-term economic growth.

Public disbursement value (US\$ billion) & Plan fulfillment (%)



Source: Ministry of Finance

On the consumption side, 26% of the population is expected to enter the middle-class category by the end of 2026.

Furthermore, Vietnam's official upgrade to an upper-middle-income economy has affirmed its long-term growth trajectory. This milestone, coupled with the burgeoning middle-class, provides a stronger foundation for domestic consumption, thereby fueling the service sector expansion.

Upper-middle-income countries in Southeast Asia

Country	Joining year	GNI per capita, 2025 (US\$)
Malaysia	1992	12,380
Thailand	2011	7,690
Indonesia	2020	5,360
Vietnam	2026	4,970
Philippines	2026	4,850

Upper-middle-income threshold: US\$4,636 – US\$14,375

Source: World Bank, Country income classifications FY2027 (01 July 2026)

Navigating the demographic transition

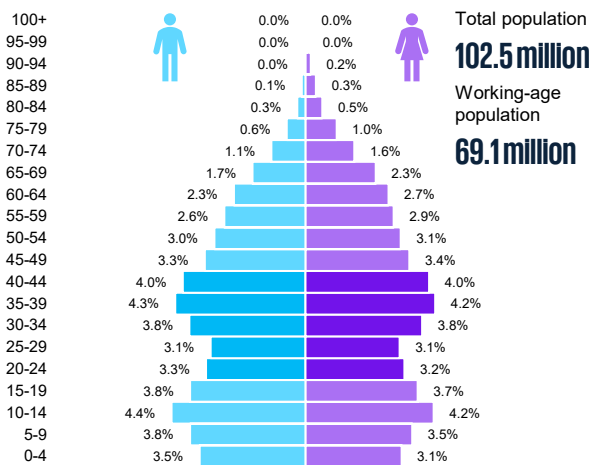
While Vietnam faces an accelerating aging trend, its large workforce remains relatively young and highly cost-competitive compared to regional peers. Rapid labor migration out of agriculture continues to unlock fresh, skilled human capital for high-value manufacturing and service sectors.

1. DEMOGRAPHIC LANDSCAPE IS EVOLVING

While Vietnam’s long-term demographic base is beginning to narrow, its current labor market still offers a promising investment opportunity.

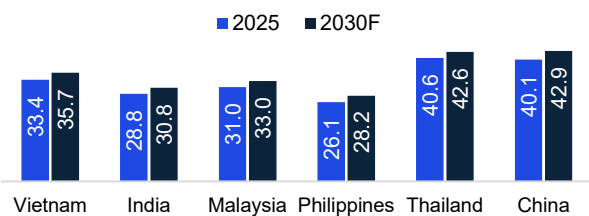
Over two-thirds of the population remains within the working-age bracket, characterized by a massive, highly active core of workers aged 20-45.

Vietnam’s population, 2026F



Source: populationpyramid.net

Median age in selected Asian countries



Source: World Economics

With a median age of 33.4 years, Vietnam offers a significantly younger, more dynamic workforce than key regional manufacturing rivals like China and Thailand.

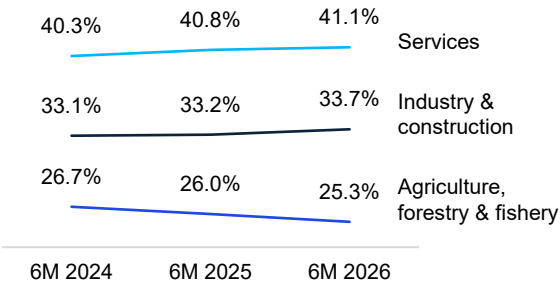
2. STRUCTURAL SHIFTS UNLOCKING SUPPLY

The workforce structure is shifting progressively in alignment with national industrialization and modernization goals.

Labor within the services, industry and construction sectors continues to expand in both volume and proportion, while agricultural, forestry and fishery employment gradually declines.

The multi-year labor shift directly secures a steady, adaptable talent pipeline for emerging manufacturing and service hubs, fueling the transition toward higher-value economic output.

Vietnam’s labor distribution by sector



Source: National Statistics Office

3. POLICY INTERVENTION

For foreign investors seeking a dynamic and skilled workforce, Vietnam is an increasingly attractive destination.

In the first six months of 2026, the labor situation in Vietnam showed some positive signs of growth.

29.7% Trained labor with degrees or certificates (▲0.8 percentage points year-on-year)

61.9% Informal employment rate (▼2.0 percentage points year-on-year)

Source: National Statistics Office

The growing share of certified trained labor paves the way for deeper integration into higher-value digital and high-tech manufacturing chains.

At the same time, policy focus is shifting toward formalizing the economy and lowering the informal employment rate through expanded social security coverage and business registration incentives.

Future implications

Short-term:

- The large 20-45 age cohort drives volume growth in FMCG, private education, and urban real estate.
- Ongoing migration from agriculture to manufacturing offsets early aging pressures.

Medium-term:

- Vietnam approaches its transition into an “aged society”, tracking the historical paths of China and South Korea.
- Rising median age forces industries to shift from low-cost assembly to high-tech and high-value industries.
- Consumer demand shifts from volume to quality, boosting premium healthcare, wellness, and wealth management.

Vietnam's trade value reached a record high

In the first six months of 2026, Vietnam's total trade turnover reached an all-time high, representing a 27.1% increase year-on-year. This performance included double-digit growth across both exports and imports, positioning the country's annual trade to potentially surpass the historic US\$1 trillion mark.

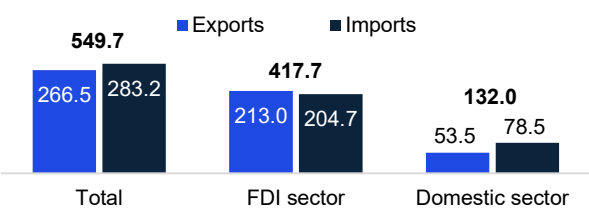
1. TRADING OF GOODS – OVERVIEW

In 2025, Vietnam ranked 18th globally among the world's largest exporting economies, with exports of US\$473 billion.

In H1 2026, Vietnam's total trade turnover reached US\$549.7 billion, a 27.1% year-on-year surge. The US\$16.7 billion trade deficit was primarily due to rising imports of production-related goods rather than consumer products, signaling a proactive approach to secure inventory to meet future market demand.

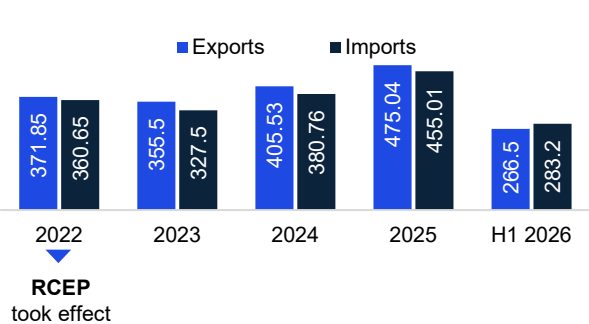
Crucially, the FDI sector drove 76% of total trade, posting a US\$8.3 billion surplus that partly offset the domestic sector's US\$25.0 billion deficit.

Trade turnover by sector, H1 2026 (US\$ billion)



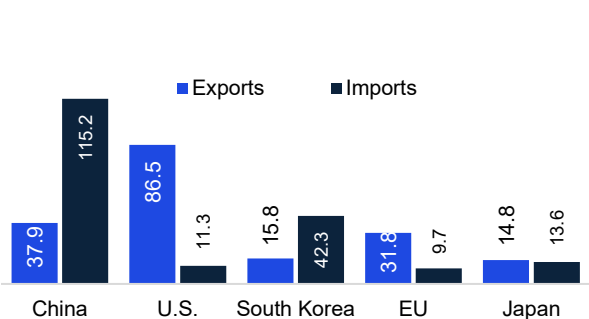
During the 2026-2030 period, Vietnam's trading activities are projected to continue growing, but the pace may gradually stabilize compared to the rapid growth period of 2024-2025.

Trade turnover over the years (US\$ billion)



China maintained its position as Vietnam's top import source and a primary destination for agricultural exports. Meanwhile, the U.S. continued as Vietnam's single largest export market, generating major turnover despite logistical cost headwinds.

Top trading partners, H1 2026 (US\$ billion)



Source: World Trade Organization, NSO, Customs Department

2. HIGH-GROWTH INDUSTRIES

The new growth phase will be driven primarily by high-tech sectors, green manufacturing, and the digital economy. Electronics and components are poised to dominate both exports and imports, while traditional manufacturing sectors see slower growth amid rising competition.

Top export commodities, H1 2026 (US\$ billion, % y-o-y growth)



Top import commodities, H1 2026 (US\$ billion, % y-o-y growth)



Source: NSO, Customs Department

3. EXPORT ACCELERATION TO MEET TARGETS

US\$546 - 550 bn Vietnam's full-year export revenue target for 2026, representing a projected annual growth of 15-16%.

Against a backdrop of persistent uncertainty in global commerce, the Government is implementing a broad range of measures to strengthen export growth during the remainder of the year:

Streamlining administrative procedures

- Decision No. 771/QD-BCT revises and abolishes 36 administrative procedures, with a strong focus on simplifying certificates of origin (C/O).
- New guidelines align Vietnam with modern international standards by allowing domestic traders to self-certify the origin of goods within ASEAN.
- Circular No. 12/2026/TT-BCT removes outdated provisions and aims to improve transparency and consistency in trade governance.

Maximizing Free Trade Agreement (FTA) benefits while accelerating the conclusion of new ones

- Decision No. 771/QD-BCT directly targets preferential and non-preferential C/Os under major FTAs, such as those with ASEAN, China, South Korea, Japan, CPTPP, RCEP and the UK, to utilize tariff incentives.
- Vietnam has recently completed negotiations on an FTA with the European Free Trade Association, opening additional opportunities for exporters.

Source: NSO, Customs Department, Ministry of Industry and Trade

FTAs are Vietnam's launch pad for trade

Vietnam's deep integration across 18 regional and global trade pacts delivers unmatched supply chain resilience for multinational investors. By combining rising FTA utilization rates with over 80 tax treaties, foreign operations achieve immediate cost optimization across major consumer corridors.

1. OVERVIEW

Vietnam's current extensive network of 18 Free Trade Agreements (FTAs) positions the country as a premium, highly competitive destination for global commerce and foreign investment.

By bridging regional ASEAN ties with major international trade partnerships, Vietnam has transformed into both a vital gateway to a booming market of 700 million people and a premier global export hub.

FTAs in effect in Vietnam, October 2026

- 2026 — Vietnam – EFTA (VEFTA)
- 2026 — Vietnam – UAE
- 2024 — Vietnam – Israel (VIFTA)
- 2022 — RCEP (ASEAN+5)
- 2021 — Vietnam – UK
- 2020 — Vietnam – EU (EVFTA)
- 2019 — CPTPP (TPP11)
- 2019 — ASEAN – Hong Kong
- 2016 — Vietnam – Eurasian Economic Union
- 2015 — Vietnam – South Korea (VKFTA)
- 2014 — Vietnam – Chile
- 2010 — ASEAN – Australia-New Zealand (AANZFTA)
- 2010 — ASEAN – India (AIFTA)
- 2009 — Vietnam – Japan (VJEPA)
- 2008 — ASEAN – Japan
- 2007 — ASEAN – South Korea
- 2003 — ASEAN – China (ACFTA)
- 1993 — ASEAN

Source: WTO and International Trade Center

Comparison with selected Asian countries, 2026

FTA with/between	Vietnam	Malaysia	Thailand	Philippines	Indonesia	Cambodia	China
ASEAN	✓	✓	✓	✓	✓	✓	✓
ASEAN – China	✓	✓	✓	✓	✓	✓	✓
South Korea	✓	✓	✓	✓	✓	✓	✓
Japan	✓	✓	✓	✓	✓	✓	-
ASEAN – India	✓	✓	✓	✓	✓	✓	-
ASEAN – Australia-New Zealand	✓	✓	✓	✓	✓	✓	-
Chile	✓	✓	✓	✓	✓	-	✓
CPTPP	✓	✓	-	-	○	-	-
EU	✓	○	○	○	✓	-	-
EAEU	✓	○	○	-	✓	○	-
UK	✓	✓	-	-	-	-	-
RCEP	✓	✓	✓	✓	✓	✓	✓
Israel	✓	-	○	✓	-	-	○
UAE	✓	✓	○	✓	✓	✓	○
EFTA	✓	✓	✓	✓	✓	-	-
ASEAN – Canada	○	○	○	○	○	○	-

Legend ✓ Ratified ○ In negotiation

Source: WTO and International Trade Center

Furthermore, international corporate structures are optimized by Vietnam's extensive footprint of 80+ Double Taxation Agreements, which potentially reduce double taxation subject to treaty eligibility and procedural requirements.

2. TRADE DEALS FULFILL PROMISE

These integrated trade channels do not just lower import-export barriers; they actively accelerate Vietnam's transition from a low-tech manufacturing base into an advanced high-tech production hub for machinery, vehicles, and electronics.

FTA utilization, July 2026

- >1.2 million** certificates of origin had been issued under various FTAs.
- Nearly US\$ 100 billion** in export value was covered, enhancing the price competitiveness of qualifying Vietnamese exports on global shelves compared to non-FTA nations.
- 30-50% utilization rate** of FTA tariff preferences with some agreements, such as the EVFTA, the AIFTA, and the AANZFTA.

Source: Ministry of Industry and Trade

Past & future implications

Regional manufacturing engines:

3rd fastest-growing manufacturing & electronics destination in Asia, achieved through regional integration.

92-100% of tariffs are eliminated for Vietnam under the expansive Asia-Pacific frameworks (RCEP & CPTPP).

US\$94.5 billion two-way trade in 2025, tripling since VKFTA took effect. This achievement lifted Vietnam from South Korea's eighth-largest trading partner to its third-largest.

Global high-margin gateways:

US\$383.8 billion was generated during just the first six years of implementing the EVFTA (August 2020 to June 2026), accounting for 42.6% of two-way trade between Vietnam and the EU since 1995.

50% of EU businesses operating in Vietnam reported benefiting directly from EVFTA tariff preferences.

The largest non-oil trading partner in the ASEAN region of the United Arab Emirates is Vietnam, with bilateral trade hitting US\$16.05 billion in 2025 (up 27.4% y-o-y).

New FTAs The formal ratification and execution of the VEFTA, Vietnam-UAE CEPA and VIFTA immediately unlock brand new, low-tariff export channels.

Source: NSO, Customs Department, Ministry of Finance, EuroCham

Vietnam cements its position as a key FDI hub

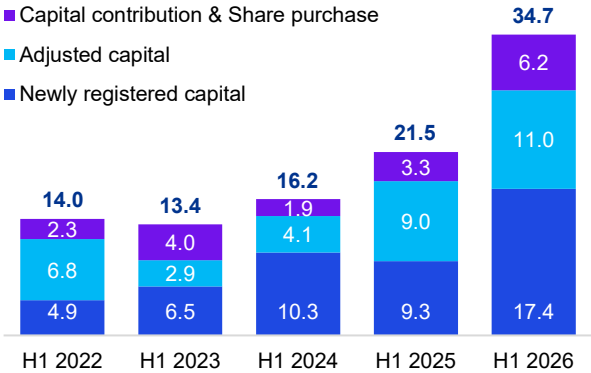
Vietnam’s foreign direct investment (FDI) has surged to record-breaking levels in the first half of 2026, driven by a concentration of capital into key sectors and regional hubs. Analyzing these patterns allows investors to easily identify high-growth zones and make optimized asset-allocation decisions.

1. H1 2026 RESULTS REACH RECORD LEVELS



In the first half of 2026, Vietnam attracted US\$34.65 billion in foreign investment, representing a 61% year-on-year surge. Newly registered capital accounted for US\$17.39 billion across 2,013 projects, reflecting a yearly increase of 1.3% in project volume and a substantial 87.2% jump in capital value.

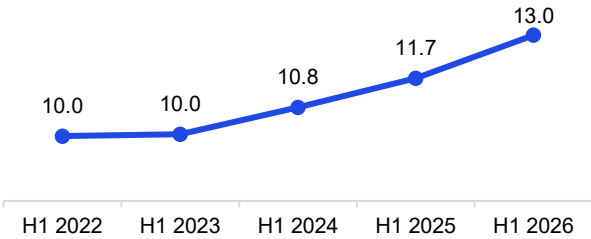
Total registered FDI in Vietnam (US\$ billion)



Source: Ministry of Finance

FDI disbursed in Vietnam was estimated at US\$13.03 billion in the first six months of 2026, up 11.2% year-on-year and hitting the highest first-half disbursement level in five years.

FDI disbursement in Vietnam (US\$ billion)

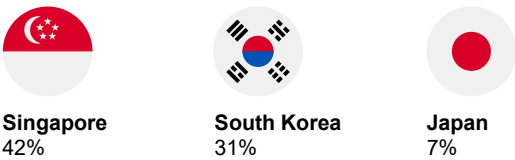


Source: Ministry of Finance

2. TOP PERFORMERS

During the first half of 2026, Vietnam hosted active investments spanning 85 countries and territories, with Asian partners maintaining their multi-year dominance. Of the 63 nations registering new projects, the top three investors accounted for a remarkable 80% of the total capital.

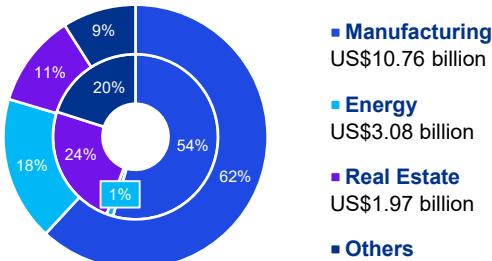
Newly registered FDI by country, H1 2026



Source: Ministry of Finance

In terms of sectors, processing and manufacturing remained the primary anchor, heavily driven by higher-value tech and electronics projects.

Newly registered FDI by sector, H1 2026 vs. H1 2025

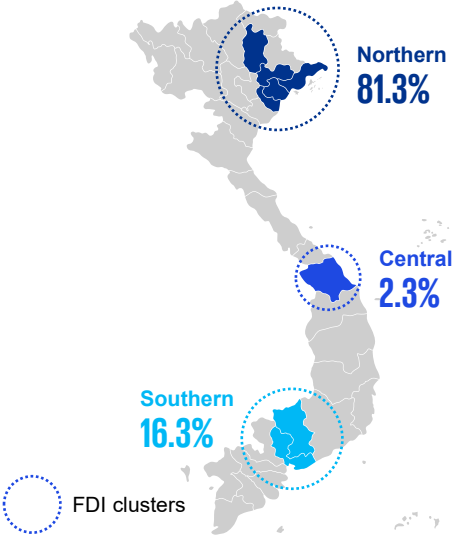


Source: Ministry of Finance

Inner circle: H1 2025; Outer circle: H1 2026. Investment figures are for H1 2026

Thai Nguyen surpassed Ho Chi Minh City to become Vietnam’s top FDI destination in H1 2026, securing US\$5.8 billion across 20 newly licensed projects. However, Ho Chi Minh City maintained its leadership in project volume, licensing over 1,000 projects during the same period.

Regional allocation of newly registered FDI, H1 2026



Source: Ministry of Finance

Strategic reset on foreign investment

Issued on 08 June 2026, Resolution No. 10-NQ/TW marks a landmark policy shift from capital quantity toward quality, technology transfer, domestic linkages, and long-term value creation.

2026-2030 targets

Registered capital
US\$200-300 bn
(US\$40-50 bn per year)

Disbursed FDI
US\$150-200 bn
(US\$30-40 bn per year)

75% from developed economies

3+ HQ/R&D centers of big technology corporations

80% of workforce receive formal training

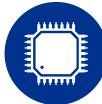
45-50% localization in key sectors

500-1,000 Tier-1 suppliers

Prioritized sectors



Digital Technology



High-tech Manufacturing



Bio-technology



Green Technology



High Value-added Services

Resolution No. 10 prioritizes attracting high-tech, innovation-driven, and green FDI while strengthening linkages between foreign and domestic enterprises through technology transfer and localization. It also aims to maximize FDI spillover benefits while ensuring economic security, data security, and sustainable development.

Investment incentive

- Protection of assets & intellectual property (IP)
- A stable investment environment
- Administrative reform: A digital one-stop service platform
- Competitive and enhanced investment incentives: from input-based incentives to performance-based incentives
- High-quality infrastructure & resource
- Human capital support

Investor's commitment

- Technology & R&D
- Technology transfer
- Training and development of Vietnamese talent
- Development of local suppliers
- Green transformation
- Digital transformation
- ESG compliance & regulatory compliance

Major project pipelines

During the first half of 2026, the influx of capital expansions and strategic investment announcements from global high-tech leaders directly mirrored the structural priorities outlined in Resolution No. 10.

- In June 2026, **Intel** announced an additional US\$2.6 billion investment, committing to invest US\$4.1 billion in Vietnam.
- Samsung Electronics** plans to invest US\$1 billion in new capital in Vietnam in 2026, as it advances medium- and long-term expansion plans across electronics, display manufacturing and electro-mechanics.
- BYD** increased investment in its Vietnam electronics manufacturing project by US\$480 million.
- Foxconn** plans to invest an additional US\$265 million in its manufacturing operations in Vietnam, bringing the total investment to US\$5 billion.

Source: Vietnamese Government, Companies' Announcements

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Vietnam's Next Growth Cycle

13

Mergers & Acquisitions (M&A) Landscape

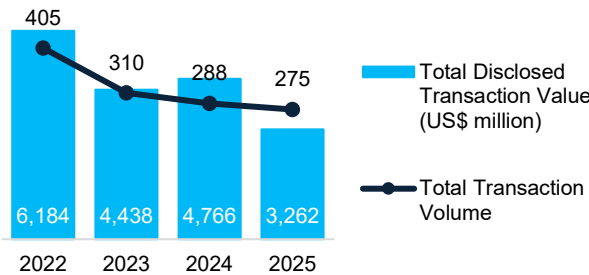
Vietnam's M&A market remains attractive due to strong interest in quality businesses and established local brands. Meanwhile, supportive government policies and increasing investment in AI-related capabilities are strengthening the country's long-term investment outlook.

1. VIETNAM'S 2025 M&A HIGHLIGHTS

While M&A activity across SEA has slowed in recent years and is only gradually recovering, Vietnam recorded ~ US\$3.3 billion in disclosed deal value in 2025. Although below 2024's US\$4.8 billion, this reflects continued investor appetite for high-quality Vietnamese assets.

Deal volume slightly declined to 275 transactions, extending a multi-year downward trend as buyers prioritized disciplined deployment, tighter due diligence and clearer value-creation pathways.

Vietnam M&A Landscape

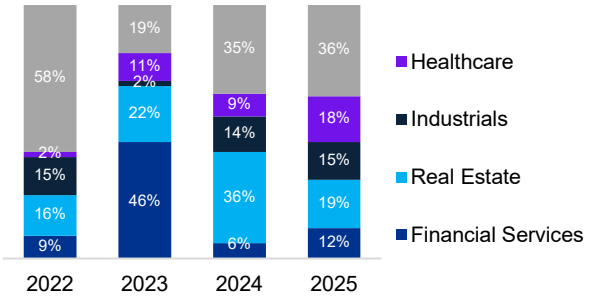


Source: Capital IQ, VIR, KPMG Analysis

Approximately 78% of disclosed deal value in 2025 was concentrated in Real Estate, Materials, Industrials, Healthcare and Financials, which also accounted for the top five largest transactions of the period.

Compared with last year, Healthcare rose remarkably in 2025, replacing Consumer Staples in the top three contributors, while Real Estate and Industrials continued to hold the leading position.

M&A value breakdown by sector (US\$ million)



Source: Capital IQ, VIR, KPMG Analysis

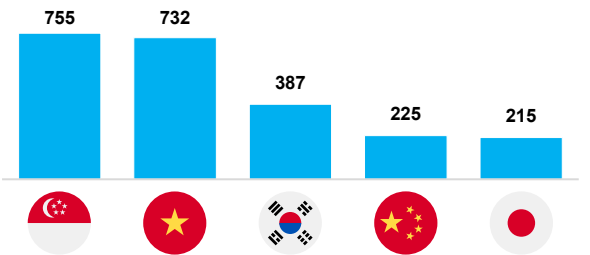
Top 5 M&A deals in 2025

Name of Deals	Sector	Value (US\$ mn)
Eastern Real Estate Investment and Trading Co Ltd	Real Estate	365.0
Hyosung Vina Chemicals Co Ltd	Materials	277.4
Doosan Vina Haiphong Co Ltd	Industrials	256.7
Imexpharm	Healthcare	219.1
Post and Telecommunication Finance Co Ltd	Financials	162.1

2. SINGAPORE INVESTORS DOMINATED THE MARKET

In 2025, Singapore led with US\$755 million (~26% of disclosed value), followed by domestic investors at US\$732 million (25%), with South Korea, China and Japan together adding ~28%, reflecting a balanced mix of domestic resilience and renewed regional participation.

Ranking of top 5 investors by deal value, 2025 (US\$ million)



Source: KPMG Analysis

3. INVESTORS PRIORITIZE HIGH-QUALITY PROJECTS

Vietnam's M&A market in H1 2026 demonstrates a clear shift from scale-driven investments to quality-focused investments. Notable transactions have centered on industry-leading companies with strong technological capabilities, established brands, or strategic assets in sectors such as pharmaceuticals, healthcare, high-tech manufacturing, digital infrastructure, and AI. Key examples include transactions involving Imexpharm, Pharmacy, USM Healthcare Medical Devices, and Thien Long. This trend reflects growing investor confidence in Vietnam's long-term growth fundamentals, rather than pursuing cyclical opportunities or investments driven primarily by short-term incentives.

Source: KPMG Analysis, Merger Markets, Vietnam Investment Review

KPMG in Vietnam: Your Strategic Partner for Market Entry & Growth

Success in Vietnam’s dynamic market demands more than just entry – it requires strategic navigation. At KPMG, we deliver a seamless, end-to-end ecosystem of support that simplifies tax, legal, and operational complexities. Wherever you are on your journey, we turn local challenges into your competitive advantage.

1. Market Exploration: “Should I invest in Vietnam?”

Market insight & Trends

Competitor benchmarking

Feasibility study

ROI assessment

Entry scenarios

Location selection

Background checks

2. Establishment: “Can I set up efficiently and compliantly?”

Licensing & Permits

Business model & Form of investment

Tax incentives

Tax compliance

Visa & Work permit

Transfer pricing

PIT & Payroll

3. Operations: “Can I scale and operate sustainably, creating long-term value?”

Process optimization

Hiring & Talent management

Digitalization

Value optimization

Financial statement audit

Cost efficiency

Managing risks

Customer experience

4. Maturity: “Should I double down or exit?”

Market expansion

Buy-side support

Sell-side support

Exit readiness

Deal Advisory

Tax

Legal

Consulting

Audit

Meet our experts



Michael Dwyer
Partner, Head of Deal Advisory



Dinh The Anh
Partner, Head of Corporate Finance



Nguyen Minh Hieu
Partner, Head of Transaction Services



Pham Mai Huong
Partner, Deal Advisory, Due Diligence

Awards for Advisory services

KPMG earned the prestigious **Vietnam Outstanding M&A Advisory Firm** award from Ministry of Finance and VIR for over a decade (2009–2025).



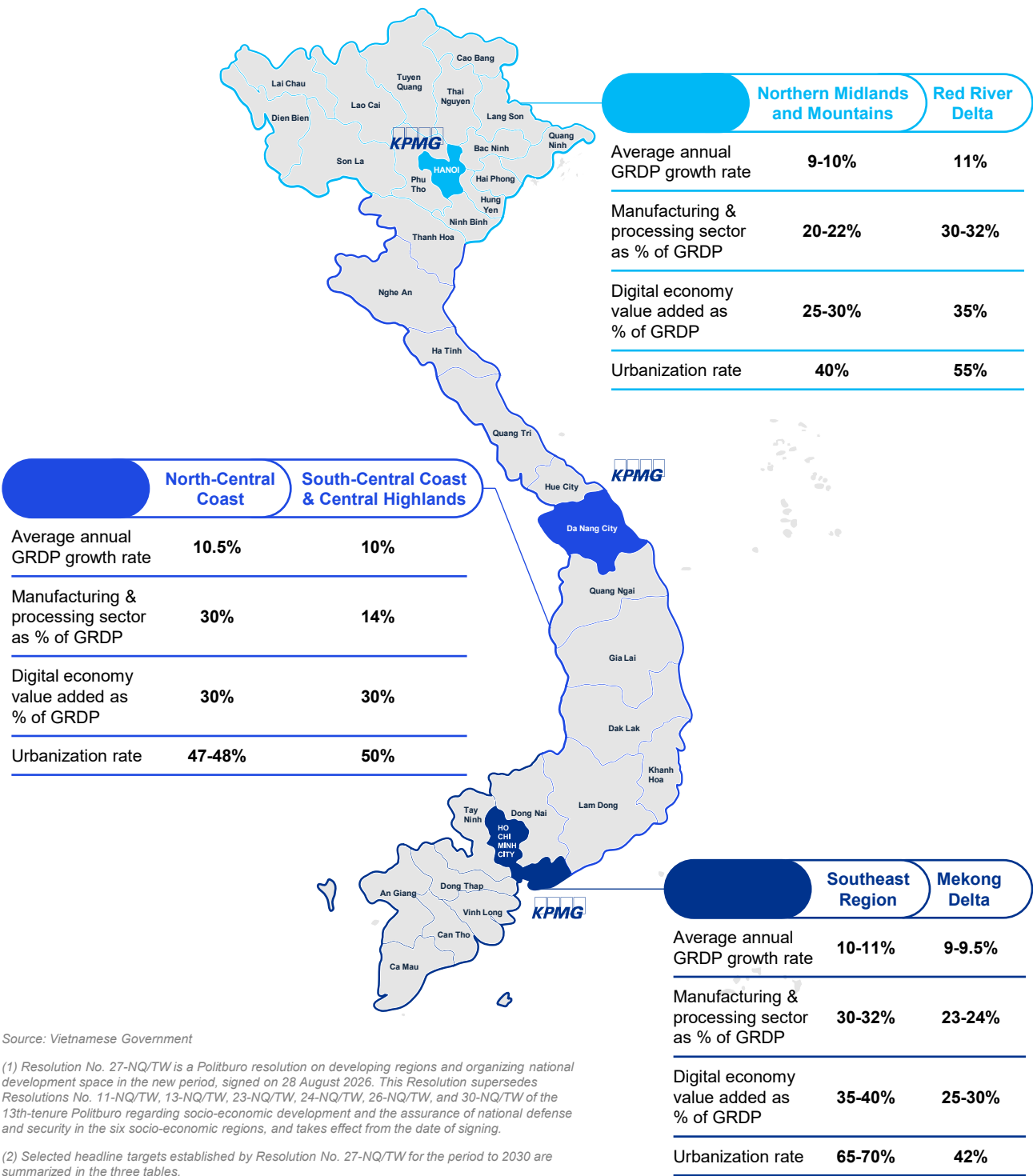
Leader in Risk Consulting

KPMG was named a **top performer** in Source's Perceptions of Risk Firms 2024 report, ranking among the top choices for cybersecurity, financial risk, and risk transformation, and stood out as the most frequently mentioned firm in unaided brand awareness.



Strategic realignment: Unlocking new regional growth engines

Signed in August 2026, Resolution No. 27-NQ/TW⁽¹⁾ directs Vietnam to restructure its national development space around growth corridors, economic hubs and dynamic cities, while setting ambitious growth targets⁽²⁾ for six socio-economic regions through 2030.



Northern investment cluster



Spanning the Northern Midlands and Mountainous region together with the Red River Delta, the Northern cluster contributed a combined **44%** of the country's GDP in 2025.

Investor interest remains concentrated here, with the region drawing over **81%** of newly registered capital nationwide in H1 2026.

Supported by double-digit growth across most localities, the Red River Delta is building a tightly linked production-logistics-services value chain that positions it as the growth engine of Northern Vietnam. Such integration advances the 2030 targets set for the Red River Delta under Resolution No. 27-NQ/TW and the digital agenda of Resolution No. 57-NQ/TW.

H1 2026 PERFORMANCE OF OUTSTANDING LOCALITIES

	Hanoi	Hai Phong	Bac Ninh	Quang Ninh	Hung Yen	Thai Nguyen	Ninh Binh
GRDP growth rate	8.2%	11.3%	10.6%	11.1%	10.7%	10.0%	11.4%
Population (million)	8.9	4.7	3.6	1.5	3.6	1.8	4.4
Total registered FDI capital (US\$ mil.)	3,443	1,866	2,623	593	689	8,062	2,308
Accumulated registered FDI capital (US\$ mil.)	45,208	47,722	50,857	15,786	16,982	19,600	16,871

Source: NSO, Provincial statistical offices
 Note: figures in bold indicate best-performing province in selected criteria

KEY ECONOMIC ACTIVITIES

Administrative boundary changes have expanded development space in many provinces, creating scope for stronger industrial clusters, better regional links, and higher-quality investment. The Red River Delta is using new growth drivers effectively and remains capable of absorbing investment capital. As localities across the region sustain strong growth, the area supports national expansion and generates demand for materials, labor, logistics, and production networks, encouraging further economic activity in neighboring areas.

High-tech industries

- Most northern provinces and cities share a common focus on high-tech industries.
- Bac Ninh** is moving beyond electronics assembly toward R&D and innovation in strategic fields including semiconductors, integrated circuits, AI, big data, and the Internet of Things (IoT).
 - Hung Yen** is building up supporting industries, logistics, and advanced manufacturing.
 - Ninh Binh** aims to lead in high-tech industry, green manufacturing, and smart production.
 - The expanded **Thai Nguyen** draws on strategic infrastructure, an established industrial ecosystem, and investor-friendly policies to reinforce its manufacturing role and capture FDI shifting from saturated northern markets.
 - Hanoi** anchors the region in R&D and core technologies, underpinning electronics, semiconductor, supporting-industry, and smart-manufacturing clusters in nearby localities.

Logistics & Marine economy

- Coastal provinces are prioritizing sustainable marine growth.
- Hai Phong** launches a free trade zone and continues to serve as an established hub for industry, seaports and logistics.
 - Quang Ninh** targets industrial aquaculture above 75% of output by 2030, with 8–10% annual growth.
 - Hung Yen** is modernizing ports and integrating logistics.

Tourism & Services

- Hanoi**'s master plan positions the city not only as Vietnam's political center but also as the national hub for innovation, finance, education, technology and cultural industries.
- Quang Ninh** prioritizes border trade and high-quality tourism.
- Ninh Binh** is advancing tourism and cultural industries, targeting tourism revenue above US\$1.7 billion by 2030.

Source: NSO, Provincial Information Portals

Central investment cluster



The Central cluster comprises the North-Central Coast, South-Central Coast and the Central Highlands, altogether accounting for around 16% of the country's GDP.

Guided by Resolution No. 27-NQ/TW and Resolution No. 306/NQ-CP adjusting the National Master Plan for the 2021–2030 period, Vietnam's strategy for the newly integrated Central Coastal regions accelerates industrial restructuring, multi-modal connectivity, and comprehensive marine economic growth.

Da Nang and Thanh Hoa serve as the primary economic and FDI powerhouses for Vietnam's Central region. Together, they drive regional modernization, Da Nang as a high-tech and logistics hub, and Thanh Hoa as an energy and deep-sea logistics capital.

H1 2026 PERFORMANCE OF OUTSTANDING LOCALITIES

	Da Nang	Hue	Thanh Hoa	Lam Dong	Gia Lai	Nghe An	Quang Tri
GRDP growth rate	9.5%	7.9%	7.2%	7.9%	8.2%	9.7%	8.1%
Population (million)	3.1	1.4	4.3	3.9	3.6	3.8	1.9
Total registered FDI capital (US\$ mil.)	322	123	246	4	22	2,282	149
Accumulated registered FDI capital (US\$ mil.)	13,972	4,319	16,517	4,954	2,875	9,093	4,153

Source: NSO, Provincial statistical offices
Note: figures in bold indicate best-performing province in selected criteria

KEY ECONOMIC ACTIVITIES

The Central region is transforming into a sustainable maritime economy and a premier global gateway, leveraging unified subregional connectivity, world-class deep-sea ports, and clean energy to drive high-value manufacturing and logistics.

Logistics & Marine economy

- Large investments in seaports and logistics infrastructure allow **Hue** to position its marine and lagoon economy as a key growth driver alongside heritage tourism.
- The development of Lien Chieu Port is opening a new chapter for the marine economy of **Da Nang**, positioning the central city to become a major logistics and maritime hub in central Vietnam and the wider region. The development of the IFC also helps reduce administrative barriers and enhance the effectiveness of marine space management.
- Robust industrial growth continues to drive high demand for comprehensive logistics. This shifts the sector toward a high-value service industry, significantly boosting **Thanh Hoa**'s economic growth.
- The enlarged **Lam Dong** is now Vietnam's largest province by area, and a place where stronger transport links turn its economic strengths into a more integrated engine of growth.

Tourism

- Hue** is diversifying marine tourism services, particularly resort and experiential tourism, while investing in modern trade channels, and developing brands for traditional local products.
- With over 2,600 historical sites and intangible cultural heritage, alongside a mix of natural and cultural assets, **Nghe An** possesses great potential for tourism development.

Renewable energy

- Gia Lai** aims to achieve an annual electricity generation of 27 billion kWh by 2030, gradually realizing its vision of green growth and sustainable development while establishing itself as an energy hub for the Central Highlands region.
- While **Thanh Hoa** hosts major coal-fired power plants, the province is accelerating its transition to clean energy through wind, solar, and biomass initiatives.

Source: NSO, Provincial Information Portals

Southern investment cluster



The Southern cluster comprises the Southeast region and the Mekong Delta, altogether accounting for nearly 40% of the country's GDP in 2025.

The Southeast region is Vietnam's largest hub for industry, services, innovation, and international connectivity. The region's development also generates a strong spillover effect on other areas, such as the Central Highlands, the South-Central Coast, and the Mekong Delta.

Under Resolution No. 27-NQ/TW and regional plans approved in Decisions No. 370/QĐ-TTg and Decision No. 1325/QĐ-TTg (2024), Vietnam's Southeast region is oriented toward developing high-tech manufacturing and processing industries alongside high-value service sectors.

H1 2026 PERFORMANCE OF OUTSTANDING LOCALITIES

	Ho Chi Minh City	Dong Nai	An Giang	Tay Ninh	Ca Mau	Vinh Long
GRDP growth rate	8.6%	9.8%	8.8%	10.1%	6.6%	6.4%
Population (million)	14.0	4.5	4.9	3.3	2.6	4.3
Total registered FDI capital (US\$ mil.)	7,878	908	16	1,065	99	99
Accumulated registered FDI capital (US\$ mil.)	153,286	46,080	5,231	26,651	4,836	5,984

Source: NSO, Provincial statistical offices
Note: figures in bold indicate best-performing province in selected criteria

KEY ECONOMIC ACTIVITIES

By 2030, the Southeast region targets high-income status as a modern industrial base and the nation's leading growth engine for science, technology, innovation, high-tech industry, logistics, and international finance, while the Mekong Delta is set to become a globally significant agricultural economy, supported by climate-resilient infrastructure and connectivity to marine industries, tourism, and urban centers.

 **Financial sector**

Rapid growth in fintech, capital markets, and digital assets positions **HCMC** to become Southeast Asia's international financial center, anchored by the IFC launched in February 2026 as a global gateway for capital and digital finance.

 **Agriculture**

Vietnam's agricultural landscape is characterized by strong regional consolidations, driving large-scale production and global export value chains.

- The expanded territories of **Tay Ninh** and **Dong Nai** play a pioneering role in high-value crop processing and industrial-scale livestock ecosystems.
- The mergers of coastal areas of **Vinh Long** and **Ca Mau** affirmed the nation's leading position in marine fisheries and high-tech aquaculture.
- An Giang** actively focuses on high-tech agriculture, with the agriculture, forestry and fisheries sector accounting for more than 30% of the province's economic structure.

Source: NSO, Provincial Information Portals

 **High-tech industries**

- Following its merger with Binh Duong and Ba Ria – Vung Tau, **HCMC** is now Vietnam's pioneer in smart manufacturing and high-tech ecosystem. The city aims to attract at least four FDI projects in the semiconductor sector, prioritizing environmentally sustainable, high value-added ventures.
- In 2026, **Dong Nai** announced a list of 14 prioritized industrial parks and technology zones, marking a strategic move toward modern, high-tech, and sustainable industrial development.
- An AI-focused data center complex was proposed in **Tay Ninh**, with an investment of around US\$3.5 billion, targeting groundbreaking in the fourth quarter of 2026.

 **Renewable energy**

- Tay Ninh** is one of Vietnam's most promising localities for solar energy development thanks to its favorable solar irradiation conditions.
- Ca Mau** is the country's only province with three sides facing the sea and has a coastline of about 310 km, offering great potential for wind power development.

Visa & Work Permit

1. VISA POLICIES FACILITATE TRAVEL FOR FOREIGNERS TO VIETNAM

Vietnam is undergoing strong economic growth and transformation, creating significant opportunities across sectors. To attract foreign talent and investment, the Vietnamese Government has progressively opened and refined its regulatory framework, introducing more business-friendly policies with an aim to facilitate the entry, residence, and employment of foreign nationals, while supporting long-term, sustainable growth in Vietnam:

Policy	Beneficiaries	Key incentives	Effective/Status
Resolution No. 44/NQ-CP dated 07 March 2025	Citizens of 12 countries, regardless of entry purposes	Visa-free stay up to 45 days; all passport types	15 March 2025 – 14 March 2028
Resolution No. 229/NQ-CP dated 08 August 2025	Citizens of 12 European countries travelling for tourism	Visa-free stay up to 45 days; all passport types	15 August 2025 – 14 August 2028
Decree No. 221/2025/ND-CP dated 08 August 2025	Invited/nominated special contributors, experts, investors and business leaders	Time-limited visa exemption, subject to approval	Effective 15 August 2025
IFC – UD1 (*)	Eligible investors, experts, managers and high-skilled workers at HCMC/Da Nang IFC (**)	Visa or temporary residence card up to 10 years; processing target 3 working days	Decree No. 327/2025/ND-CP dated 18 December 2025; effective 17 January 2026
IFC – UD2 (*)	Spouse and children under 18 of an eligible UD1 holder	Matching visa/temporary residence-card duration	

(*) UD1: Issued to foreigners who are workforce of high-quality digital technology industry and cases entitled to preferential treatment under laws, resolutions of the National Assembly and the Standing Committee of the National Assembly; UD2: Issued to foreigners who are the spouse or children under 18 years old of foreigners granted UD1 visas.

(**) IFC: International Financial Center

2. EASIER ACCESS TO GLOBAL TALENT WITH STRONGER COMPLIANCE OVERSIGHT

Vietnam continues to refine its foreign labor framework to facilitate access to global talent while strengthening regulatory oversight and administration.

As a general rule, foreign nationals must hold a valid work permit to work in Vietnam unless an exemption applies. The required permit, exemption confirmation or notification depends on the nature and duration of the assignment. Decree No. 219/2025/ND-CP, effective 07 August 2025, sets the general framework for foreign workers, including eligibility, procedures and supporting documents.

In support of Vietnam’s IFC initiative, a dedicated framework (including Resolution No. 222/2025/QH15 dated 27 June 2025, Decree No. 325/2025/ND-CP dated 18 December 2025, and Decree No. 327/2025/ND-CP dated 18 December 2025) introduces more favorable work-authorization routes for eligible personnel and selected senior talent as outlined below:

Key facilitation measure	Practical impact
Work permit exemption	Eligible investors, experts, managers, highly qualified workers, scientists and individuals with special talents working in the IFC may be exempt from a work permit.
Expanded exemption scope	The IFC regime covers broader exemption categories than the general foreign-labor framework.
Notification route	Where applicable, the employer may notify the IFC authority before work starts instead of applying for formal exemption confirmation.
3-day processing	Complete work permit and exemption applications are processed within 3 working days.
Up to 10-year validity	Work permits and exemption confirmations may be issued for up to 10 years.

In parallel, the Government is moving toward data-led administration. Online filing, electronic identification, national databases and inter-agency connectivity are intended to reduce paperwork, standardize information and strengthen oversight.

Further amendments to Decree No. 219 are anticipated in second half of 2026 with a focus on streamlining procedures, expanding electronic records and enhancing integration with national databases.

Implication for businesses

Facilitation is accompanied by stronger enforcement. New and amended penalty rules broaden the range of sanctionable conduct and increase fine levels.

Businesses should therefore reassess mobility and foreign-worker governance; align immigration, labor, payroll and HR records; verify filings before deployment; and close compliance gaps early to reduce penalties for both the organization and responsible individuals.

Mandatory insurance regimes in Vietnam (1/2)

In force from 01 July 2025 under Law No. 41/2024/QH15 and Decree No. 158/2025/ND-CP

WHO IS SUBJECT TO THE SOCIAL INSURANCE (SI) IN VIETNAM?

Expatriate employees	Local employees
- Having a definite-term labor contract with a Vietnamese party for a term of one year or more. - Below the retirement age according to Vietnamese regulations. - They are not a foreign employee under an internal transfer arrangement (assigned from the holding company to its direct subsidiaries in Vietnam). - International treaties to which Vietnam is a signatory have different provisions.	- Having indefinite-term labor contract, labor contracts with terms of at least 01 month, including cases where the agreement is signed under other names but contains content reflecting paid employment, salary, and the management, operation and supervision of one party. - Employees who do not work full time and having salaries in the month is equal to or higher than the salary level used as a basis for the minimum compulsory SI premiums. - Employee being enterprise managers/controllers/representatives of state capital/representatives of enterprises' capital who do not receive salaries.

WHAT IS THE CONTRIBUTION RATE?

	Contribution rate			
	Employer		Employee	
	Local employee	Expatriate employee	Local employee	Expatriate employee
Social Insurance	17.5%		8%	
Health Insurance	3%		1.5%	
Unemployment Insurance	1%	Not applicable	1%	Not applicable

BASIS FOR SI CONTRIBUTION

Income subject to SI contribution		Notes
Included	Excluded	
- Job/position salary - Salary allowances - Other fixed additional amounts agreed in the labor contract and paid regularly and stably	Other benefits and entitlements stated as separate items in the labor contract	- Contribution base: at least the reference level and capped at 20× that amount - Reference level: Government-set amount adjusted for CPI, economic growth, the State budget and the SI fund <i>Note: the reference level currently equals the statutory base salary, i.e., VND2,530,000/ month (Decree No. 161/2026/ND-CP, effective 01 July 2026), giving a contribution cap of VND50.6 million/month.</i>

INCREASED COMPLIANCE AND ENFORCEMENT

Under Decree No. 283/2026/ND-CP, effective from 10 September 2026, administrative penalties for violations relating to compulsory SI contributions have been significantly strengthened.

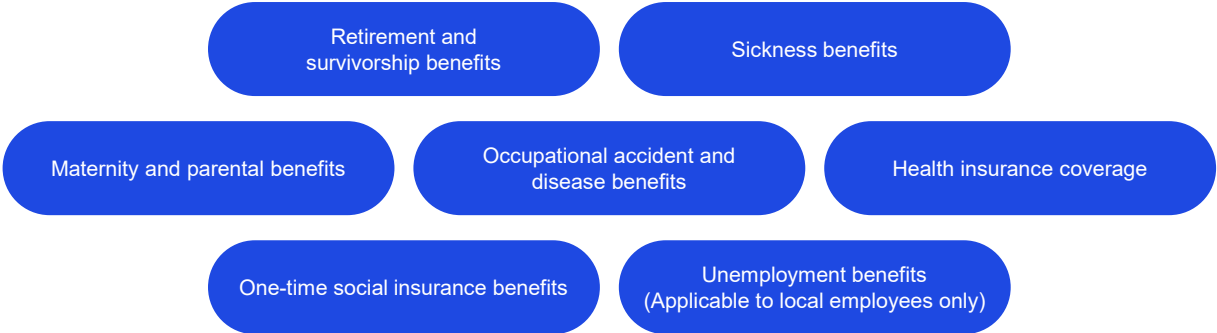
Types of violations	Penalty levels
For late payment of compulsory SI contributions	employers may be subject to a fine ranging from 12% to 15% of the total amount of contributions paid late.
For acts of evasion of compulsory SI contributions	employers may be fined from 18% to 20% of the amounts of contributions evaded.
The maximum administrative fine	is VND 75 million for an individual violator and generally up to VND 150 million for an organization.
In addition to monetary penalties, employers are required to implement remedial measures, including:	(i) payment of all outstanding compulsory SI contributions that have not been fully remitted; (ii) payment of additional interest calculated at 0.03% per day on the overdue amount for the period of non-compliance; and (iii) compensation to employees where the violation results in the loss, reduction, or delay of their statutory social insurance benefits and entitlements.

Mandatory insurance regimes in Vietnam (2/2)

In force from 01 July 2025 under Law No. 41/2024/QH15 and Decree No. 158/2025/ND-CP

KEY STATUTORY ENTITLEMENTS

Vietnam's compulsory social insurance system provides employees with a broad range of statutory protections designed to support income security throughout their working lives and into retirement.



INTERNATIONAL COOPERATION IN SOCIAL INSURANCE

- Vietnam has formalized its first bilateral social insurance agreement with South Korea, which took effect on 01 January 2024. This landmark agreement aims to eliminate double social insurance contributions for Vietnamese and Korean citizens working in each other's countries and ensures the protection of their social insurance rights.
- While Vietnam has yet to establish a broad network of bilateral social insurance agreements with other countries, discussions and negotiations with key economic partners are ongoing.

Implication for businesses

Vietnam's ongoing social security reforms reflect the country's commitment to building a more resilient, transparent and sustainable labor market. While broader coverage and stricter enforcement increase employer compliance obligations, the evolving framework enhances workforce protection, strengthens investor confidence and supports Vietnam's long-term attractiveness as a destination for foreign investment.

Meet our experts



Nguyen Thuy Duong

Partner, Head of Global Mobility Services



Dang Duc Giang

Director, Global Mobility Services

Best Employer in Asia Pacific 2025

Based on a survey by the Financial Times and Statista of over 50,000 employees across 14 countries in Asia, including Vietnam, KPMG has been recognized as one of the region's best workplaces.

By fostering a positive, fulfilling, and respectful workplace, KPMG empowers our staff to grow, contributing not only to their personal development but also to the organization's success and value for our clients.



KPMG's Our Impact Plan 2026

Since 2023, KPMG in Vietnam and Cambodia has voluntarily disclosed our progress and commitments across Governance People, Planet, and Prosperity through our Our Impact Plan (OIP).

This year, we have further strengthened our focus on Planet, particularly our pathway toward net-zero emissions. We have already achieved a 26% reduction in carbon emissions compared to our 2019 baseline and remain on track to reach our target of a 50% reduction, demonstrating our commitment to climate action through measurable progress.

OIP is grounded in our values – Integrity, Excellence, Courage, Together, and For Better, which guide our decisions, shape our culture, and underpin the trust we build with stakeholders.





03

Unveiling sectoral potential

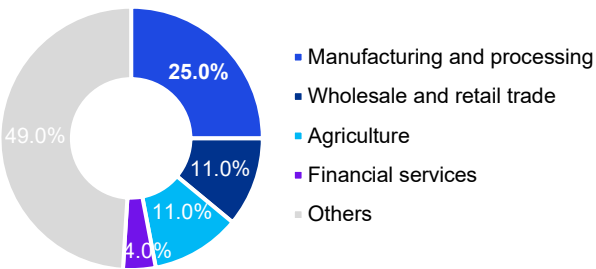
Industrial Manufacturing

Resolution No. 10 signals a transition in the manufacturing sector from a quantity-focus approach to a quality-focus one: higher technology, deeper localization, stronger innovation, and closer integration between multinational manufacturers and Vietnamese enterprises.

1. CONTRIBUTION TO THE ECONOMY

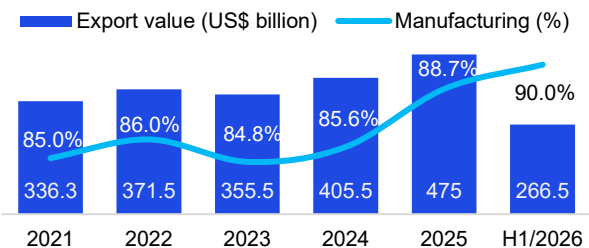
Vietnam's manufacturing and processing industries contributed largely to GDP and exports. Through Industry 4.0, advanced technologies have significantly increased the manufacturing sector's competitiveness.

GDP contribution by sector, H1 2026



Expansion in the electronics, machinery, and footwear industries is expected to be the key driver of future export growth.

Manufacturing contribution to export



Top export commodities, H1 2026 (US\$ billion)

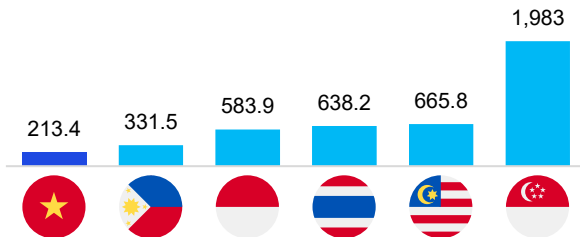


Source: NSO, Ministry of Industry and Trade, Customs Department

2. FAVORABLE CONDITIONS

As developed nations are diversifying supply sources, supply chains, and investment destinations, Vietnam's industrial production is poised to keep developing in the coming years.

Factory worker salaries, 2025 (US\$/month)



Vietnam remains regionally competitive in terms of labor costs. Meanwhile, FTAs allow the country to diversify its sourcing partners through larger trade networks, and importing cheaper intermediate goods from partner countries, Vietnam can become more competitive in its exports.

Vietnam actively supports its manufacturing sector through a combination of tax incentives, strategic location policies, and targeted development programs.

Key regulatory supports

- Resolution No. 10-NQ/TW is likely to reshape Vietnam's industrial manufacturing sector from a labor-intensive, assembly-based model toward a high-tech, innovation-led, and more localized manufacturing ecosystem.
- Resolution No. 68-NQ/TW, introduced on 04 May 2025, highlights Vietnam's intent to entice investment into high-growth industries where foreign capital and expertise are particularly valuable, including high-tech manufacturing. This opens new avenues beyond the country's traditional appeal as a low-cost manufacturing base.
- In accordance with Decree No. 182/2024/ND-CP, the Investment Support Fund is expected to positively impact Vietnam's industrial manufacturing sector by providing financial incentives to encourage investment in high-tech industries and R&D.
- On 21 September 2024, the Prime Minister signed Decision No. 1018/QĐ-TTg, outlining a strategy for Vietnam's development of semiconductor industry until 2050.

Meet our expert



Le Thi Kieu Nga

Partner, Head of Tax Advisory

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Semiconductor industry roadmap

Decision No. 1018/QĐ-TTg issued in 2024 outlined a strategy for the development of Vietnam's semiconductor industry until 2050. As Vietnam accelerates its ambition to become a strategic semiconductor hub, the country is seeking investment in advanced manufacturing, research and development (R&D), talent development, and supporting infrastructure.

Phase 12024 – 2030

- Selectively attract FDI investment to develop the sector.
- Develop specialized semiconductor products used in a number of industries and fields.

Phase 22030 – 2040

- Develop the semiconductor industry based on both domestic resources and FDI.
- Gradually become self-sufficient in designing and manufacturing specialized semiconductor products.

Phase 32040 – 2050

- Master research and development in the semiconductor field.
- Complete the domestic semiconductor industry ecosystem, with leading capacity in some stages and segments of the production chain.

Current developments

Industry snapshot

50+

Chip design companies

US\$14.2 bn

Total semiconductor FDI

7,000

Chip design engineers

241

Semiconductor-related FDI projects

Talent pipeline

166+

Universities offering semiconductor-related programs

134,000

Students annually in engineering and technology disciplines

Major milestone

- On 16 January 2026, Viettel Group officially broke ground on the construction of Vietnam's first semiconductor chip manufacturing plant at Hoa Lac Hi-Tech Park, Hanoi. Spanning 27 hectares, the project serves as key national infrastructure dedicated to chip research and production.
- In 2026 Intel began relocating advanced assembly and test lines for data-center chips from Costa Rica to Saigon Hi-Tech Park and transferred its EMIB advanced-packaging technology to the plant; the Government's draft ISF revision would place semiconductor manufacturing in the top (up to 30%) support tier.

Key challenges

- Ecosystem gaps
- Talent shortage
- Infrastructure and capital needs
- Need for international collaboration in technology transfer, joint R&D, workforce development, global supply chain integration

Vietnam's semiconductor industry is gaining strong momentum, supported by robust FDI inflows, expanding design and advanced packaging capabilities, and government-backed initiatives. However, challenges remain in workforce development, R&D infrastructure, ecosystem maturity, and technology transfer, creating significant opportunities for investors to help shape the next phase of Vietnam's semiconductor growth.

Source: Vietnamese Government

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Foreign loan reports Reporting on offshore borrowings, so your loans stay in good standing.	Compliance calendar Your own calendar of every obligation, with early reminders from us.	Filing & submission We prepare, review and submit - and keep your records audit-ready.

Getting started is simple

Free health check

We map which reports apply to you and spot any gaps.

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Partner, Head of Global Mobility Services

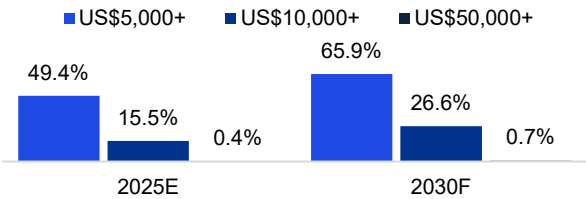
Consumer Markets (1/2)

Vietnam has favorable conditions for the Consumer goods and retail sector to grow.

1. GROWTH DRIVERS

The expanding middle class in Vietnam presents appealing opportunities for the consumer goods and retail sectors.

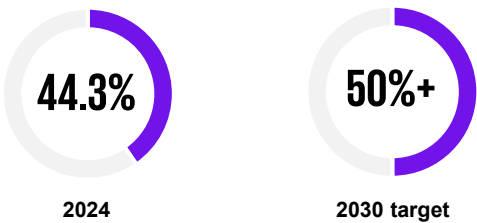
Household disposable income range (% total population)



Vietnam is undergoing a notable population shift from rural to urban areas, reflected in the increasing urbanization rate.

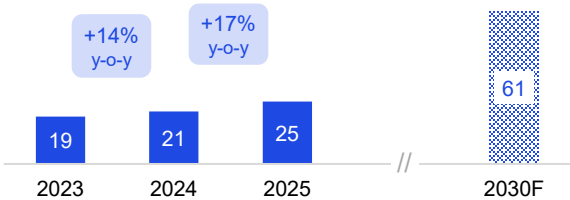
Higher urbanization levels generally enhance market attractiveness for businesses due to developed logistics, concentrated consumers, and increased spending power.

Urbanization rate



This trend supports the expansion of e-commerce and modern retail, as urban residents, with their busy lifestyles, are more inclined to adopt online retail channels. This is also in line with the country's growth in internet coverage and digital wallet systems.

Gross merchandise value – E-commerce (US\$ billion)



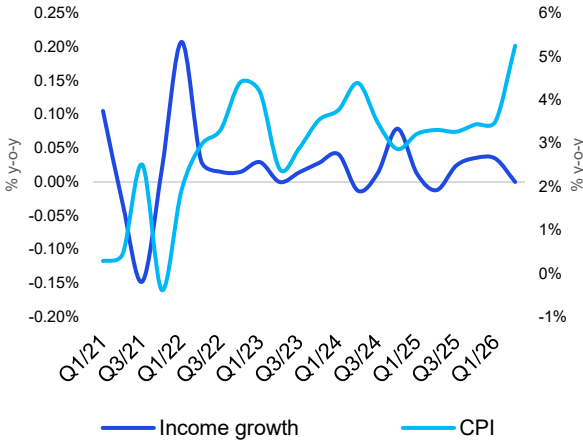
Vietnam's demographics are currently characterized by a growing participation of Gen Z and Gen Y in the labor force. As these generations become increasingly influential within the workforce, their purchasing power and evolving preferences are expected to shape the market. As a result, emerging consumer trends in Vietnam will be largely driven by Gen Z, Gen Y and Gen Alpha.

Source: Fitch Solutions, DataReportal, Google, Temasek, and Bain & Company, NielsenIQ, National Statistic Office

2. SPENDING CATEGORIES

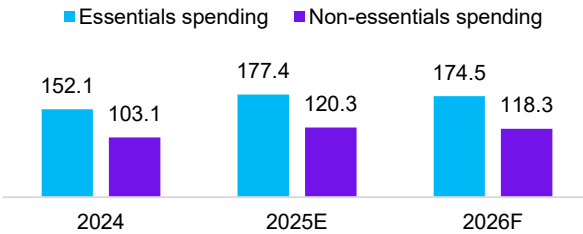
In the first half of 2026, while retail sales rose 12.9% year-on-year, real growth was only 7.3% after adjusting for inflation, reflecting weak disposable income growth amid rising prices caused by geopolitical tensions, leading to cautious consumer spending.

CPI versus average income per employee (% y-o-y)



A price-conscious consumer base with strong saving inclinations translates to essential spending dominating the market. Spending patterns are likely to diverge further as inflation remains around 4%, with essential categories such as groceries and pharmaceuticals remaining resilient, while non-essential segments like vehicles and consumer electronics face softer demand due to heightened price sensitivity.

Essential and non-essential spending (US\$ billion)



*Fitch's category definitions:

- Essentials: Food and non-alcoholic drinks; clothing and footwear; housing and utilities; communications and transport
- Non-essentials: Alcoholic drinks and tobacco; furnishing and household goods; health; recreation and culture; education; restaurants and hotels; insurance and financial services; personal care, social protection and miscellaneous goods & services

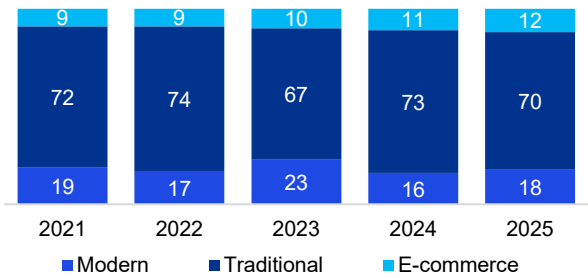
Consumer Markets (2/2)

Consumer and retail sector in Vietnam remains attractive, particularly in the food, pharmacy, and related support services segments.

3. DEVELOPMENTS BY CHANNEL

In 2026, modern retail channels continued to expand rapidly, driven by the ongoing phase-out of makeshift markets and temporary stalls and combat against smuggling, trade fraud, counterfeit goods, and intellectual property infringement. Modern retail channels offer a diverse and abundant supply of daily consumer goods with clear origins and reliable quality standards, providing healthier and safer choices for consumers while strengthening customer trust and loyalty.

Retail sales by channel (%)



In recent years, major domestic and foreign retailers have shown keen interest in developing distribution networks in Vietnam by investing in modern, sophisticated shopping centers, supermarkets, and convenience store chains across urban areas in provinces and cities nationwide. Specifically, food retail chains and pharmaceutical chains are bright spots in this development.

Vietnam is also experiencing a rapid growth of e-commerce, due to high internet penetration and expansion of logistics services. Besides transforming consumer purchasing behavior, e-commerce has become an important driver of business competitiveness, enabling small and medium-sized enterprises to expand their market reach and explore cross-border opportunities.

Nevertheless, challenges remain, including quality control, fraud prevention, infrastructure investment costs, and concerns over data security and online transaction safety.

Moving forward, stronger policy coordination, improved regulatory oversight, greater support for digital transformation, and continued investment in logistics and technology infrastructure will be essential to sustaining the growth of e-commerce in Vietnam.

Source: National Statistics Office, Ministry of Industry and Trade

4. OTHER IMPLICATIONS

The development of the Consumer Goods and Retail industry also offers ample opportunities for businesses providing support services:

- Vietnam's cold chain infrastructure remains underdeveloped, leading to agricultural waste and limiting the growth of the high-value fresh food market. Investing in regional cold storage facilities and standardized fresh food distribution centers can help businesses expand premium food retail channels.
- Logistics, smart warehousing, and ultra-fast delivery services are expected to become major growth drivers in the coming years, supporting the increasing demand for efficiency and convenience in retail operations.
- Technology infrastructure for product traceability, data security, and digital payment management needs further development to strengthen consumer trust and improve the overall customer experience
- Smart stores and technology-enabled retail centers that integrate immersive experiences such as Augmented Reality (AR) and Virtual Reality (VR) are expected to become increasingly popular and highly effective business models, particularly in large urban areas.

Regulatory Landscape

- In 2026, Vietnamese Government issued Resolution No. 88/NQ-CP to strengthen domestic market and stimulate consumer spending. The Resolution creates various favorable conditions to boost consumption growth, and the development of modern commerce and distribution ecosystems in Vietnam.
- Resolution No. 110/2025/UBTVQH15, issued by the National Assembly Standing Committee on 17 October 2025, stipulates an increase in personal income tax family relief deductions, effective 01 January 2026. This policy is estimated to boost citizens' after-tax income by approximately 10%, serving as a significant driver for consumption.
- The current policy reducing Value Added Tax (VAT) by 2% is implemented pursuant to the National Assembly's Resolution No. 204/2025/QH15 and detailed guidelines in Decree No. 174/2025/ND-CP (issued on 30 June 2025). This policy applies from 01 July 2025, through 31 December 2026, lowering the tax rate from 10% to 8% for various goods and services.

Healthcare

1. GROWTH DRIVERS

Vietnam's healthcare and pharmaceutical market is poised for sustained growth, driven by a combination of demographic, economic, and policy factors.

The country is rapidly transitioning toward an aging population, with the golden population period expected to end by 2036 when individuals aged 65 and above account for 15% of the population. This demographic shift is expected to accelerate demand for healthcare services, pharmaceuticals, and preventive care, particularly for chronic diseases such as diabetes, cardiovascular conditions, and cancer.

At the same time, rising incomes and improving living standards are enabling greater healthcare spending, while longer life expectancy is increasing the need for ongoing medical treatment and wellness services. The continued expansion of Vietnam's universal health insurance system, which covered over 95% of the population by the end of 2025, is also enhancing access to healthcare and supporting higher utilization of medical services and medicines.

In addition, the development of official and regulated channels is strengthening product quality assurance and reshaping consumer purchasing behavior, supporting the growth of modern pharmacy chains and organized healthcare retail networks.

Vietnam healthcare market indicators

4.6% of GDP (2025)	13th largest healthcare market in ASPAC (2025)
US\$10.0 bn Government spending (2025)	5.6% Government CAGR (2025 - 2030)
US\$13.4 bn Private spending (2025)	8.6% Private CAGR (2025 - 2030)

2. SECTOR TRENDS & OPPORTUNITIES

Vietnam's healthcare sector is attracting growing investment across pharmaceuticals, healthcare services, and digital health, supported by favorable regulations, rising demand, and ongoing healthcare modernization.

Key investment & development trends:

- Specialized growth strategies: Leading players are focusing on high-quality pharmaceuticals, specialty drugs, herbal medicines, and integrated distribution ecosystems to drive long-term growth.
- Pharmaceutical manufacturing upgrade: Drug manufacturers are investing in EU-GMP-compliant facilities, advanced production technologies, and AI-driven R&D to enhance product quality, competitiveness, and profitability.
- Greater supply chain self-sufficiency: Companies are increasing localization of pharmaceutical ingredients and strengthening distribution networks to improve resilience and operational efficiency.

Source: BMI, NSO, Vietnamese Government

- Increasing foreign investment: A supportive regulatory environment and strong market fundamentals continue to attract international investors and healthcare operators into Vietnam's healthcare services sector.
- Expansion of private healthcare: Global private healthcare providers are actively seeking opportunities in Vietnam's rapidly growing private healthcare market.
- Digital health transformation: The government is accelerating healthcare digitalization through initiatives such as smart hospitals, electronic health records (EHRs), and digital health platforms, creating opportunities for both domestic and foreign investors. The private sector is also witnessing rising adoption of digital tools for disease prevention, medical consultations, treatment, and health management.

Regulatory Landscape

- Law on Bidding 2023 & Circular No. 03/2024/TT-BYT: Prioritizes domestically manufactured EU-GMP-compliant medicines in public procurement, creating greater market access opportunities for local pharmaceutical companies.
- Amended Pharmacy Law No. 44/2024/QH15 & Decree No. 163/2025: Streamlines drug registration procedures, accelerates generic drug approvals, supports e-pharmacy development, and shortens time-to-market for new products.
- Pharmaceutical Industry Development Strategy to 2030 (Decision No. 1165/QĐ-TTg): Promotes pharmaceutical localization, strengthens API self-sufficiency, and aims to position Vietnam as a regional pharmaceutical manufacturing hub in ASEAN.
- National Strategy for Healthcare: A vision for 2045 focusing on universal healthcare, improved quality, epidemic control, public-private partnerships and healthcare workforce development.

Meet our expert



Luke Treloar

Partner, Head of Infrastructure, Government & Healthcare (IGH)

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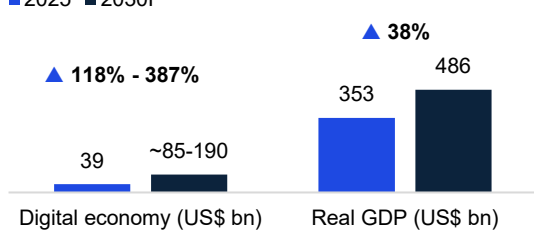
Technology (1/2)

1. INDUSTRY OVERVIEW

Vietnam is Southeast Asia’s fastest-growing digital economy with a 17% increase from US\$34 billion in 2024 to US\$39 billion in 2025. Vietnam’s digital economy is expected to grow over three times as fast as GDP through 2030. It was an encouraging sign as Vietnam transitioned from resilience to resurgence.

Digital economy vs. GDP growth

■ 2025 ■ 2030F



Category	2025	2030F
Digital economy (US\$ bn)	39	353
Real GDP (US\$ bn)	~85-190	486

▲ 118% - 387%

▲ 38%

In H1 2026, local tech enterprises with advancing capabilities are key contributors to Vietnam's tech value chain.

81,200 digital technology enterprises

1.67 million workers employed in the Information and Communication Technology (ICT) sector

US\$99.2 bn of the total revenue of Vietnam's digital tech sector (▲37% year-on-year)

US\$84.3 bn of export revenue from hardware and electronics (▲30.1% year-on-year)

Despite global macroeconomic headwinds, Vietnam is on track to realize the government's target of the digital economy to account for 30% of GDP by 2030.

2. IMPROVING INNOVATION CAPABILITIES

The Global Innovation Index (GII), now in its 18th edition, measures innovation performance across global economies.

In 2025, Vietnam ranks **44th** among the 139 economies featured in the *GII 2025*, and is also positioned:

2nd among the 37 lower-middle-income group economies.

9th among the 17 economies in Southeast Asia, East Asia, and Oceania.

The *GII 2025* shows the current state of innovation in Vietnam, how rapidly technology is being embraced and what the resulting societal impacts are:

	GII Position	Innovation Inputs	Innovation Outputs
2022	48 th	59 th	41 st
2023	46 th	57 th	40 th
2024	44 th	53 rd	36 th
2025	44 th	50 th	37 th

- Findings from *GII 2025* revealed that:
- Relative to GDP, Vietnam is performing above expectations for its level of development. The country effectively translates innovation investments into innovation outputs.
 - In 2025, Vietnam ranked first globally for creative goods exports for the first time. The top position reflects not only growth in production volume and value, but also creative capacity, with products that feature innovation, design, and cultural identity. This also indicates reduced reliance on simple, low-cost manufacturing and increased diversification toward high-tech, value-added, and creative goods.
 - Among the seven areas that *GII* comprises, Vietnam ranks highest in creative outputs, knowledge and technology outputs, and Market sophistication.
 - Structural challenges persist, with input indicators such as R&D capacity, higher education, skilled human resources, and research infrastructure remain modest.

Source: Google, Temasek, and Bain & Company, Ministry of Science and Technology

Technology (2/2)

3. EMERGING GROWTH DRIVERS

Vietnam’s technology sector is entering a new growth phase driven by several key industries, creating long-term opportunities:

Data centers

The rapid expansion of AI and cloud computing is driving strong demand for hyperscale data centers globally. Vietnam is increasingly attractive due to competitive construction costs, strong project returns, and a strategic location near major Asian digital hubs and economic centers.

AI Infrastructure

As organizations increase technology expenditure, especially AI, to enhance their competitive advantages, AI infrastructure is expected to become the largest AI spending segment. Domestic investments such as FPT’s AI Factory and CMC’s Hyperscale Data Center are positioning Vietnam to participate in the growing AI infrastructure market, including GPU cloud, AI-as-a-Service (AlaaS), Gen AI and Big Data.

5G Infrastructure

With 5G coverage already reaching 91.2% of the population, future growth will focus on increasing network capacity, quality, and spectrum utilization. Additional spectrum licensing and preparations for 5G-Advanced and 6G are expected to drive further Base Transceiver Station (BTS) deployment, infrastructure leasing, and network operation services.

Semiconductors

Growing AI and advanced electronics demand is accelerating semiconductor investment globally. Vietnam is attracting leading players such as NVIDIA, Qualcomm, Lam Research, Qorvo, and AIChip, driving expansion of R&D, chip design, testing, packaging, and supply chain activities. Continued FDI inflows are expected to strengthen the country’s semiconductor ecosystem and global integration.

4. SUPPORTING POLICIES

Vietnam has rapidly established a comprehensive legal framework for the digital economy, combining investment incentives, innovation support, AI and data governance, and technology-specific regulations.

Policy/ Regulation	Issued/ Effective Date	Key Objective	Key Investment Implications
Resolution No. 57-NQ/TW on Science, Technology, Innovation and Digital Transformation	Dec 2024	Establishes science, technology and digital transformation as key national growth drivers.	Promotes regulatory reforms, innovation-friendly policies, regulatory sandboxes, and technology experimentation.
Resolution No. 193/2025/QH15 on Special Pilot Mechanisms	Feb 2025	Introduces pilot mechanisms to accelerate innovation and digital transformation.	Creates a more flexible environment for emerging technologies and innovative business models.
Law on Digital Technology Industry (Law No. 71/2025/QH15)	Jun 2025/ Jan 2026	Provides a dedicated legal framework for Vietnam's digital technology industry.	Supports development of digital products, platforms, AI, data centers, and strategic technology sectors.
Law on Science, Technology & Innovation (Law No. 93/2025/QH15)	Jun 2025/ Oct 2025	Strengthens the innovation ecosystem and R&D activities.	Expands support for R&D, innovation centers, startups, and technology commercialization.
Personal Data Protection Law (Law No. 91/2025/QH15)	Jun 2025/ Jan 2026	Strengthens personal data protection and privacy requirements.	Establishes compliance requirements for AI, cloud computing, digital platforms, fintech, e-commerce, and data-intensive businesses.
Investment Law (Law No. 143/2025/QH15)	Dec 2025/ Mar 2026	Updates investment incentives and special support mechanisms.	Grants enhanced incentives for semiconductors, AI data centers, digital technology products, and strategic technology projects.
Artificial Intelligence Law (Law No. 134/2025/QH15)	Dec 2025/ Mar 2026	Creates Vietnam's first comprehensive AI regulatory framework.	Provides legal certainty for AI investment while introducing AI governance and risk management requirements.
High Technology Law (Law No. 133/2025/QH15)	Dec 2025/ Jul 2026	Regulates high-tech industries and strategic technologies.	Enhances support for high-tech enterprises, technology parks, and strategic technology development.

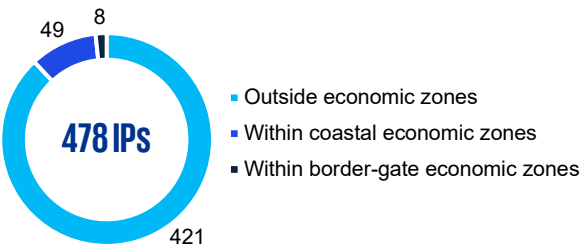
Source: Vietnamese Government, National Innovative Center, Mirae Asset Securities

Real Estate (1/2)

Changing FDI landscapes, infrastructure and regulatory developments create favorable conditions for the Real Estate sector.

1. INDUSTRIAL SEGMENT

Despite a challenging global macroeconomic climate, the industrial segment in Vietnam demonstrated robust performance across various asset types and regions, driven by strong demand.



Tenant profiles varied by region. The South continues to attract traditional manufacturing sectors such as textiles, engineering, food processing, and FMCG, while the North remains a center for technology and electronics production. Meanwhile, logistics and e-commerce occupiers continue to support stable warehouse absorption.

Beyond established industrial hubs such as Bac Ninh, Hai Phong, Ho Chi Minh City, and Dong Nai, businesses are exploring opportunities in emerging provinces that offer greater land availability, more competitive costs, and improving infrastructure connectivity. This trend is broadening Vietnam's industrial landscape and creating new growth opportunities for secondary markets.

Supply in H1 2026



41,000 ha
Industrial land
+1% y-o-y



10.4mn m²
Ready-built
factories
+15% y-o-y



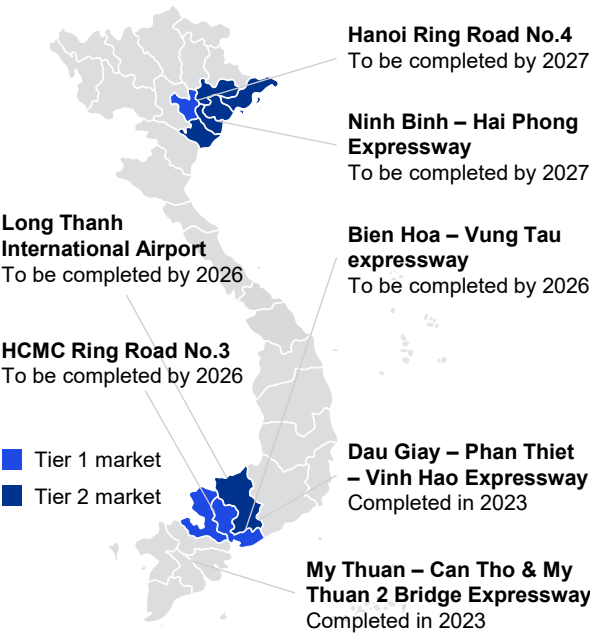
8.6mn m²
Ready-built
warehouses
+10% y-o-y

Vietnam's industrial real estate market is poised for its next growth phase, with investment increasingly shifting toward digital infrastructure, particularly data centers, supported by Resolution No. 10-NQ/TW, rising digital demand, and a more favorable regulatory environment.

Savills forecasts Vietnam's data center market could nearly double by 2030, driven by hyperscale developments, foreign investment, and stricter data protection requirements that encourage businesses to store and process data domestically.

Source: Savills, Foreign Investment Agency, JLL

Key infrastructure projects – growth driver of the industrial segment



Amid the ongoing restructuring of global supply chains, investors are increasingly prioritizing industrial parks that offer favorable regional connectivity, comprehensive logistics infrastructure near major manufacturing hubs, while possessing the capacity to support long-term partnerships.

2. RETAIL SEGMENT

Vietnam's retail real estate market remains on a positive trajectory in 2026, supported by the gradual recovery of domestic consumption, although the pace of recovery varies across sectors and locations.

In Hanoi, new retail supply is increasingly concentrated in non-central districts, particularly in the western and suburban areas, reflecting the growing development of large-scale retail projects alongside urban expansion.

Meanwhile, Ho Chi Minh City has entered a supply consolidation phase, with limited new additions to the market. The focus has shifted toward optimizing tenant mixes, improving operational efficiency, and maintaining high occupancy rates.

A key trend shaping the sector is the rise of integrated retail developments within mixed-use townships, where shopping centers benefit from established residential communities, offices, schools, and lifestyle amenities. This model provides a more stable and recurring customer base rather than relying primarily on foot traffic from visitors. At the same time, tenant demand is evolving beyond traditional retail, with growing interest from brands that offer experiences, entertainment, and lifestyle-driven concepts.

Source: Cushman & Wakefield, VARS

Real Estate (2/2)

3. OFFICE SEGMENT

Vietnam's office market is undergoing a period of transformation, driven by evolving tenant preferences, new infrastructure developments, and increasing emphasis on sustainability.

In Ho Chi Minh City, demand is supported by the establishment of the Vietnam International Financial Center (VIFC-HCMC), where businesses are encouraged to locate within the designated financial district, creating a strong demand driver for office space. Leasing activity is increasingly concentrated in newly completed, high-quality buildings with green certifications, while many occupiers are upgrading to better premises rather than expanding their footprints. Future supply is projected to be concentrated in emerging urban areas supported by improved infrastructure and land availability.

In Hanoi, the completion of large-scale developments, particularly in the western area, has significantly increased office supply and intensified competition. Rising vacancies and softer rental rates are prompting tenants to explore newer and more cost-effective alternatives outside the city center. In response, landlords are adopting more flexible leasing strategies and investing in green building certifications and smart-building technologies to enhance competitiveness and attract tenants.

A key trend across both cities is the growing preference for high-quality, sustainable, and technologically advanced office buildings. As occupiers become more selective, green-certified offices, smart-building features, and locations within integrated urban developments are emerging as key differentiators. According to the Ministry of Construction, as of Q2/2026, Vietnam has over 800 green buildings, which far surpasses the original target of 80 projects by 2025. This remarkable achievement showcases the relentless efforts of the real estate industry to align with global sustainability trends. Green certification may strengthen a property's market positioning and help address occupier demand for sustainable buildings.

4. RESIDENTIAL SEGMENT

Vietnam's residential real estate market continues to face a significant supply - demand mismatch. Affordable and mid-range housing has largely disappeared in Hanoi and HCMC, while high-end projects dominate new supply, pushing home prices beyond the reach of most buyers and slowing transaction activity. Lower rental yields have also reduced the attractiveness of buy-to-let apartment investments.

As a result, both homebuyers and investors are increasingly shifting to neighboring areas of the expanded HCMC region, such as Binh Duong and Ba Ria – Vung Tau, where prices remain more affordable and demand from end-users supports liquidity.

The affordable housing segment remains constrained by land availability, lengthy legal procedures, and lower profit margins. To address market bottlenecks, the government has introduced a series of measures to resolve stalled projects, support social housing development, and improve market transparency. Key initiatives include legal reforms, preferential social housing financing, the proposed National Housing Fund, and the launch of a national real estate database in July 2026.

Source: JLL, VIFC-HCMC, USGBC

Regulatory Landscape

- Decree No. 181/2025/ND-CP, effective from 01 July 2025, clarifies the calculation of Value Added Tax (VAT) for real estate business activities. The taxable price will be the selling price of the real estate before VAT, minus the land use fees or land lease payments already made to the state budget (referred to as the "deductible land price"). The regulation is expected to help businesses be more proactive in calculating costs, while supporting tax authorities to effectively manage real estate business activities, minimizing budget losses.
- The National Assembly passed the amended Law on Real Estate Business on 28 November 2023, effective 1 August 2024. This comprehensive law details regulations on real estate business, the rights and obligations of organizations and individuals involved, and state management of the sector. The new law is expected to provide essential guidelines for the real estate industry.
- Land Law 2024 was passed on 18 January 2024, and effective from 01 August 2024. It aims to simplify legal procedures and is expected to help stabilize real estate prices.
- Housing Law 2023 was passed on 27 November 2023, and effective from 01 August 2024. It continues to improve the framework to reduce risks for homebuyers and address issues in implementing social housing policies.

Source: Savills, Vietnamese Government, VARS

Meet our expert



Luu Bao Lien
Partner, Head of Real Estate

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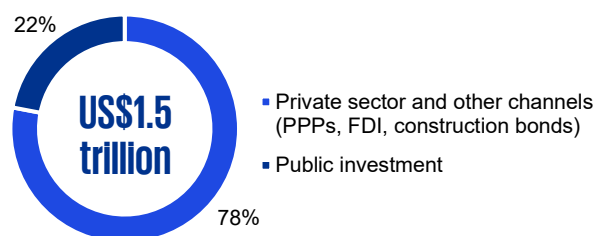
Infrastructure development as a catalyst for Vietnam's next growth phase

Vietnam's infrastructure sector enters an unprecedented growth cycle, creating attractive opportunities for foreign investors.

1. UPCOMING OUTLOOK

As Vietnam targets an average GDP growth rate of approximately 10% per annum during 2026-2030, the country is embarking on the largest infrastructure development cycle in its history. Massive investments are planned across transportation, logistics, urban development, energy, and digital infrastructure. This ambitious agenda creates substantial opportunities for private and foreign investors to participate in the country's next phase of growth.

Social Investment by sources, 2026-2030*



*Estimation of Ministry of Finance

To achieve its growth target, the Ministry of Finance estimates that Vietnam will require approximately US\$1.5 trillion in social investment during 2026-2030, of which 78% is expected to come from the private sector. This represents a significant funding challenge compared to the previous period. While public investment will continue to play a leading role, government resources alone will not be sufficient to meet the country's infrastructure needs. As a result, alternative funding channels, including foreign direct investment (FDI), public-private partnerships (PPP), infrastructure bonds, and infrastructure funds, are expected to become increasingly important.

The investment opportunity is supported by a pipeline of large-scale infrastructure projects that are either under construction or in preparation, including:

- The North - South High-Speed Railway, with an estimated investment of US\$58-67 billion;
- The Lao Cai - Hanoi - Hai Phong Railway, estimated at approximately US\$8 billion;
- Long Thanh International Airport;
- Urban metro systems in Hanoi and Ho Chi Minh City;
- The North - South Expressway network, ring roads, and regional logistics infrastructure.

These projects not only require substantial capital investment but also create long-term opportunities in financing, engineering, technology transfer, operations, and infrastructure management.

Source: Department for Roads of Vietnam, Ministry of Finance

2. GOVERNMENT SUPPORT MEASURES

With rising capital demand, Vietnam has been progressively strengthening its legal and regulatory framework to facilitate greater foreign participation in infrastructure development.

Law on Public-Private Partnership (PPP) Investment

A key pillar of this framework is the Law on PPP Investment, consolidated under Integrated Document No. 08/VBHN-VPQH (2025). The PPP framework allows both domestic and foreign investors to participate in national strategic sectors, including transportation, railways, airports, energy, waste management, digital infrastructure, and logistics.

Recent reforms have made this framework more attractive by improving efficiency, flexibility, and investment access:

- Decree No. 243/2025/ND-CP streamlines project approval, investor selection, and contract implementation, helping reduce administrative delays.
- The removal of minimum investment thresholds allows greater participation in smaller-scale projects
- The expansion of PPP-eligible sectors beyond transport and utilities to include digital infrastructure, technology, and innovation projects creates new growth opportunities
- Increased decentralization gives provinces greater responsibility in approving and executing PPP projects, accelerating decision-making and project delivery.

Resolution No. 20-NQ/TW on building and developing Vietnam into a strong maritime nation

With over 3,200km of coastline, Vietnam's economic geography is already heavily maritime.

- Resolution No. 20 marks a fundamental shift in Vietnam's strategic maritime mindset, transitioning the national approach from simply exploiting marine resources to comprehensively building a strong, sustainable, and integrated sea-based nation.
- Coastal provinces and cities are targeted to account for more than 70% of the national GDP by 2030.
- Resolution No. 218/NQ-CP was issued on 01 August 2026 to put this strategy into action with clear tasks and goals leading up to 2030.

Major cities are expanding financing channels for infrastructure development

Beyond national-level initiatives, Vietnam's major economic centers are also introducing innovative financing mechanisms.

- Hanoi has signed cooperation agreements with 5 leading commercial banks to prepare for the issuance of approximately VND200 trillion in local government bonds to finance strategic infrastructure projects.
- Ho Chi Minh City is developing a proposed Special Urban Law, expected to establish a more flexible institutional framework for raising capital and supporting the city's ambition to become an international financial center.

By diversifying funding sources beyond the state budget, these initiatives open up long-term growth opportunities for Vietnam for institutional investors, foreign strategic investors, and infrastructure investment funds.

Source: Bloomberg Businessweek Vietnam, Vietnamese Government, VCCI

Infrastructure – major project pipelines (1/2)

Development of modern and synchronized infrastructure is identified as a key driver to achieve the double-digit economic growth target in the coming years.

Road infrastructure

Current status

3,345 km

Of expressways

1,701 km

Of coastal roads

6,658 km

Of railway lines

Expressway investment structure

26%

Public

74%

PPP

Plans & Outlook (2026-2030)

Invest and upgrade

1,721 km

Of expressways; upgrading 2-lane and 4-lane segments to 6 lanes

Invest an additional of

772 km

Of coastal roads

Develop national railway lines such as Hanoi – Ho Chi Minh City & Lao Cai – Hanoi – Hai Phong

Key directions:

Promote decentralization, expand PPP and prioritize key national and inter-regional connections

Major project pipelines

Project	Investment	Status & Recent Developments	Key Outlook
North-South High-Speed Railway	US\$58-67 billion	Investment policy approved; feasibility studies, land clearance preparations, and technical standards are being finalized ahead of construction.	Construction is expected to begin in 2026. The project will transform national connectivity and support TOD, industrial development, and technology transfer.
Lao Cai-Hanoi-Hai Phong Railway	>US\$8 billion	Investment approved and implementation has commenced, with land clearance, resettlement, and route optimization currently underway.	Will strengthen Vietnam-China trade, improve logistics efficiency, and enhance connectivity between industrial zones and Hai Phong Port.
Urban Metro Systems (Hanoi & HCMC)	Multi-phase investment program	Hanoi and HCMC are accelerating metro development, with several lines operational, under construction, or being prepared for groundbreaking.	Large-scale network expansion is planned over the next decade, creating opportunities in rail systems, smart mobility, TOD, and transit-related real estate.
North-South Expressway, Ring Roads & Logistics Infrastructure	Multi-phase investment program	Vietnam's expressway network now exceeds 3,000 km, with key North-South and urban ring road projects entering operation or nearing completion.	Focus is shifting toward capacity expansion, logistics integration, and improved connectivity between ports, airports, industrial parks, and economic corridors.

Source: Department for Roads of Vietnam

Infrastructure – major project pipelines (2/2)

Aviation infrastructure

Current status

22 Airports **155** Million passengers/ year

Major project:

Long Thanh International Airport, one of the country’s largest infrastructure projects, is planned to alleviate traffic congestion at Tan Son Nhat Airport.

In the first phase, from 01 December 2026 to the end of March 2027, airlines will be encouraged to launch new international routes, increase flight frequencies, and operate cargo services from Long Thanh. During the 2027 winter flight schedule, Long Thanh is expected to handle almost all international flights.

Major road connections to the airport are also being accelerated to ensure seamless connectivity upon launch.

Plans & Outlook

By **US\$18 – 20 bn** Required investment capital
2030

31 Airports **294** Million passengers/ year

2050 **34** Airports **533** Million passengers/ year
vision

Key directions:

- Expand capacity and upgrade existing airports.
- Reduce the proportion of public investment, increase mobilization of social resources through PPP and private investment.
- Enhance international connectivity and improve service quality.

Waterway infrastructure

Current status

34 Seaports, including:
• 02 Special-type ports • 07 Type II ports
• 11 Type I ports • 14 Type III ports

310 Inland waterway ports **1,170** Million tons/ year in cargo throughput (2025)
9.29 Million passenger/ year (2025)

Plans & Outlook

By **US\$22.3 bn** Required investment capital
2030 in the seaport system

1,396 – 1,656 Million tons/ year in cargo throughput capacity

18.5 – 20.4 Million passenger/ year in capacity

2050 **4.0 – 4.5%** Cargo throughput capacity growth
vision

1.2 – 1.3% Passenger throughput capacity growth

Key directions:

- Develop major international gateway ports: Prioritize expansion of Lach Huyen (Hai Phong) and Cai Mep (Ho Chi Minh City), while developing new strategic ports including Can Gio International Transshipment Port, Lien Chieu (Da Nang), and Nam Do Son (Hai Phong).
- Strengthen international transshipment capabilities: Advance the Can Gio transshipment hub and explore policy mechanisms for phased development of Van Phong (Khanh Hoa) as a future international transshipment port.
- Enhance regional connectivity: Plan for Tran De Port (Soc Trang) to serve the Mekong Delta and support large-scale ports with national and inter-regional economic significance.
- Develop international passenger terminals in key tourism regions and expand port facilities serving industrial parks and economic zones.

Source: Department for Roads of Vietnam, Vietnam Customs, Vietnamese Government

Flying into Vietnam

Six questions foreign airlines are asking before they land

Q1

Will we need to amend our aviation license?



Q2

Is our current TSO still fit for purpose?



Q3

Can Vietnam operations continue without disruption?



Q4

Do we have chief accountant exposure?



Q5

Will Long Thanh create a tax or payroll footprint?



Q6

Are our passenger data flows compliant?



One integrated answer covering legal, tax, accounting, payroll, data privacy and implementation - one team, one assessment, one roadmap.

- Regulatory readiness
- Long Thanh transition
- Data privacy and cybersecurity
- Managed compliance

Vietnam's aviation framework changed in March 2026. Long Thanh opens in 2027. Passenger and operational data now sit under stricter privacy and cyber rules. Turn over for the five-step readiness card.

Readiness card

Five steps to a compliant Vietnam operation



1

Before departure

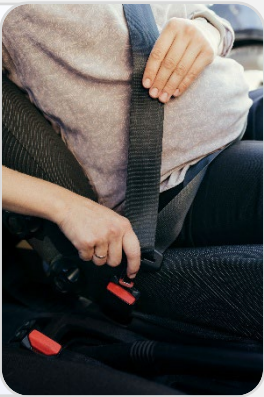
Aviation compliance health check: TSO, RO or branch footprint, licence, tax, accounting, payroll and controls



2

Fasten seatbelt

Operating model decision and licence amendment:
TSO continuation, RO transition or branch conversion, CAAV to DoIT



3

Safety briefing

Data privacy and cyber readiness: data mapping, consent and cross-border transfers, aviation systems, incident playbooks. Implementation and managed compliance: licence updates, tax and payroll support, privacy controls, statutory accounting



4

In case of turbulence

Tax and legal clarification with MoF, MOIT and CAAV, including web sales tax and direct-route procedures under the bilateral agreements



5

Contact us



Legal, Tax & Labor Strategies for Foreign Contractors

Vietnam is targeting annual GDP growth of over 10% for 2026–2030, underpinned by substantial investment in airports, railways, expressways, metro systems, and seaports.

This rapid expansion presents attractive opportunities for global EPC contractors, while also introducing complex legal, tax, labor, and regulatory considerations that must be carefully managed.

Key Challenges for Foreign EPC Contractors

Through a blend of expert knowledge, strategic support, operational assistance, and embedded technology solutions, our comprehensive solution ensures compliance and enhances the overall effectiveness of clients' business operations in Vietnam.

Contract Risk and Negotiation



- Managing legal and tax risks in EPC contract negotiating and drafting
- Aligning commercial terms with Vietnam's regulatory and business environment

Operational Compliance and Efficiency



- Optimizing tax, accounting, labor, and immigration obligations
- Maintaining compliant, cost-efficient operations throughout project execution

Post-Contract Closure



- Completing exit and project closure formalities smoothly
- Ensuring accurate tax finalization, effective tax audit and efficient profit repatriation

KPMG in Vietnam: Your End-to-End Partner

KPMG in Vietnam provides integrated legal, tax, labor and regulatory support across the full EPC project lifecycle, helping foreign contractors enter, operate, and exit Vietnam efficiently and with confidence.

Pre-Operation



- Market entry and contract structuring strategy
- Contract preparation/review support and risk assessment
- Licensing and registration support

Operation



- Tax and regulatory compliance
- Bookkeeping and statutory reporting
- Labor, payroll, and HR compliance
- Work permit and immigration support
- Monitoring and analysis of regulatory developments relevant to the project

Post-Operation



- Project wind down and statutory closure support
- Assistance with asset transfer arrangements
- Structuring and implementation of tax-efficient profit repatriation
- Support with dispute resolution processes and post-completion compliance, as required

Why KPMG in Vietnam

Extensive experience in EPC projects



Experienced and dedicated legal, tax, and labor teams providing integrated support



Strong relationships with Vietnamese competent authorities



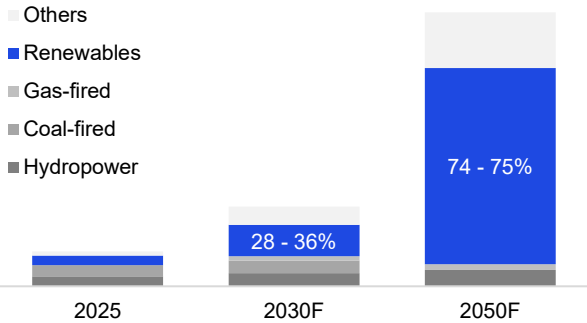
Commercial and practical approach



Energy & Utilities

The energy and utilities sector and energy infrastructure will be critical to attract high-tech FDI and contribute significantly to Vietnam’s ambitious target of double-digit economic growth.

Share of installed capacity by power source⁽¹⁾



(1) Data for 2030F and 2050F is based on Revised PDP8
Gas-fired will be completely replaced by LNG and Hydrogen in 2050

Source: EVN, Mirae Asset Vietnam Research

- In 2025, Vietnam led Southeast Asia with an installed power capacity of ~90 GW and a robust 8.02% GDP growth, yet its grid electricity consumption rose by only 4.9%. This unprecedented decoupling pushed the country’s historic electricity-to-GDP elasticity ratio below 1.0, driven by favorable weather patterns, less energy-intensive public infrastructure investments, and a rapid expansion of decentralized rooftop solar systems.
- Looking ahead to the 2026-2030 period, this elasticity ratio is expected to continue its gradual decline as the economy matures toward high-value-added tech and service sectors. Rapid digital transformations like AI, semiconductors, and data centers will emerge as new demand drivers, supporting a sustainable, power-efficient economic trajectory.
- Vietnam’s Resolution No. 10-NQ/TW marks a new phase in the country’s FDI strategy, prioritizing high-tech, innovation-driven, and sustainable investments. As competition for high-tech FDI intensifies, energy infrastructure is becoming a decisive investment factor alongside policy, talent, and logistics. To strengthen its competitiveness, Vietnam must accelerate the development of smart, digitalized energy infrastructure, which enables businesses to monitor performance in real time, optimize energy use, reduce downtime, and improve decision-making.
- Sectors such as semiconductors, AI, data centers, and smart manufacturing require reliable, high-quality power to maintain operations. Unlike traditional investment criteria focused on labor costs, incentives, and location, investors increasingly prioritize energy security and stability. Given the high electricity consumption of these industries, even minor power disruptions can cause significant financial losses, production interruptions, and supply chain risks.

Key recent developments in the legal framework related to energy sector

Policy/ Regulation	Issued Date	Key Highlights
Decree No. 243/2026/ND-CP	26 June 2026	Officially expands the legal framework for the DPPA mechanism, allowing parties to negotiate electricity prices directly in certain cases while broadening participation in the renewable energy market. The decree increases the proportion of excess rooftop solar power that can be sold back to the grid from 20% to 50% and encourages businesses to integrate Battery Energy Storage Systems (BESS).
Decree No. 133/2026/ND-CP	18 May 2026	Brings renewable energy development activities, particularly rooftop solar and wind power projects, under a more structured and stringent administrative management framework.
Decision No. 893/QD-TTg	2023	Establishes a legal and policy framework for Vietnam’s national energy value chain, including oil and gas, coal, electricity, and renewable energy sectors. The decision serves as a foundation for strengthening national energy security and promoting sustainable energy development.
Revised National Energy Master Plan	February 2026	Reaffirms the importance of safeguarding energy security across the entire energy value chain. The revised plan emphasizes the reliable supply, development, and integration of diverse energy sources, including renewable energy, to support Vietnam’s long-term economic growth and energy transition objectives.

Source: Vietnamese Government, EVN

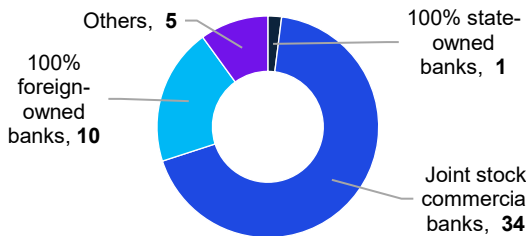
Banking (1/2)

Driven by strong credit growth and a strategic shift toward selective expansion, Vietnam’s banking system is laying a resilient foundation for the economy’s next high-growth cycle.

1. BANKING SYSTEM OVERVIEW

Vietnam’s banking system consists of 50 organizations, with joint stock commercial banks (JSCBs) dominating the sector.

Vietnam’s number of banks, 30 June 2026



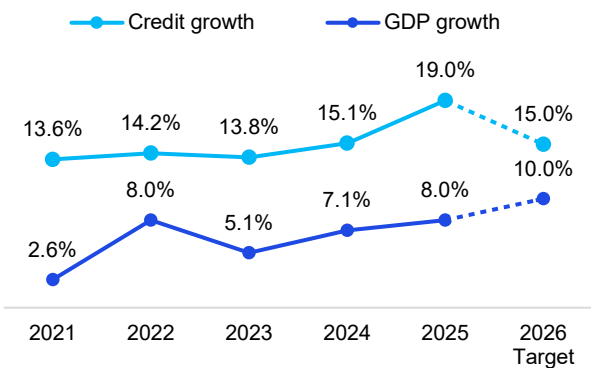
By the end of the first quarter of 2026, the total assets of 29 domestic JSCBs stood at US\$831.8 billion. Credit outstanding accounts for the largest share of banks’ total assets. Credit growth of 19.01% in 2025 laid the foundation for many banks to expand their asset scale throughout 2025 and 2026.

2. SELECTIVE CREDIT EXPANSION AHEAD

By the end of 2025, Vietnam’s credit growth was strong, far exceeding the 15% target that the State Bank of Vietnam (SBV) often set in previous years. This signaled a shift in the economic cycle and monetary policy:

- A monetary easing cycle indicates a recovery in investment, production, and consumption over the next 6-12 months;
- Capital flows may return to key sectors, such as banking, real estate, construction, and securities.

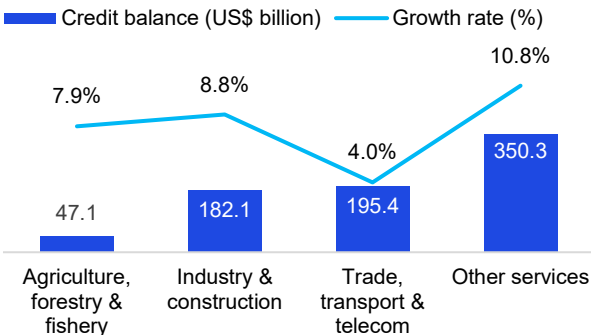
Vietnam’s credit growth & GDP growth



Credit growth in 2025 was led by real estate-related lending, FDI, and retail credit, consistent with SBV’s flexible credit guidance. For 2026, the SBV has set a credit growth target of 15%, lower than previous year’s rate. This cautious approach aligns with the Government’s strategy of reducing reliance on bank credit and curbing real estate speculation.

Source: SBV, FiiRatings

Vietnam’s outstanding credit to the economy and growth rate, H1/2026



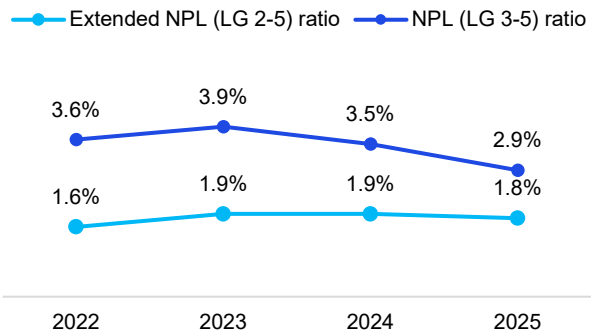
Remarks: Exchange rate: US\$1 = VND26,000

With the Government targeting double-digit economic growth starting in 2026, credit continues to be viewed as a key driver supporting the expansion of production and investment. The credit landscape is highly polarized. Other services accounts for almost half of the entire system’s credit, rising by 83% over the past three years. Industry & construction outpaces the national average growth rate of 8.37%, signaling a robust recovery in domestic output and production capacity. In contrast, domestic retail and trading activities remain highly cost-sensitive, resulting in a slower rate of credit absorption.

3. NAVIGATING HIDDEN RISKS

The level of non-performing loans was better controlled in 2025 compared to preceding years, thereby helping to reduce exposure to risks and strengthen the system’s resilience. The decline from 3.5% to 2.9% in the system-wide non-performing loan ratio for major commercial banks is largely driven by a recovering real estate sector and aggressive credit growth, with the expiration of Circular No. 02/2023 fostering greater recognition of restructured loan risks.

Non-performing loan (NPL) ratio



Remarks: Data from financial statements of 28 commercial banks, of which customer loans account for ~87% of the systemwide figure as of 2025. LG = Loan Group; All loan groups (LG 1-5) are officially categorized based on debt quality and payment delays under Circular 11/2021/TT-NHNN.

Source: SBV, FiiRatings, World Bank

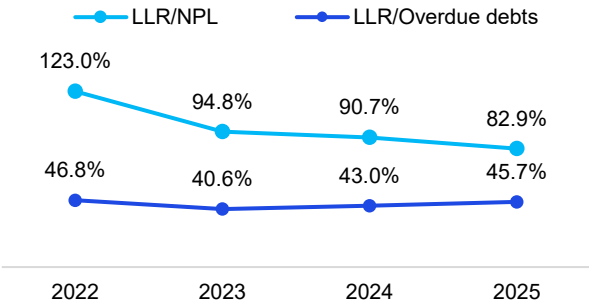
Banking (2/2)

Bank performance in 2025 remained uneven across state-owned and private bank groups. To navigate this next cycle, banks need to adapt to a series of new regulations from SBV, requiring stricter risk management processes as well as enhanced digital control across the system.

3. NAVIGATING HIDDEN RISKS (CONT.)

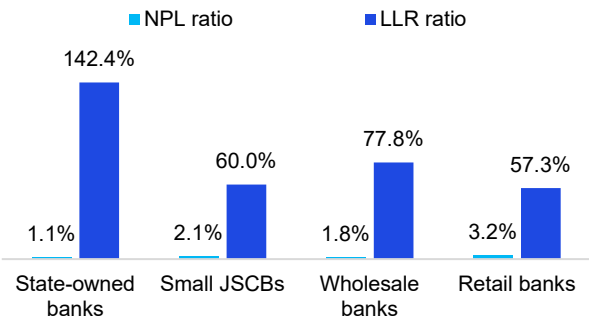
Although overall asset quality improved slightly, as evidenced by a drop in the NPL ratio, loan-loss coverage capacity and capital adequacy remained uneven, particularly between state-owned commercial banks (SOCBs) and smaller JSCBs.

Loan-loss reserve (LLR) ratio



Remarks: Data from financial statements of listed banks.

NPL vs. LLR by banking group, 2025

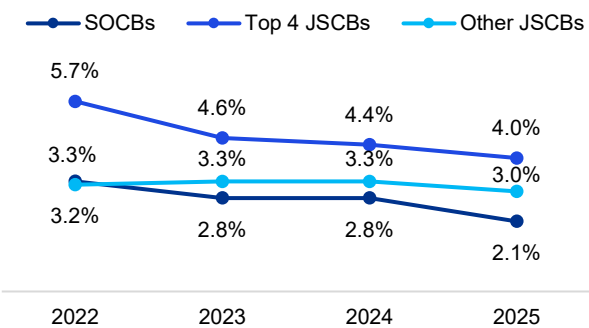


4. DIVERGENT GROWTH STRATEGIES

The sector's NIM fell to 2.9% in 2025 and may remain below 3.0% in 2026, driven by higher cost of funds and compromising lending yields.

However, longer term lending and consumer lending focus could help maintain NIM at the 2025 level.

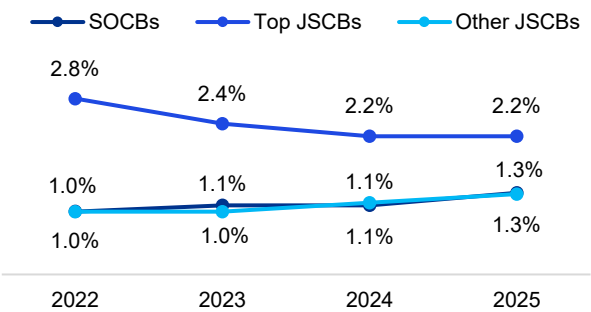
Net interest margin (NIM) by banking group



Source: SBV, FiiRatings, World Bank, The Saigon Times

The earnings outlook in 2026 is projected to differ among bank groups: Top JSCBs rely on CASA; SOCBs pivot to foreign exchange and debt recoveries; and smaller JSCBs rely on retail acquisition and non-interest income.

Return on assets (ROA) by banking group



Remarks: CASA = Current Account and Savings Account

Regulatory Landscape

In recent years, the State Bank of Vietnam has actively issued and enhanced regulations that ensure the well-being of the industry.

- **Circular No. 83/2025/TT-NHNN:** Regulations on Internal Control System of Commercial Banks and Foreign Bank Branches.
- **Decision No. 3580/2025/QĐ-NHNN:** Approval of the "Banking Sector Data Strategy to 2030".
- **Circular No.14/2025/TT-NHNN:** Roadmap and guidance in applying Capital Adequacy Ratio calculations.
- **Circular No.50/ 2024/TT-NHNN:** Regulations on the Safety and Security for the Provision of Online Services in the Banking Sector.
- **Circular No.64/ 2024/TT-NHNN:** Regulations on the Implementation of Open Application Programming Interfaces in the Banking Sector.
- **Circular No.09/2020/ TT-NHNN:** Regulations on Information System Security in Banking Operations.

Source: SBV, FiiRatings, World Bank

Meet our expert



Pham Do Nhat Vinh

Partner, Head of Financial Services

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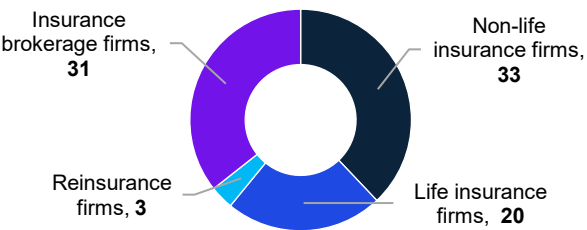
Insurance (1/2)

Vietnam's insurance sector is entering a phase of resilient, higher-quality growth, driven by a strong post-disaster recovery and an expanding non-life segment.

1. INSURANCE MARKET OVERVIEW

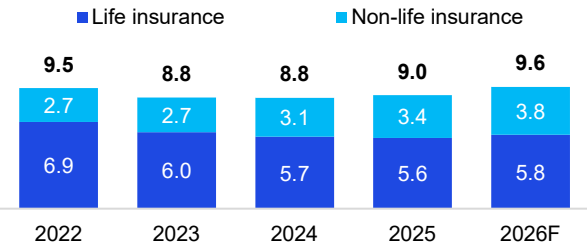
By the end of June 2026, Vietnam's insurance market has 87 organizations, bringing approximately US\$4.6 billion in premium revenue.

Number of insurance companies, 30 June 2026



The year 2025 marked a challenging period for Vietnam's socio-economic landscape, as the country faced a succession of 15 major storms and a series of extreme weather events. Amidst rising risks from natural disasters, the insurance industry continued to affirm its role as a "financial shield", helping to absorb losses and support post-disaster recovery. Notably, the insurance industry maintained a solid financial foundation and showed clear signs of recovery. Market-wide premium revenue returned to positive growth, while total investment back into the economy reached nearly US\$37 billion, an increase of 10.31%.

Insurance premium revenue (US\$ billion)



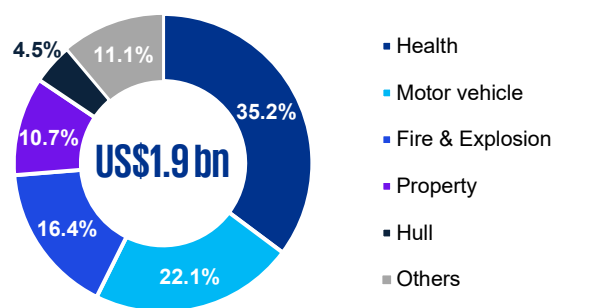
According to estimates by the Insurance Supervisory Authority, the insurance market is expected to record US\$9.62 billion in premium revenue in 2026, an increase of 5.45% year-on-year. The primary growth driver continues to be the non-life insurance segment, with revenue forecast to hit US\$3.78 billion, up 11.25%, reflecting the rising demand for asset and risk protection. Meanwhile, life insurance revenue is estimated at US\$5.84 billion, a 2% increase; this indicates a cautious yet steady recovery, laying the groundwork for a phase of higher-quality and more sustainable growth.

Remark: Exchange rate: US\$1 = VND26,000
Source: Insurance Supervisory Authority, Ministry of Finance, Insurance Association of Vietnam

2. NON-LIFE INSURANCE

Total insurance premium revenue across the market in the first six months of 2026 was estimated at US\$4.59 billion, an increase of 2.76% compared to the same period in 2025. The non-life insurance market also grew strongly in 2025 and maintained positive momentum into the first half of 2026, reaching revenue of US\$1.94 billion (up 16% year-on-year).

Premium revenue by product type, H1 2026 (%)

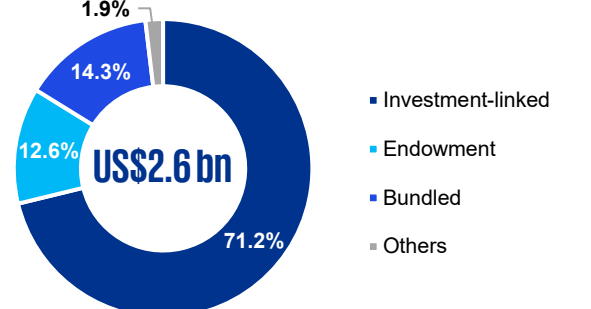


Vietnam's non-life market has been attractive to foreign insurance groups and domestic financial conglomerates seeking growth and diversification. The market's overall operating performance is expected to remain resilient, underpinned by stable investment returns and positive underwriting results, along with easing reinsurance market conditions.

3. LIFE INSURANCE

At US\$2.65 billion, Vietnam's life insurance premiums in the first half of 2026 were down 5.23% year-on-year, indicating a period of adjustment and restructuring.

Premium revenue by product type, H1 2026 (%)



The period of 2023-2024 was a challenging phase for Vietnam's life insurance market following years of rapid growth, as many products and services did not fully meet the needs and income levels of customers. However, the market still holds enormous potential due to its low penetration rate, and demand for life insurance products is projected to increase to catch up with countries of similar income levels.

Remark: Exchange rate: US\$1 = VND26,000
Source: Insurance Supervisory Authority, Ministry of Finance

Insurance (2/2)

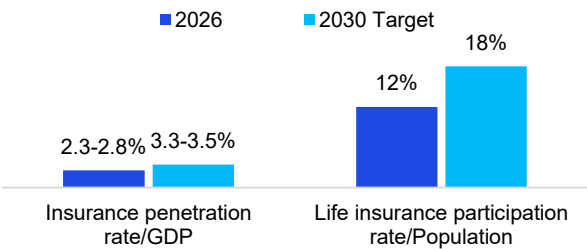
Building on this operational recovery, the sector is entering a new cycle of development, driven by an underpenetrated market, diverse digital distribution channels, and a modernized regulatory framework.

4. THE SECTOR HOLDS UNTAPPED POTENTIAL

Currently, Vietnam's insurance penetration rate fluctuates around 2.3% to 2.8% of GDP, while the average is 3.35% for ASEAN countries and 6.3% globally, indicating significant growth potential towards the Ministry of Finance's end-of-decade target.

With approximately 12 million life insurance policies out of a population of over 100 million, the insurance penetration by population in Vietnam is only 12% – far below the Asian regional average. Compared to Vietnam's economic growth rate, with GDP growing at an average annual rate of around 6.3% during the 2021-2025 period, the size of the country's insurance market appears modest compared to its potential.

Insurance penetration (%)

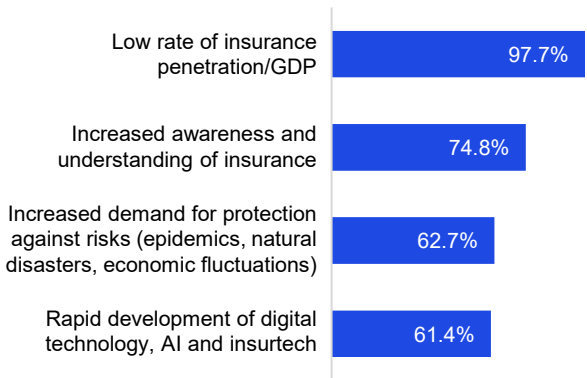


From 2026 onwards, driven by stable economic growth and a refined legal framework, the insurance market is expected to enter a phase of higher-quality, healthier development, working towards the Government's goal of having 18% of Vietnam's population covered by life insurance by 2030.

Following a period of rapid growth and a subsequent sharp correction, Vietnam's insurance industry stands poised to enter a new cycle of development.

While low insurance penetration provides the foundation for future growth potential, and rising public awareness alongside a growing need for financial protection drives market expansion, technology is emerging as a crucial catalyst linking these two factors. In this context, the key question is no longer whether the market holds potential, but rather how companies will go about unlocking it.

Top 4 growth drivers for insurance market (% of companies surveyed)



Source: Insurance Supervisory Authority, Ministry of Finance, Vietnam Report

5. DISTRIBUTION CHANNELS

Bancassurance:

- In 2025, bancassurance solidified its position as the leading distribution channel, accounting for nearly half of new life insurance premiums and outpacing traditional agencies through exclusive bank-insurer alliances.
- This resurgence extends to the non-life sector, where bancassurance has become a vital income stream, contributing over 50% of total revenue for several firms, prompting insurers to actively revitalize the channel after a period of stagnation.

Agency:

- Agencies historically drove life insurance growth, but their share of new premium has declined as banks gained prominence. To resolve the industry's "crisis of confidence", firms are prioritizing professional training to rebuild consumer trust and rural outreach where banking presence is limited, as well as continuing to invest in their agency networks' quality and productivity.
- By 2025, a multichannel approach has become standard, with insurers diversifying sales across strengthened agency and alternative digital platforms.

Insurtech:

- Digital distribution emerged as the fastest-growing channel, albeit from a small base. In 2025, virtually all insurers ramped up digital investment, with 98.7% of companies planned to increase technology spending to integrate sales into mobile apps and websites.
- Digital channels remained a small share of total premiums but saw rapid acceleration, particularly for micro-insurance, travel, and auto insurance products through partnerships with platforms like Momo and Shopee. On the other hand, insurtech firms like Igloo partnered with banks and insurers to provide ready-made digital insurance "plug-ins" for banking apps.

Regulatory Landscape

- **Law on Insurance Business 2025 (Amended):** The reduction and simplification of administrative procedures are expected to help resolve legal hurdles, enabling insurance companies to develop new products, expand distribution channels, and accelerate digital transformation.
- **Law on Credit Institutions 2024 (Amended):** Regulates bancassurance, prohibiting banks from linking non-mandatory insurance sales to loans, thereby countering forced insurance purchases in bancassurance models.
- **Circular No. 67/2023/TT-BTC:** Provides guidelines on the responsibilities and operations of life, non-life, and health insurers, as well as reinsurers, under the revised Law on Insurance Business and Decree No. 46/2023/ND-CP.
- **Law on Insurance Business 2022:** The primary law regulating all insurance activities in Vietnam. Defines insurers, the scope of insurance, policyholder rights, responsibilities, and minimum requirements for capital, solvency, accounting, and business conduct for both life and non-life insurers.

Source: Insurance Supervisory Authority, Ministry of Finance, Vietnamese Government

Capital Market

Vietnam's capital market is entering a new phase of significant transformation through ongoing reforms and deeper alignment with international standards.

Prioritized sectors

VND9,975 trillion

Market capitalization of HOSE, HNX and UPCoM, equivalent to 77.9% of Vietnam's GDP in 2025

VN-Index Performance

1,784.49 points

At the close of trading on 31 December 2025, (▲ 40.87% y-o-y), surpassing its all-time high (based on closing prices).

Trading value

VND29,500 billion/session

In average trading value of the stock market (▲ 40% compared to the 2024 average)

21.2%

Increase year-on-year

40 listed companies

With capitalization of over US\$1 billion (~VND26 trillion)

Market Structure

Strong performing sectors

Information technology: ▲ 76.47%

Consumer goods: ▲ 32.18%

Healthcare: ▲ 27.13%

Finance: ▲ 21.5%

1,613

Total number of listed and registered stock codes on HOSE, HNX and UPCoM

Source: Ministry of Industry and Trade, Tapchitaichinh, Baodautu, DNSE

Recent developments

FTSE Russell upgrade

FTSE Russell confirmed Vietnam's reclassification from Frontier Market to Secondary Emerging Market, effective 21 September 2026. The upgrade significantly expands Vietnam's visibility among global investors. Vietnam will be progressively added to FTSE Emerging Market indices through four tranches between September 2026 and September 2027.

The upgrade is expected to have some implications for Vietnam's market: increase passive fund inflows, greater attention from active emerging-market investors, and higher standards for governance, disclosure, and information accessibility. Most importantly, the upgrade serves as external validation that Vietnam's market infrastructure is approaching international standards.

KRX trading system

The launch of the KRX trading system in May 2025 marked a significant market infrastructure upgrade in Vietnam over a decade in the making. This system laid a solid foundation for Vietnam's stock market to increase trading capacity, introduce new and sophisticated products, improve management and supervisory efficiency.

IPO pipeline

Following several relatively subdued years, Vietnam's IPO and listing pipeline is strengthening again. Vietnam's capital market in recent years has witnessed higher listing activity, renewed investor appetite and more large private companies preparing for public-market funding. Along with the launch of KRX trading system and FTSE Russell upgrade, regulatory reforms are also shortening and simplifying listing processes while improving transparency for investors. Particularly, Decree No. 245/2025/ND-CP (amending Decree No. 155/2020/ND-CP) introduces significant market transformation, including the removal of foreign ownership restrictions below statutory limits, mandatory daily disclosure of foreign ownership ratios by the Vietnam Securities Depository and Clearing Corporation, the establishment of a legal framework for a Central Counterparty mechanism expected to launch in Q1 2027, and the simplification of the IPO-to-listing process from 90 days to just 30 days.

Source: Vietnam Investment Review, SSI Research

Customize a checklist for IPO roadmap

To support client to get ready for their IPO journey, and to earn and sustain the trust of their stakeholders, we will thoroughly review their business across below areas and support in development of certain program:

1 st Priority area	Sub-area	1 st Priority area	Sub-area
1. Equity story	1.1. Business proposition 1.2. Growth strategy	5. Finance	5.1. Planning, Budgeting & Forecasting 5.2. Management Reporting
2. Governance	2.1. Board Composition (*) 2.2. Board Operations (*) 2.3. Culture and Values (*) 2.4. Reporting, Monitoring and Evaluation (*)	6. Treasury	6.1. Treasury and Working Capital management
3. Risk management & Internal controls	3.1. Control environment (*) 3.2. Compliance management (*) 3.3. Risk assessment (*) 3.4. Internal control over financial reporting (*) 3.5. Information and communications (*) 3.6. Internal Audit (*)	7. Tax	7.1. Tax health check 7.2. Tax functions & related processes
4. Accounting	4.1. Financial Report 4.2. Financial & Accounting resources	8. Sales & Distribution	8.1. Sales & Distribution

2 nd Priority area	Sub-area	2 nd Priority area	Sub-area
9. IT	9.1. IT Strategy (*) 9.2. IT Governance (*) 9.3. IT System (*) 9.4. System recovery (*)	12. Data governance	12.1. Data governance (*) 12.2. Data privacy
10. Human resource	10.1. HR Strategy 10.2. Roles and responsibilities 10.3. Remuneration 10.4. Development of resources and skills 10.5. Communication and change management 10.6. ESOP program	13. IPO readiness	13.1. IPO Project Team 13.2. Investor Relations ("IR")
11. ESG	11.1. ESG performance and reporting readiness (*)	14. Legal & Tax structuring: Impact on pre & post IPO considerations	14.1. Legal corporate structure options & steps to achieve equity story 14.2. Accounting impacts pre and post IPO 14.3. Tax considerations pre and post IPO 14.4. Implementation supports

(*) The scope to be reviewed in priority as per requirements of regulations and compliance

Meet our expert



Lam Thi Ngoc Hao

Partner, Head of Business Transformation,
Head of Clients & Markets

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International Financial Center (1/2)

Vietnam's International Financial Center (IFC) is a national strategic project designed to establish a globally competitive financial hub across Ho Chi Minh City and Da Nang, driving economic growth, innovation, and international financial integration.

Key features

Dual-city model Vietnam's IFC is built upon a distinctive "one center, two cities" model that strategically distributes core functions between Ho Chi Minh City and Da Nang.	Tax regime Preferential CIT at 10% or 15%; targeted PIT exemptions through 2030	Operating framework Special rules for foreign exchange, accounting, sandboxes, labor, immigration and dispute resolution
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Priority treatment areas

Decree No. 323/2025/ND-CP identifies six broad groups of sectors, products and services prioritized for IFC development:

Dual-city model Digital infrastructure, payments, financial logistics, clearing and settlement	Green and ESG finance Sustainable-finance products and services linked to environmental, social and governance factors	Markets and trade finance Commodity markets, derivatives and international trade finance
Fintech and innovation Digital-finance solutions, sandboxes and new financial models	Funds and asset management Investment funds, asset management and supporting capital infrastructure	Professional services Qualifying advisory, support and other related activities

Tax & legal incentives

Corporate Income Tax (CIT)		PIT exemption until 2030	Talent mobility	Preferential land policies
Priority sectors	Other sectors	Full exemption for qualifying managers, experts, scientists and highly skilled professionals; also for certain capital transfers.	Visas and temporary residence cards up to 10 years; work-permit exemptions for qualifying professionals; no labor quotas or market test.	Up to 70-year terms for priority or large-scale projects, access to clean land banks and eligible collateral rights.
10% for 30 years	15% for 15 years			
Up to 4 years exemption	Up to 2 years exemption			
50% reduction for up to an additional 9 years	50% reduction for up to an additional 4 years			

Opportunities for investors

Vietnam's IFC offers investors early access to a rapidly growing financial ecosystem through greater market access, regulatory flexibility, and attractive incentives. Positioned as a cost-effective alternative to established regional hubs, the IFC supports cross-border finance, global capital access, and emerging opportunities in fintech, AI, blockchain, and digital payments.

Source: Vietnamese Government, Vietnam Briefing

International Financial Center (2/2)

KPMG has been deeply involved in shaping the development of Vietnam's IFC, from advising on policy formulation to supporting industry stakeholders in building governance, regulatory and market frameworks that meet global standards. With the combined role of a trusted technical advisor and an active market partner, KPMG continues to accompany Vietnam across every step of its IFC journey.

Supporting Vietnam's IFC



On 30 October 2025, KPMG in Vietnam and the Association of Chartered Certified Accountants (ACCA) signed a Memorandum of Understanding (MOU) to strengthen collaboration in supporting the establishment and development of Vietnam's International Financial Center. The signing ceremony took place as part of the Vietnam – UK High-level Forum on Economy in London, witnessed by General Secretary and State President To Lam. – Read more [here](#)



KPMG joined the UK–Vietnam IFC 2026 Conference, co-organized by the British Consulate-General, BritCham and Dragon Capital, where Warrick Cleine MBE, Chairman & CEO, and Hoang Thuy Duong, Head of Tax, shared insights on Vietnam's IFC development. – Read more [here](#)

KPMG in Vietnam joined a working session with Assoc. Prof. Dr. Nguyen Huu Huan, Vice Chairman of the Executive Board of the Ho Chi Minh City International Financial Center (VIFC-HCMC). The discussion focused on potential collaboration to strengthen capacity building, particularly in International Financial Reporting Standards (IFRS) and sustainability initiatives. – Read more [here](#)

How KPMG can help

Our end-to-end IFC advisory supports investors, regulators and market participants across strategy, regulatory clarity, market entry, operations, and value creation.

Key support areas

- IFC readiness & market attractiveness assessment
- Regulatory, tax and licensing advisory
- Entity setup, capital and FX structuring
- Operating model, digital and RegTech enablement
- ESG, infrastructure, capital markets & private market expansion
- Transaction advisory, due diligence & exit strategy

The 6-stage investor journey

- Stage 01:** Strategic awareness & entry consideration
- Stage 02:** Regulatory clarity & risk assessment
- Stage 03:** Establishment & capital commitment
- Stage 04:** Operations, scaling & market integration
- Stage 05:** Ecosystem deepening & value creation
- Stage 06:** Maturity, reinvestment or exit

Explore more

The Investor Guide to Vietnam's IFC

Our end-to-end IFC advisory supports investors, regulators and market participants.

[Download brochure](#)

Stay up-to-date

Use [this link](#) or scan the code to discover our latest IFC insights and publications





04

Embracing sustainability

Towards Net Zero Economy (1/2)

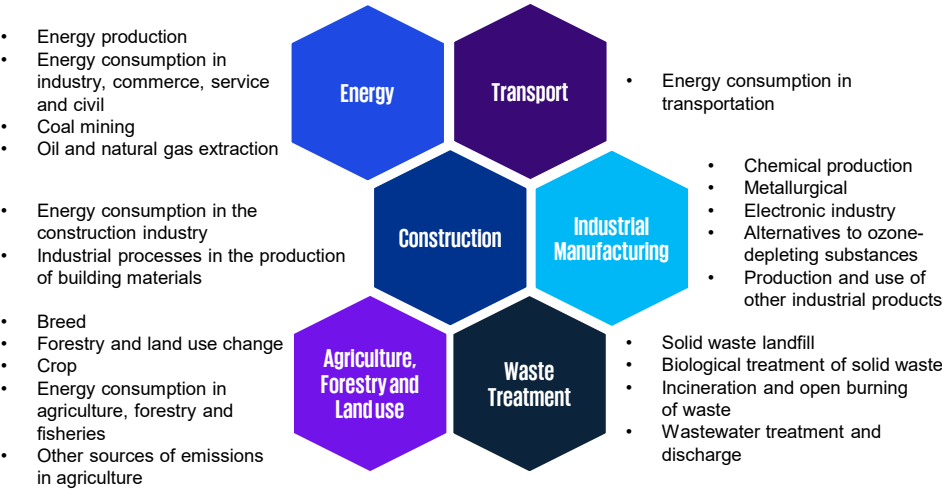
The country’s rapid economic growth and industrialization have been powered by a coal-dependent energy supply, creating significant greenhouse gas (GHG) emissions. Following its foundational COP26 pledges to achieve net-zero emissions by 2050, Vietnam advanced its strategy at COP30 by aligning with global mandates and drafting an NDC framework to accelerate high-tech decarbonization.

	Thailand	Malaysia	Vietnam	Philippines	Myanmar	Cambodia	Laos
Total emission, 2025 (MtCO ₂ e)	401.39	337.28	547.64	270.25	133.26	57.87	39.70
% of global emissions	0.74%	0.62%	1.01%	0.50%	0.25%	0.11%	0.07%

Source: European Commission

On 18 January 2022, the Prime Minister issued Decision No. 01/2022/QĐ-TTg on promulgating the list of sectors and GHG-emitting establishments subject to greenhouse gas inventory. This Decision took effect on the same date. GHG-emitting establishments subject to greenhouse gas inventory must proactively share relevant information on total energy consumption and operating capacity with the Ministry of Agriculture and Environment.

Sectors subject to GHG inventory



Number of establishments subject to GHG inventory

Sector	Count
Industry & Trade	1,916
Construction	411
Transportation	53
Agriculture & Environment	61
Total	2,441

Remark: Based on Decision No. 42/2026/QĐ-TTg, issued on 10 August 2026, effective 25 September 2026. The list is required to be updated every two years.

COP30 Highlights

As one of the developing countries most vulnerable to climate change, Vietnam remains committed to its international obligations on climate adaptation and greenhouse gas reduction. The country continues to pursue sustainable development by balancing economic growth, environmental protection, and climate resilience. Following COP30, Vietnam reaffirmed its commitment to achieving Net Zero through the following directions:

- Accelerating carbon market development: COP30 outcomes, particularly the advancement of Article 6 of the Paris Agreement, provide momentum for Vietnam to strengthen its legal framework and develop a domestic carbon market aligned with international standards. Vietnam launched its domestic carbon market in June 2026, entering a pilot phase that will run until the end of 2028, ahead of full commercial operation in 2029 and deeper integration with global carbon credit trading mechanisms.
- Enhancing access to climate finance and technology: Vietnam has emphasized the need for greater financial and technological support for developing countries that must simultaneously adapt to climate impacts and reduce emissions. In addition to existing mechanisms such as the Green Climate Fund (GCF) and the Global Environment Facility (GEF), Vietnam is actively supporting discussions on the implementation of the Loss and Damage Fund.

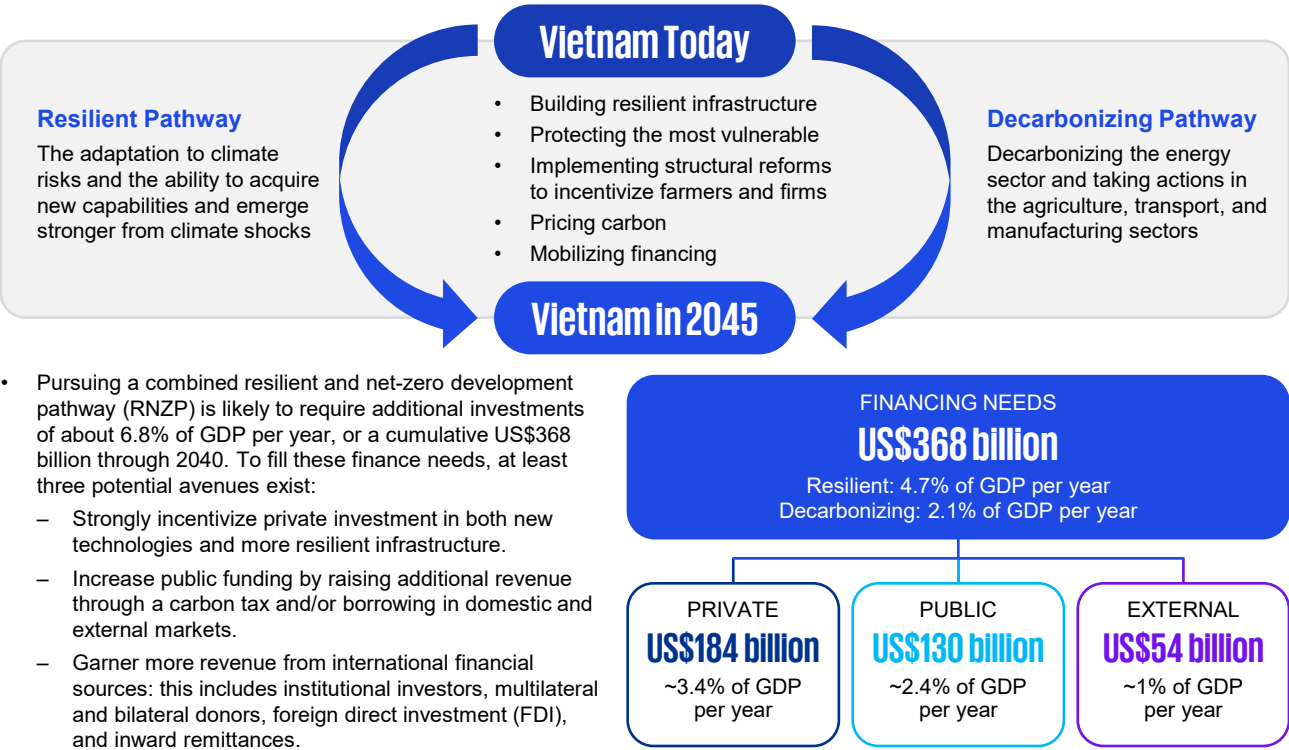
A notable highlight is the growing cooperation between Vietnam and Luxembourg. During COP30, Luxembourg announced that Vietnam would become a key focus of its new climate finance strategy, increasing funding from EUR 220 million to EUR 320 million. Priority areas for cooperation include green urban development, urban forest management, green finance, carbon markets, and climate-resilient planning.

- Strengthening National Commitments and Policies: Vietnam continues to advance the implementation of its Nationally Determined Contributions (NDCs) and promote stronger public-private partnerships to mobilize investment and resources for achieving its climate and Net Zero objectives.

Source: World Bank, Climate Watch, Prime Minister, LuatVietnam, International Union for Conservation of Nature, Asian Development Bank, Ministry of Agriculture and Environment

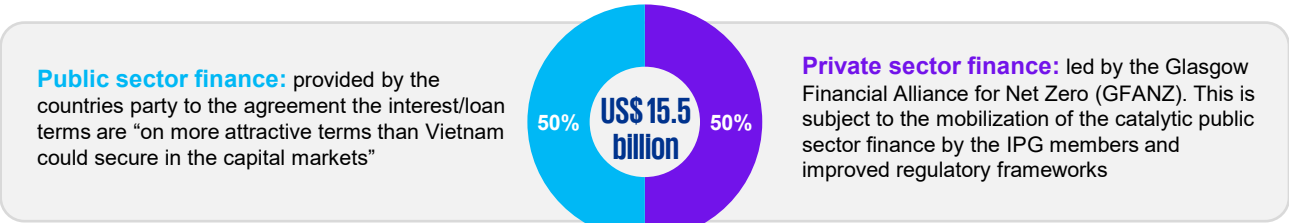
Towards Net Zero Economy (2/2)

Reaching net zero emissions will require significant investment in current and new clean technologies, and away from fossil fuels. These changes will have implications for jobs and training. The World Bank has proposed a new development paradigm for Vietnam, that balances development goals with escalating climate risks.



Vietnam's JETP Agreement

In December 2022, the International Partners Group (IPG), comprised of the European Union (EU), the United Kingdom (UK), Canada, Denmark, France, Germany, Italy, Japan, Norway and the United States, co-led by the EU and the UK, pledged to provide Vietnam with US\$15.5 billion between 2023 and 2027 to help the country accomplish its net-zero emission target in 2050.



- The partnership aims to bring forward Vietnam's peak greenhouse gas emissions by five years to 2030, cut emission from its power industry by 30%, or from 240 million tons of CO2 to 170 million tons, by 2030.
- It aims to reduce Vietnam's coal-fired power capacity from the planned 37 GW to 30.2 GW, and boost the ratio of renewable energy in the nation's electricity output from the current 36% to 47% in 2030.
- Fulfilling the four tasks will help reduce Vietnam's greenhouse gas emission by around 500 million tons by 2035.
- Around US\$200 million of the agreed US\$15.5 billion will be grants and the rest low-interest loans.
- In 2026, Vietnam's JETP is moving from strategic planning toward the screening and advancement of priority energy projects. The current JETP pipeline comprises 50 investment projects, requiring more than US\$11 billion in financing.
- To accelerate implementation, the JETP Secretariat and international partners also reviewed a portfolio of nationally significant energy projects aligned with Decision No. 2634/QD-TTg (December 2025). This initiative aims to better integrate JETP financing with Vietnam's approved national energy and infrastructure plans.

Source: World Bank, Ministry of Agriculture and Environment, Ministry of Industry and Trade

Carbon Border Adjustment Mechanism

The European Union's Carbon Border Adjustment Mechanism (CBAM), the world's first carbon border tax, aims to reduce carbon emissions by addressing "carbon leakage". CBAM affects Vietnamese exports of iron and steel, aluminum, cement and fertilizers, with iron and steel most exposed.

CBAM initial scope



Electricity



Iron & steel



Cement



Fertilisers



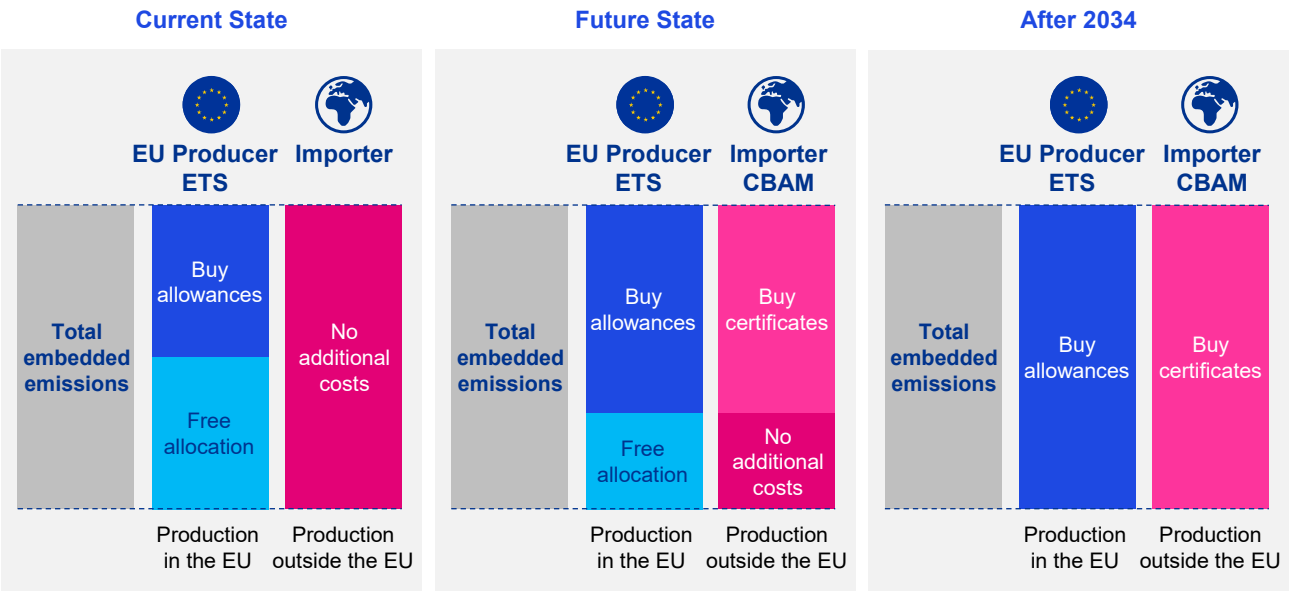
Aluminium



Hydrogen

- Direct emissions
- Indirect emissions included under certain conditions
- Certain precursors

CBAM evolution



Carbon is becoming an issue of competitive advantage

EU Companies

- Higher carbon costs are expected due to increasing EU permit prices and a reduction in free permits.
- CBAM will lead to higher prices for emissions-intensive goods within the EU.

Indirect Impact

- Growing availability of decarbonization incentives within and beyond the EU
- Changes in competitive dynamics with the EU are based on emissions intensity.

Non-EU Companies

- Producers of commodities subject to CBAM will incur a carbon cost upon importing into the European Union.
- The costs and impacts of the project will be based on verified emissions, or an EU fallback.

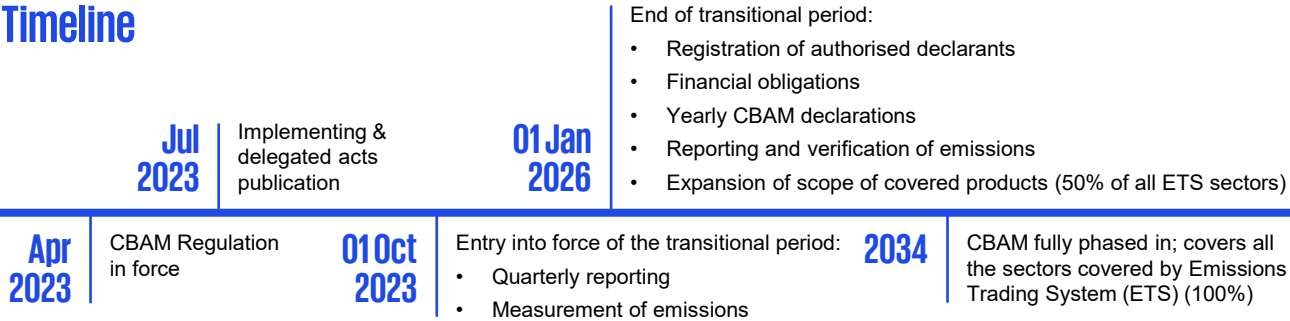
Future Impact

- Extension of covered emissions to include scope 2.
- Extension of scope to include additional targeted industries and covered commodities.

Source: KPMG Analysis, The Carbon Trust

CBAM will bring about both opportunities and challenges for Vietnam

Timeline



Impact on Vietnam

To hamper exports to the EU market

- CBAM is estimated to reduce Vietnam's export turnover of iron, steel, cement, fertilizer, and aluminum industries by up to US\$100 million. By essentially increasing prices, the CBAM will likely lead to lower demand in the EU market for these goods. Iron and steel will be the most impacted, followed by aluminum, based on Vietnam's current export volume.
- In the long run, the CBAM's scope could be extended to cover indirect emissions and other sectors, potentially negating the benefits of the EU-Vietnam FTA depending on the carbon price imposed.

To cause difficulties for the manufacturing industry

- The CBAM implementation forces Vietnamese exporters to adopt solutions to minimize greenhouse gas emissions during manufacturing, but reducing emissions and meeting criteria to avoid the carbon tax proves challenging for businesses due to limitations in upgrading machinery and sourcing sustainable materials.
- Moreover, Vietnamese enterprises largely lack awareness of the European green standards and CBAM, potentially putting them at a disadvantage in the European market.

To support Vietnam's carbon-neutral goal

- CBAM legislation is an opportunity to accelerate Vietnam's net-zero commitment.
- CBAM is not applicable to imports from countries with an ETS that meets the EU's standards. Therefore, there is an added incentive for Vietnam to promptly set up a carbon pricing system.
- The adoption of the CBAM may also incentivize investment in low-carbon, energy-efficient and renewable technologies. In this respect, Vietnam can take advantage of an abundance of natural renewable energy resources to decarbonize the electricity sector and subsequently reduce GHGs of the wider economy.

Source: KPMG Analysis, Vietnam Briefing

Carbon credit trading

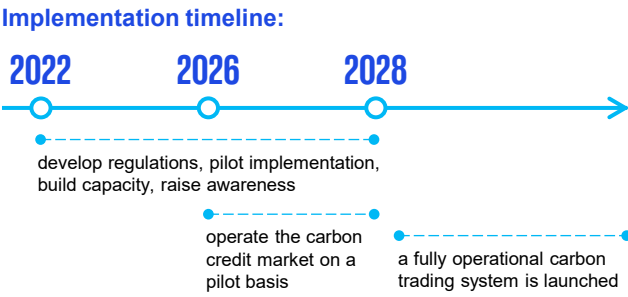
As part of its efforts to cope with climate change, Vietnam's government supports the establishment of a carbon credit market. The market will function based on the total amount of emissions and emission quotas allocated to every locality and sector.

Vietnam officially launched its domestic carbon trading platform on 29 June 2026, opening the first trading session under a pilot market that will run through the end of 2028. In the initial phase, the government allocated more than 511 million metric tons of CO2 equivalent in emissions allowances for 2025-26, including about 243 million metric tons for 2025 and 268 million metric tons for 2026. The allocation covers 92 companies in three major emitting sectors: thermal power, steel and cement.

Since the opening session, trading has been thin; the pilot allows carbon credits to offset up to 30% of a company's allowance and waives trading fees through 2028.

For EU-bound exporters, the first CBAM certificate purchases and the first annual declaration fall due in 2027.

Source: Ministry of Agriculture and Environment, World Bank



Meet our expert

Truong Hanh Linh
Partner, Head of ESG Consulting



05

The background of the slide is a photograph of a city skyline, likely Ho Chi Minh City, Vietnam. It features a river in the foreground, a large cable-stayed bridge, and a dense cluster of skyscrapers in the background under a blue sky with light clouds. The image is partially obscured by a blue overlay at the top and bottom.

Investment environment in Vietnam

Investment climate for foreign investors (1/6)

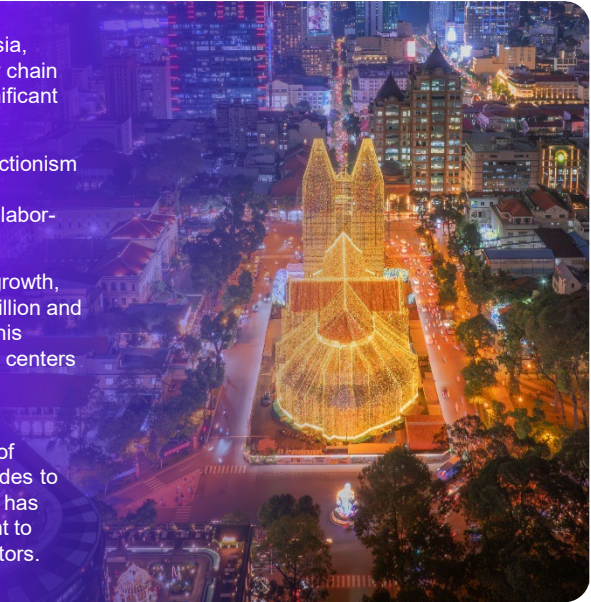
1. INVESTMENT CLIMATE

Vietnam remains a leading investment destination in Southeast Asia, leveraging its strategic geographical positioning, integrated supply chain ecosystems, and an expanding middle-class market to attract significant global capital.

While shifting macroeconomic cycles and international trade protectionism have forced global investors to turn highly selective, Vietnam has successfully maintained its competitive edge by transitioning from labor-intensive assembly toward high-tech manufacturing.

In 2025, FDI continued to be a key driver of Vietnam's economic growth, with newly registered investments estimated at around US\$17.3 billion and total disbursed capital reaching US\$27.6 billion – a record high. This momentum has carried strongly into 2026, with localized industrial centers like Ho Chi Minh City, Hai Phong, Quang Ninh and Thai Nguyen continuing to capture large-scale, high-quality projects.

Vietnam's success in attracting FDI goes beyond just the amount of registered or disbursed capital; it also hinges on continuous upgrades to the domestic business environment. The Vietnamese government has actively issued resolutions and action plans to fulfill its commitment to reforming and modernizing the regulatory climate for foreign investors.



In 2024, the implementation of the Global Minimum Tax (GMT) rendered some preferential tax incentives less effective. The Ministry of Finance responded by proposing revisions to maintain Vietnam's competitive advantages. These revisions include:

Reviewing and restructuring tax incentives strategically	Implementing adjustments in resource allocation	Expanding the tax base	Focusing on incentives that encourage high value-added production
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The Vietnamese economy increasingly recognizes the vital role of the private sector and foreign investors. "Business forum" meetings and dialogues are frequently held between the government and these stakeholders. These sessions provide valuable opportunities for businesses, particularly foreign ones, to have their voices heard on critical legislative issues.

2. FORMS OF INVESTMENT

Foreign investors may carry out the following forms of investment in Vietnam:

Direct investment

- Establishment of a new legal entity;
- Capital contribution/acquisition in existing legal entities;
- Implementation of an investment project;
- Business Cooperation Contracts (BCC) signed with other local or foreign investors.

Indirect investment

- Purchase of shares, share certificates, bonds and other valuable papers traded on the stock exchanges;
- Investment through securities investment funds
- Investment through other intermediary financial institutions.

Source: KPMG Analysis, Vietnam Briefing, Ministry of Finance

Investment climate for foreign investors (2/6)

3. FORMS OF COMMERCIAL PRESENCE

Foreign investors may carry out the following forms of investment in Vietnam:

Representative Office (RO)

A representative office (RO) is a common initial form of establishment for foreign organizations exploring investment or business opportunities in Vietnam. Legally, an RO is a dependent unit of the foreign business entity. It can survey the market and engage in commercial promotion activities as allowed by Vietnamese law. However, an RO cannot engage in directly profit-generating activities.

Branch

Technically, a branch is a dependent unit of a foreign business entity, established to conduct commercial activities within Vietnam under Vietnamese law or relevant international treaties. However, branches are not a common form of presence in Vietnam, being limited to specific sectors like banking, finance, and construction.

Legal entity

Depending on the business industry, the number of investors, and the intention to publicly list the entity, a foreign investor may establish a presence in Vietnam as a limited liability company (LLC), a joint-stock company (JSC), or a partnership.

Feature	Limited liability company (LLC)	Joint stock company (JSC)	Partnership
Required number of members/ shareholders	One (for single member LLC); Two or more members, but not exceeding fifty (for multi-member LLC)	At least three shareholders; no restriction on maximum number of shareholders	- Unlimited liability partners: At least two general partners (individuals) - Limited liability partners (optional): Organizations or individuals
Liability of members/ shareholders	Limited to the extent of the registered capital contributions into the company	Limited to the extent of the registered capital contributions into the company	- Unlimited liability partners: Unlimited - Limited liability partners: Limited to the extent of the registered capital contributions into the company
Issuing bonds	Allowed	Allowed	Not allowed
Issuing shares	Not allowed	Allowed	Not allowed
Listing on stock exchange	Not allowed	Allowed	Not allowed

4. CONDITIONAL BUSINESS LINES

The Investment Law 2025 and Decree No. 96/2026/ND-CP list business lines with market access limitations for foreign investors. This list has two sub-lists:

(A) List of business lines prohibited for market access/investment: This covers 23 business lines where foreign investment is not allowed, including but not limited to:

- Trading in goods and services under state monopoly
- Press activities and information gathering
- Fishing
- Overseas contracted employment agency services
- Temporary import for re-export business

(B) List of business lines subject to conditions for market access/investment: This covers 62 specific business lines, including but not limited to:

- Production and distribution of cultural products (including visual recordings)
- Insurance, banking, and securities brokerage
- Telecommunication and printing services
- E-commerce business
- Business lines licensed under pilot schemes

Companies operating in conditional business lines must fully satisfy applicable conditions (e.g., minimum capital, foreign ownership limits, facility and personnel requirements, operating licenses) before starting operations. Failure to comply will result in penalties from state bodies and unfavorable tax treatment on expenses incurred from these businesses.

Investment climate for foreign investors (3/6)

5. INVESTMENT INCENTIVES

Investment projects in Vietnam can qualify for incentives based on several criteria:

- **Location:** Projects located in especially difficult/difficult socio-economic areas or in economic zones, high-tech parks, high-tech agricultural zones, and centralized IT zones are eligible. Industrial zones are no longer automatically eligible unless also located in one of the above areas.
- **Industry:** Projects engaged in priority sectors like high-tech (AI, semiconductors, automotive), social service (education, healthcare), infrastructure or agriculture are favored.
- **Mega investment project:** Large-scale manufacturing projects may receive enhanced incentives if they meet the high capital and/or annual revenue threshold and technology standards.
- **Strategic special scheme:** higher incentive package may be available to high-tech and strategic technology projects, high-tech plus large-scale, projects located in International Financial Centers, and other specially regulated zones such as Special Economic Zones, Free Trade Zones, etc.

Types of Investment Incentives

Qualified projects can benefit from various incentives:

- **Corporate Income Tax (CIT) Incentives:**
 - Preferential CIT rates (lower than the standard 20% rate) for a specific period or the entire project duration.
 - CIT exemption or reduction for specified periods.
- **Extended incentives:** Higher incentive package for high-tech projects that create broad economic spillovers and enhance Vietnam's technology capabilities
- **Import Duty Incentives:** Exemptions or reductions of import duties may be granted for machinery, equipment, raw materials, components used in eligible investment projects, subject to certain conditions and administrative requirements.
- **Land Incentives:**
 - Rent reduction for land leased from the State.
 - Exemption or reduction of land rental and land use tax may be granted for special categories.
- **Provincial facilitation support:** Depending on the location and scale of the project, investors may also benefit from provincial support for land clearance and infrastructure development, subject to the applicable provincial investment policies.

Special area regimes for Vietnam International Financial Center ("VIFC")

VIFC regime offers a combination of tax, regulatory and immigration incentives designed to attract global financial institutions, investment funds and highly qualified professionals. Key incentives include preferential CIT rates, PIT exemptions for qualifying professionals until 2030, import duty exemptions for certain investment assets, and greater flexibility in adopting international accounting standards.

Investment Support Fund ("ISF")

According to the policy approved by the National Assembly in Resolution No. 110/2023/QH15 dated 29 November 2023, in the context of Vietnam implementing the Global Minimum Tax rules from 01 January 2024, the Government issued **Decree No. 182/2024/ND-CP ("Decree No. 182") on 31 December 2024** on the establishment, management, and use of the Investment Support Fund ("ISF"). The ISF is intended to help stabilize the investment environment, encourage and attract strategic investors, and support enterprises operating in specified priority sectors.

Decree No. 182 takes effect on 31 December 2024 and is applicable from the fiscal year 2024 onwards.

Noteworthy points of the Decree are summarized as follows:

Eligible enterprises and conditions to apply for investment support payment

- High-tech enterprises
- Enterprises with high-tech products manufacturing projects
- Enterprises with high-tech application projects
- Enterprises with investment projects in research and development ("R&D") centers

Investment climate for foreign investors (4/6)

5. INVESTMENT INCENTIVES (CONT.)

Enterprises Conditions	a)	b)	c)	d)
Minimum Investment Capital or Annual Revenue Threshold	Enterprises must achieve a minimum investment capital of VND12,000 billion, or a minimum annual revenue of VND20,000 billion. Some typical cases: - 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; - 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. - 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. 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.			Minimum investment capital VND3,000 billion
Minimum Investment Capital Disbursement Deadline	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: - To disburse VND12,000 billion within 05 years or VND 10,000 billion within 03 years from the original investment license issuance date. - 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. Investment projects whose registered investment capital has not reached the minimum level of VND 12,000 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: - 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. - 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. Investment projects in the fields of the chip industry, semiconductor integrated circuits, AI data centers: - 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. - 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. 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: - To disburse according to the registered timeline of the investment licenses or - 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.			VND1,000 billion within 03 years from the date of investment license issuance
Compliance conditions	No overdue tax debts or state budget debts at the time of application submission.			

Investment climate for foreign investors (5/6)

5. INVESTMENT INCENTIVES (CONT.)

Investment support policies

i. Cost support

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

Items of cost support	Subject	Support level
Training and human resource development costs	All eligible enterprises as aforementioned	Maximum 50% of the actual expenses incurred in the fiscal year on human resource development training activities for Vietnamese workers.
R&D costs		Depending on the total actual R&D costs spent in the fiscal year, enterprises will be supported at a progressive rate on the R&D costs incurred, specifically: • High-tech enterprises, enterprises with high-tech application projects: from 20% to 30%. • Enterprises with R&D center investment projects: from 10% to 20%. • Enterprises with high-tech product manufacturing investment projects: from 1% to 10%.
Investment costs for forming fixed assets	All eligible enterprises as aforementioned, excluding enterprises with R&D center investment projects	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: • High-tech enterprises, enterprises with high-tech application projects: from 8% to 10%. • Enterprises with high-tech product manufacturing investment projects: from 1% to 3%.
High tech product manufacturing costs		• 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; • 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.
Investment costs for social infrastructure projects	All eligible enterprises as aforementioned	Maximum 25% of actual costs incurred and expended during the fiscal year
Other cases	As decided by the Government	

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.

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 is 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.

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.

Investment climate for foreign investors (6/6)

6. INVESTMENT PROCEDURES

The investment procedures vary, depending on each investment form

No.	Investment form	Investment procedure	Licensing authority	Statutory timeframe ⁽¹⁾	Note
1	Establishment of a legal entity	(i) Registration for an Investment Registration Certificate (IRC)	- Department of Finance (DOF)⁽²⁾; or - Management Board of special purpose zones	15 days	For investment projects with significant socio-economic impacts as stipulated by law, the in-principle approval of the National Assembly, the Prime Minister, or the Provincial People's Committee will be required before issuing an IRC.
		(ii) Registration for an Enterprise Registration Certificate (ERC)	Business Registration Office (BRO) of provincial DOF	3 working days	The investor can also opt to register for establishment of the legal entity before registration for an IRC. The deadline for completion of registration for an IRC is 12 months from the ERC date.
2	Capital contribution/ acquisition in existing legal entities	(i) Application for approval for capital contribution/a cquisition	- DOF; or - Management Board of special purpose zones	15 working days	This step is required in cases: (i) the share/capital acquisition results in the increase of foreign ownership ratio in the target company operating in business lines subject to conditions for market access to foreign investors; (ii) the share/capital acquisition results in the foreign ownership ratio after the share/capital acquisition is 50% or more; (iii) the target company holds a Land Use Rights Certificate on an island, or in a coastal or border commune, ward, town or in an area affecting national defense and security.
		(ii) Application for updating the new shareholding members	BRO	3 working days	
		(iii) Application for updating the new investor	- DOF; or - Management Board of special purpose zones	3 - 10 working days	
3	BCC signed with other domestic or foreign investors	(i) Application for an IRC	- DOF; or - Management Board of special purpose zones	15 days	For investment projects with significant socio-economic impacts as stipulated by law, the in-principle approval of the National Assembly, the Prime Minister, or the Provincial People's Committee will be required before issuing an IRC.
		(ii) Application for a Certificate of Operation Registration (COR) for project offices	BRO	15 days	

(1) Where the investment projects are subject to the in-principle approval of the National Assembly, Prime Minister or provincial People's Committee; and/or subject to evaluation by various competent authorities, the above timeline will be longer.

(2) The Department of Planning and Investment merged with the Department of Finance to form the unified Department of Finance, according to Document No. 05/CV-BCDTKNQ18 dated 12 January 2025 of the Government Steering Committee on summarizing the implementation of Resolution No. 18-NQ/TW

Note: Working days mean any days other than Saturdays, Sundays or public holidays.

Taxation (1/5)

1. OVERVIEW

Vietnam's tax landscape has undergone significant modernization in recent years, reflecting the government's broader strategy to enhance investment competitiveness, support innovation and technology-driven growth, and align with international tax standards. Major reforms have been introduced across key tax areas, including Corporate Income Tax, Value Added Tax, Personal Income Tax, tax administration, and the implementation of the Global Minimum Tax. Recent legislative developments have focused not only on expanding tax incentives and investment support mechanisms, but also on improving tax certainty through updated guidance on tax treaties, transfer pricing, and dispute resolution procedures. These reforms underscore Vietnam's commitment to creating a more transparent, business-friendly and internationally integrated tax environment.

The principal types of tax imposed in Vietnam are:

- Corporate Income Tax (CIT)
- Transfer Pricing (TP) regulation
- Value Added Tax (VAT)
- Personal Income Tax (PIT)
- Foreign Contractor Tax (FCT)
- Special Sales Tax (SST)
- Global Minimum Tax (GMT)
- Import and Export Duties (IED)

Furthermore, other taxes may apply to certain businesses:

- Property Tax
- Natural Resources Tax
- Environmental Protection Tax

It is important to note that all taxes are national taxes and administered locally. There are no local, municipal, or provincial taxes in Vietnam.

2. CORPORATE INCOME TAX (CIT)

CORPORATE INCOME TAX

Vietnam's standard CIT rate remains 20%. The new CIT framework applies from the 2025 tax year and introduces differentiated rates for smaller enterprises, expands incentives for strategic investment, broadens tax exemptions and deductible expenses, revises loss-offset rules, and strengthens the taxation of foreign digital businesses.

Key developments under the new CIT framework:

- **Differentiated CIT rates based on revenue thresholds:** Vietnam's standard CIT rate remains 20%. However, a **15% CIT rate** applies to enterprises with annual revenue not exceeding **VND3 billion**, while a **17% rate** applies to enterprises with annual revenue above VND3 billion and up to **VND50 billion**, subject to statutory exclusions, including certain subsidiary and related-party structures.
- **Restructured investment incentive regime:** Preferential CIT treatment continues to be granted based on eligible sectors, locations and investment scale, with greater emphasis on high-value and strategic activities. Newly emphasized or expanded qualifying sectors for CIT incentives include semiconductor research, design, manufacturing, packaging and testing; priority information technology and digital technology products and services; cybersecurity products and services; artificial intelligence data centers; high-tech supporting industries; innovation and R&D centers; and certain automotive manufacturing and assembly activities.

- **Preferential rates and tax holidays:** Depending on the qualifying activity, location, scale and special statutory regime, eligible projects may benefit from the highest tax incentives, including a preferential CIT rate of **10% for 15 years**, together with **four (4) years of CIT exemption and a 50% reduction for the following nine (9) years**.

Longer or enhanced regimes may apply to qualifying strategic technology, high-impact science and technology, Free Trade Zone or specially approved projects under the relevant legislation or National Assembly resolutions.

- **Revised requirements of CIT incentive for expansion investment projects:** The criteria for qualifying expansion projects have been revised. In addition, an enterprise implementing an expansion project must notify its directly managing tax authority of the project's registered investment capital no later than the deadline for filing the CIT finalization return for the year in which implementation begins, and must notify any subsequent change in the registered capital.
- **Expanded CIT-exempt income:** The new regime introduces or clarifies exemptions for qualifying income from technology development, innovation and digital transformation, including certain income from innovation and digital transformation contracts, products created from technologies applied for the first time in Vietnam, and products generated during qualifying pilot production. Certain qualifying exemptions may apply for a period of up to **three years**.
- **Green economy and investment-support exemptions:** Additional CIT exemptions may apply to qualifying grants for scientific research, technology, innovation and digital transformation, excluding certain related-party funding; direct State support; qualifying support from the Investment Support Fund; income from the first transfer of carbon credits after issuance; interest on green bonds; and income from the first transfer of green bonds after issuance.
- **R&D super deduction:** Qualifying R&D expenditure may be deductible at up to **200% of the actual expenditure incurred**, provided that applying the additional deduction does not result in the enterprise recording a tax loss.
- **Expanded deductible expenses:** The new framework recognizes additional deductions for qualifying scientific research, technology development, innovation and digital transformation expenditure and sponsorships, certain pre-revenue business-development costs, employee-related expenditures, overseas taxes and certain non-creditable or non-refundable input VAT, subject to the applicable conditions and supporting documentation.
- **Lower non-cash payment threshold:** Purchases of goods or services of **VND5 million or more, including VAT**, generally require non-cash payment evidence to qualify as deductible expenses.
- **Revised tax loss-offset rules:** Tax losses from real estate transfers, investment project transfers and transfers of rights to participate in investment projects may be offset against profits from other business activities. However, income from incentivized activities remains subject to separate tracking and ring-fencing limitations.
- **Earlier taxation of overseas investment income:** Vietnamese enterprises are required to declare overseas business or investment income in the tax period in which the income arises, rather than waiting until the profits are remitted to Vietnam.

Taxation(2/5)

2. CORPORATE INCOME TAX (CIT) (CONT.)

- **Taxation of foreign digital businesses:** Foreign enterprises conducting e-commerce or digital platform-based business in Vietnam are subject to CIT on Vietnam-sourced income, regardless of whether they have a permanent establishment in Vietnam.

CAPITAL ASSIGNMENT TAX (CAT)

The new CIT framework fundamentally changes the taxation of direct and indirect transfers of Vietnamese investments by foreign corporate sellers. It replaces the previous net-gain calculation with a deemed tax on gross proceeds and introduces a conditional exclusion for qualifying intra-group reorganizations.

Key developments for Capital Transfers:

- **New 2% tax on gross transfer proceeds:** From **15 December 2025**, a foreign corporate seller is generally subject to CIT at **2% of gross sale proceeds** from a direct or indirect transfer of capital in a Vietnamese enterprise. This replaces the former **20% tax on the net gain**, calculated as the transfer price less the historical cost of the transferred capital and qualifying transfer expenses.
- **CAT exemption for intra-group restructurings:** A qualifying internal group restructuring may be treated as not generating income and therefore not subject to capital transfer tax where the transaction does not change the ultimate parent company and does not create income or an economic value uplift.

3. TRANSFER PRICING (TP)

Decree No. 255/2026/ND-CP ("Decree No. 255") was issued to guide the implementation of transfer pricing regulations, effective from 01 July 2026 and replaces Decree No. 132/2020/ND-CP and Decree No. 20/2025/ND-CP.

While largely retaining the existing transfer pricing framework, Decree No. 255 introduces several notable changes, including:

- **Updated related-party relationship criteria:** Broaden the related-party relationship criteria to cover borrowing and lending transactions between an enterprise and individuals, while introducing an exemption for certain wholly state-owned debt management entities that have no involvement in the enterprise's ownership or management.
- **Expanded safe harbor for documentation exemption:** Increase the revenue threshold from VND200 billion to VND500 billion for taxpayers that do not derive revenue from, or incur expenses related to intangible assets and satisfy the minimum profit margin requirement. The "routine function" criterion has been eliminated.
- **Revised CbCR reporting threshold:** Adopts the EUR 750 million consolidated revenue threshold for Ultimate Parent Entities in place of the current VND 18 trillion threshold, together with enhanced guidance on notification, surrogate filing, submission procedures, and filing deadlines.
- **New CbCR notification requirement:** Requires Vietnamese constituent entities whose CbCR is filed by a foreign UPE or SPE to submit a one-time notification to the local tax authorities no later than the last day of the UPE's fiscal year. Any changes to the notified information must be resubmitted within 90 days.
- **Clarification of transfer pricing data source hierarchy:** Introduces a clear order of priority for transfer pricing data sources, with preference given to public and official data, followed by commercial databases and tax authority databases, while retaining the existing comparability criteria.

- **Industry profit indicators introduced:** For the first time, Decree No. 255 permits tax authorities to publish industry profit indicators by industry sector, geographical area, or taxpayer group to support transfer pricing compliance and the assessment of arm's length pricing.
- **Enhanced tax administration framework:** Decree No. 255 strengthens transfer pricing administration by placing greater emphasis on risk-based tax management, pre-audit consultation, inter-agency data sharing, taxpayer compliance support, and the systematic use of tax authority data in transfer pricing oversight.

4. VALUE ADDED TAX (VAT)

Vietnam's VAT regime is governed by the VAT Law 2024, effective from 01 July 2025, together with Decree No. 181/2025/ND-CP and Circular No. 69/2025/TT-BTC.

VAT generally applies to goods and services consumed in Vietnam, with supplies classified into four categories: VAT-exempt, 0%, 5%, and 10%. The credit method remains the principal mechanism for calculating VAT liabilities, allowing businesses to offset input VAT against output VAT, subject to prescribed conditions and documentation requirements.

Some key developments of the new VAT policies:

- **Enhanced export VAT regime:** Stricter requirements on the application of the 0% VAT rate for exports, emphasizing on "direct consumption for export production activities" and supporting documentation requirements.
- **Stricter input VAT credit requirements:** The non-cash payment threshold for VAT credit purposes has been reduced to VND 5 million (VAT-inclusive), while additional qualifying payment methods, including settlement through shares, bonds and certain employee reimbursement arrangements, have been formally recognized.
- **Broadened cases eligible for VAT refund:** Additional refund mechanisms are also available for selected 5%-rated activities and certain export business models.
- **Expanded rules for digital and cross-border transactions:** The new framework provides more detailed guidance on VAT treatment and refund eligibility for exports conducted through overseas e-commerce platforms, overseas bonded warehouses and digital content exports.
- **Broader taxation of the digital economy:** The new VAT framework clarifies that digital services and services supplied via digital platforms by overseas service providers to users in Vietnam are generally subject to the standard 10% VAT rate, reflecting Vietnam's continued efforts to strengthen taxation of cross-border e-commerce and digital business models.
- **Temporary VAT stimulus measure:** A 2% VAT reduction continues to apply to most goods and services ordinarily subject to the 10% VAT rate until 31 December 2026.

5. PERSONAL INCOME TAX (PIT)

Recent reforms to Vietnam's PIT regime, introduced under PIT Law No. 109/2025/QH15 and Decree No. 253/2026/ND-CP, represent a significant step in modernizing the taxation of employment, business, and other income earned by tax resident and tax non-resident individuals. The reforms support the Government's broader objectives of attracting highly skilled professionals, fostering innovation and digital transformation, and reducing the tax burden on individual taxpayers.

Taxation(3/5)

5. PERSONAL INCOME TAX (PIT) (CONT.)

INCOME FROM SALARY AND WAGES

Key developments include:

- **Streamlined progressive tax rate** from 07 brackets to 05, while retaining the maximum marginal tax rate of 35%, while increasing the taxable income threshold for each bracket.
- **Expanded tax-exempt income:**
 - Salaries and wages paid for night work, overtime and unused annual leave days as prescribed by the Labor Law.
 - Severance and job-loss allowance: The portion exceeding the statutory level is tax exempt if clearly regulated in the Internal Regulation, Labor contract or Collective Labor Agreement.
 - Increased tax-free voluntary pension and retirement insurance and life insurance premiums (up to VND3 million per month).
 - Broader exemptions for employer-provided housing and payments relating to employee transfers, rotations, and business trips. Certain conditions and required supporting documentation should be met and maintained to enjoy tax exemption.
- **Enhanced tax incentives for science and technology, high-tech and innovation sectors:**
 - PIT exemption for income derived from scientific and technological tasks and innovation activities for qualifying individual taxpayers.
 - 5-year PIT exemption for qualifying high-quality digital technology industrial workforce and high-technology workforce.
- **Updated taxation of employee equity incentives:**
 - Formally clarified PIT treatment of stock awards and ESOP plans whereby PIT on such shares arises when the shares are transferred, rather than when they are granted or vested.
 - A transfer will trigger PIT on both employment income and securities transfer. Securities companies or custodian banks are responsible for withholding PIT on the relevant income. The individual is required to perform annual tax finalization at the year-end for employment income, where applicable.
- **Additional deductions and family support measures:**
 - Expanded dependent eligibility rules and simplified dependent registration procedures. Dependent registration should be completed by 31 December of the relevant tax year. The average monthly income threshold for determining the eligibility of certain dependents has increased to VND3 million.
 - New tax deductions for qualifying education and training expenses, and domestic healthcare expenditures incurred by taxpayers and their dependents, subject to prescribed limits. The employees are required to submit individual finalization returns to claim such deductions.
 - The combined deduction for supplementary pension insurance, voluntary retirement insurance and life insurance contributions is capped at VND3 million per month.
- **Withholding obligations:**
 - The threshold for 10% PIT withholding on payments to tax-resident individuals without a labor contract, or

with a labor contract of less than three months, has increased from VND2 million to VND5 million per payment. The rules also cover payments made after employment termination.

- The regulations have formally introduced the withholding tax obligation of the Vietnamese entity in respect of employment costs incurred by expatriates that are initially paid by an overseas entity and subsequently recharged or reimbursed to or by the Vietnamese entity.

OTHER TYPES OF INCOME

Key developments include:

- **Expansion of income subject to tax**
 - Income from e-commerce business activities and digital-platform-based business operations.
 - Income from the transfer of digital assets and gold bullion.
 - Increase the taxable income threshold from winning prizes, royalties, franchises, inheritances, gifts from VND10 million to VND20 million.
- **Other incentives:**
 - Tax exemption for income paid by supplementary retirement insurance funds and voluntary retirement funds.
 - Tax exemption for income of individuals who are owners of private enterprises and single-member limited liability companies after the corporate income tax obligation has been fully discharged.
 - Tax exemption with respect to open-ended fund certificates applicable to holdings maintained for a minimum period of two (2) years.
 - 50% tax reduction with respect to returns on investment in securities investment funds and real estate investment funds.

6. FOREIGN CONTRACTOR TAX (FCT)

Vietnam's Foreign Contractor Tax regime applies to foreign organizations and individuals deriving Vietnam-sourced income from the provision of goods, services, royalties, interest, digital services and other cross-border transactions without establishing a local legal presence in Vietnam. FCT is generally imposed as a withholding mechanism comprising a VAT component and a CIT or PIT component, depending on the nature of the recipient and transaction.

Recent legislative and administrative developments have focused on strengthening the taxation of the digital economy, modernizing compliance procedures and clarifying the tax treatment of foreign contractors and overseas service providers operating in the Vietnamese market.

Some key developments of the new VAT and CIT policies applicable for foreign organizations:

- **Change in FCT declaration method:** For foreign contractors having a PE in Vietnam or being tax residents in Vietnam, apply the hybrid method for FCT declaration in accordance with Circular No. 103/2014/TT-BTC. With contracts executed before 12 March 2026, the determination of CIT obligations shall continue to be governed by the regulations effective on the contract signing date. From 12 March 2026 onwards, the hybrid method shall cease to apply, and eligible foreign organizations shall be required to adopt the deduction method and comply with the applicable tax and accounting regulations.

Taxation(4/5)

7. SPECIAL SALES TAX (SST)

SST is imposed on a selected number of goods and services, either at the stage of production, provision of services, or importation. Export products are exempted from SST. Imported goods liable to SST are subject to SST both upon importation from overseas and upon sales within the domestic market.

The new SST Law No. 66/2025/QH15 (effective from 01 January 2026) introduces many significant changes, including:

- **Introduction of SST on sugar-sweetened beverages:** Beverages falling within the applicable Vietnam National Standards and containing more than 5 grams of sugar per 100ml will be subject to SST at 8% from 01 January 2027, increasing to 10% from 01 January 2028.
- **Phased increases in SST rates for alcohol and beer:** For alcohol with an ABV of 20% or more, the SST rate is 65% in 2026 and will increase by 5% annually, reaching 90% in 2031. For alcohol with an ABV of below 20%, the rate is 35% in 2026 and will increase annually to 60% in 2031. Beer is subject to the same roadmap as alcohol of 20% ABV or more, increasing from 65% in 2026 to 90% in 2031.
- **Introduction of a mixed SST method for tobacco products:** Tobacco products remain subject to the existing 75% ad valorem SST rate, together with a new specific tax component introduced progressively from 2027 to 2031. The specific tax on cigarettes increases from VND2,000 per pack in 2027 to VND10,000 per pack in 2031; the tax on cigars increases from VND20,000 per cigar to VND100,000 per cigar; and the tax on shredded tobacco, pipe tobacco and other forms increases from VND20,000 to VND100,000 per 100 grams or 100ml over the same period.
- **Preferential SST treatment for battery electric vehicles:** Battery electric vehicles continue to benefit from preferential SST rates differentiated by vehicle type and seating capacity, which are substantially lower than the rates applicable to comparable internal combustion engine vehicles.
- **Expanded SST scope for air conditioners:** Air conditioners with a cooling capacity of over 24,000 BTU up to 90,000 BTU are subject to SST at 10%, except for units designed by the manufacturer solely for installation in means of transport. Separately sold or imported outdoor and indoor units also remain subject to SST as components of a complete air-conditioning system.

8. GLOBAL MINIMUM TAX (GMT)

Following the Resolution No. 107/2023/QH15 dated 29 November 2023 introducing GMT Rules, on 29 August 2025, the Government officially issued Decree No. 236/2025/ND-CP to implement GMT Rules, effective from 15 October 2025.

Key provisions include:

- Large multinational enterprises (MNEs) must pay a minimum 15% corporate tax on profits in each operating jurisdiction.
- In-scope enterprises are Vietnamese taxpayers of an MNE Group with annual consolidated revenues of at least EUR750 million in at least two of the four preceding fiscal years.
- If the Effective Tax Rate (ETR) in a jurisdiction is below 15%, a top-up tax will be imposed in Vietnam. Transitional CbCR safe harbor tests are available until fiscal 2026.

- The key filing and payment deadlines:

- Qualified Domestic Minimum Top-up Tax (QDMTT): within 12 months of the fiscal year end.
- Income Inclusion Rule (IIR): within 15 months of the fiscal year end, with an extension to 18 months for FY2024.

9. IMPORT AND EXPORT DUTIES (IED)

Goods imported into Vietnam are generally subject to import duties and import VAT, unless specifically exempted under applicable regulations. Import duty rates vary depending on the nature, the HS codes of the goods involved, and the origin of the goods. There are three import duty rates applicable, which are ordinary, preferential, and special preferential rates. The applicable rate depends on the HS classification and origin of the goods, the relevant tariff schedule, and satisfaction of the prescribed conditions.

- Special preferential import duty rates may apply to goods originating from a country or territory that has a relevant trade agreement with Vietnam, provided that the goods satisfy the applicable rules of origin and other conditions, and are supported by valid proof of origin as prescribed under the relevant agreement and Vietnamese regulations.
- Exemptions:
 - Raw materials, supplies and components imported for export manufacturing may not be subject to import duties, subject to compliance with customs management and finalization/reporting requirements under Vietnamese customs regulations.
 - Certain goods imported to create fixed assets of investment projects eligible for investment incentives may be exempt from import duty.
- Export Duties: Most exports are duty-free. Export duty generally applies to certain natural resources, minerals, raw materials, scrap and other goods specifically listed in the applicable Export Tariff Schedule.
- Customs audits and post-clearance inspections continue to be an area of focus for Vietnamese customs authorities. Accordingly, businesses should ensure adequate systems and documentation are maintained to substantiate customs declarations, duty exemption claims and origin determinations.

10. PROPERTY TAX

Property Tax in Vietnam is imposed as a "land use fee" or "land rental." A foreign investor requiring land for an investment project may apply to the land management authority by way of an allotment and paying the land use fee or by way of lease and paying the land rental.

Land rental rates and land-use related obligations are determined based on factors such as location, land use purpose, infrastructure conditions and relevant provincial regulations, in accordance with the Land Law 2024, its subsequent amendments, and implementing regulations. The framework has recently been supplemented by Resolution No. 254/2025/QH15 and Decree No. 50/2026/ND-CP, which introduce a number of mechanisms and policies to address practical difficulties in the implementation of land-related regulations, including matters relating to land use fees, land rental payments, and land incentive regimes.

Taxation (5/5)

11. NATURAL RESOURCES TAX

Natural Resources Tax (also known as royalty tax) is imposed on the exploitation of Vietnam's natural resources including petroleum, mineral resources, forest products, seafood and natural water. Tax rates vary depending on the specific classification of natural resource and are applied to the production output at a specified taxable value per unit.

12. ENVIRONMENT PROTECTION TAX (EPT)

Effective from 01 January 2012, Vietnam introduced the Environment Protection Tax to impose a tax on goods that may cause damage to the environment. EPT applies to the production and importation of certain goods such as petroleum, coal, plastic bags, and restricted chemicals.

As part of the Government's measures to mitigate the impact of rising fuel costs, EPT applicable to gasoline (excluding ethanol), diesel, kerosene, mazut and aviation fuel has been reduced to VND0 per liter, applicable from April 2026 to September 2026.

13. DOUBLE TAXATION TREATIES

Vietnam has entered into Double Taxation Agreements (DTAs) with more than 80 countries and jurisdictions, allowing cooperation with their tax authorities to enforce respective tax

laws. Qualified taxpayers must submit the DTA dossiers to the tax authorities for review and approval. The approval process theoretically takes 30 to 45 days from the receipt date of the dossier.

In 2022, Vietnam signed the Multilateral Instrument (MLI) to implement BEPS actions, aimed at solutions for the prevention of base erosion and profit shifting. Subsequently, a number of clauses of the current DTAs that Vietnam agrees to take the MLI position on will be subject to changes. The MLI came into force in Vietnam on 01 September 2023.

On 01 July 2026, the Ministry of Finance issued Circular No. 95/2026/TT-BTC, which introduces a consolidated guidance framework for the application of Vietnam's DTAs, Mutual Agreement Procedures ("MAPs"), and Advance Pricing Agreements ("APAs"). The Circular provides detailed guidance on claiming treaty benefits, resolving cross-border tax disputes through MAP, and obtaining advance certainty on transfer pricing arrangements through APA mechanisms. In addition to clarifying administrative procedures and documentation requirements, the Circular No. 95 aligns Vietnam's treaty application practices more closely with international tax standards and reinforces anti-tax avoidance principles, including the prevention of double non-taxation.

Circular No. 95 takes effect from its issuance date, replacing Circular No. 205/2013/TT-BTC.

Meet our experts



Hoang Thuy Duong

Partner, Head of Tax



Nguyen Ngoc Thai

Partner, Head of Tax Compliance & Technology

Key legal and tax developments impacting FDI enterprises in Vietnam

Regulation	Issued / Effective date	Key changes	Implications for FDI enterprises
Law on Corporate Income Tax 2025 (Law No. 67/2025/QH15)	Jun 2025 / Oct 2025	Comprehensive reform of the CIT regime, including updates on tax incentives, taxation of foreign entities, digital economy transactions, and the implementation of Global Minimum Tax (GMT) principles.	Multinational groups should reassess investment structures, tax incentive strategies, and the impact of Pillar Two on the effectiveness of existing tax benefits.
Decree No. 320/2025/ND-CP Guiding the CIT Law	Dec 2025 / Applicable from FY2025	Provides detailed guidance on tax incentives, taxable income, deductible expenses, investment expansion projects, foreign enterprises, and science & technology funds.	Clarifies requirements for claiming tax incentives and supporting documentation, directly affecting FDI projects currently enjoying CIT incentives.
Circular No. 20/2026/TT-BTC	Mar 2026	Detailed guidance on the CIT Law and Decree No. 320, including tax incentive documentation, foreign contractor tax (FCT), and expanded investment projects.	Significant impact on FDI enterprises engaged in cross-border transactions, overseas payments, and business expansion in Vietnam.
Investment Law 2025 (Law No. 143/2025/QH15)	Dec 2025 / Mar 2026	Streamlines investment procedures, ensures a more transparent legal environment, and reduces administrative barriers. The law also introduces preferential mechanisms for strategic sectors. Focus on post-investment oversight.	Reduces market-entry timelines and increases flexibility for foreign investors while requiring stronger post-investment compliance.
Enterprise Law Amendments (Law No.76/2025/QH15)	Jul 2025	Enhances transparency of beneficial ownership and prohibits nominee shareholding arrangements.	FDI enterprises should review ownership structures, funding arrangements, and control rights to ensure compliance.
Personal Data Protection Law (Law No. 91/2025/QH15)	Jun 2025 / Jan 2026	Vietnam's first comprehensive legislation governing the collection, processing, storage, transfer, and protection of personal data.	Multinational companies must strengthen data governance, assess cross-border data transfers, and implement compliance frameworks.
Data Law (Law No. 60/2024/QH15)	Nov 2024 / Jul 2025	Establishes a legal framework for data management, sharing, and utilization, recognizing data as a strategic economic resource.	Provides greater legal certainty for investments in AI, cloud computing, fintech, data centers, and digital platforms.
Digital Technology Industry Law (Law No. 71/2025/QH15)	Jun 2025 / Jan 2026	Introduces a dedicated regulatory framework for AI, semiconductors, digital platforms, data centers, and the broader digital technology industry.	Enhances Vietnam's attractiveness for high-tech FDI projects and creates new support mechanisms for AI, cloud, semiconductor, and digital infrastructure investments.
Decree No. 255/2026/ND-CP on Transfer Pricing	Jul 2026	Updates transfer pricing rules, Country-by-Country Reporting (CbCR), and risk-based tax administration aligned with OECD standards.	Increases compliance requirements for multinational groups regarding TP documentation, tax transparency, and cross-border reporting.
Circular No. 95/2026/TT-BTC (DTA, APA & MAP)	2026	Provides guidance on Double Taxation Agreement (DTA), Advance Pricing Agreements (APA), Mutual Agreement Procedures (MAP), and CbCR obligations.	Offers additional tools to reduce transfer pricing disputes and international tax risks for multinational enterprises.
Decree No. 252/2026/ND-CP on Tax Administration	2026	Strengthens data-driven tax administration, e-invoicing controls, tax filing reconciliation, and risk-based tax audits.	FDI enterprises need stronger ERP, accounting systems, and internal controls to meet increasing tax transparency requirements.

Source: Vietnamese Government

Building a trade function fit for the next decade

Turning customs from a compliance cost into a source of margin, resilience and market access for companies trading through Vietnam.

Tax & Legal Services – Integrated International Tax

110+

professionals in KPMG Vietnam’s integrated Tax practice, spanning trade & customs, transfer pricing and international tax

1team

Trade & customs, tax, transfer pricing, legal and supply chain advisors working together, with direct support from our dispute-resolution specialists

140+

countries and territories in the KPMG global network for cross-border origin, classification and valuation matters

Why it matters now: Four forces reshaping trade and customs in Vietnam

Vietnam’s integration into global value chains has been built on an expanding network of free trade agreements. The same integration now exposes companies to tariff volatility, tighter origin scrutiny and a customs framework that reforms continuously to keep pace.

Tariff uncertainty & sustainability requirements

Tariff volatility and sustainability requirements are creating new costs, compliance and market-access pressures.

Origin under the microscope

FTA benefits under CPTPP, EVFTA, RCEP and others depend on rules of origin that authorities on both sides now verify aggressively.

Continuous regulatory reform

Customs rules and reporting requirements evolve quickly and are open to differing interpretations, creating uncertainty and exposure.

Supply chain re-routing

Footprint moves into and through Vietnam raise valuation, transfer pricing and traceability questions that must be answered together.

Who we help

Manufacturers & exporters

Export manufacturers optimizing duties, FTA leverage and reporting compliance.

Multinationals entering or expanding

Investors setting up, restructuring or relocating production into Vietnam.

Importers, distributors & retailers

Companies managing classification, valuation and licensing across large SKU ranges.

Logistics & bonded operators

Warehouse, bonded and free-zone operators designing compliant procedures.

Deal teams & investors

Buyers and sellers who need customs exposure quantified in M&A due diligence.

Vietnamese groups going global

Domestic champions building trade functions for outbound growth.

Support at every stage of your investment and trading journey

Plan | Structure the footprint

Value chain, sourcing and FTA strategy before you commit.

Set up | Get entry right

Classification, valuation, regimes and market-entry guidance.

Operate | Stay compliant

Day-to-day advisory, health checks and year-end finalization.

Defend | Resolve disputes

Audits, appeals and advance rulings with the authorities.

1. Entry, Strategy & Transformation

Entry Planning

Advise businesses entering or expanding in Vietnam on trade and customs requirements, including import/export structures, customs procedures, duty and tax implications, licensing, incentives and special customs regimes, with practical recommendations to optimize the proposed operating model and mitigate customs risks.

Value Chain Management & Supply Chain Restructuring

Assess and optimize global value chains, sourcing, manufacturing, distribution and cross-border transaction flows to reduce customs costs, improve FTA utilization, strengthen supply chain efficiency and resilience, and manage trade compliance risks.

Global Trade Technology Transformation

Work with our global colleagues and partners to optimize trade management systems and leverage advanced tools to accelerate operations, improve visibility, streamline processes and strengthen compliance.

2. Duty & Trade Optimization

Tariff Classification & Tariff Engineering

Accurately classify products under the Harmonized System while assessing product design, composition, functionality, sourcing and import configuration to identify sustainable duty efficiencies through tariff engineering.

Free Trade Agreement Evaluation & Planning

Evaluate available FTA benefits across the supply chain by assessing tariff preferences and rules of origin, identifying duty-saving opportunities, and developing sourcing, manufacturing and supply-chain strategies while managing origin documentation and traceability requirements.

Customs Valuation Planning & Defense

Manage valuation risks and optimize import duty positions by assessing related-party pricing, royalties, assists, transfer pricing adjustments and other dutiable elements, and developing defensible valuation methodologies and supporting documentation.

3. Trade Operations & Governance

Trade & Customs SOP Development

Develop and enhance SOPs that translate Trade & Customs requirements into practical processes covering classification, valuation, origin and FTA management, import/export procedures, duty exemptions, reporting, record keeping and internal controls.

Trade & Customs Retainer & Ad Hoc Advisory

Provide flexible access to Trade & Customs specialists for day-to-day technical queries, new business arrangements, regulatory changes and unexpected customs matters, with practical and timely guidance to support informed decisions and manage compliance risks.

4. Customs Compliance

Year-End Customs Finalization Support

Prepare and review year-end customs finalization and inventory reconciliation, focusing on consistency across import, export, production, inventory and material consumption data to identify discrepancies before submission and strengthen supporting documentation.

Customs Compliance Review & Due Diligence

Assess the effectiveness of the customs compliance framework across classification, valuation, origin, duty exemptions, customs procedures, documentation and internal controls, including customs due diligence for M&A purposes to identify potential historical exposures, transaction-related risks and areas requiring remediation.

5. Rulings & Controversy

Customs Ruling Services

Support ruling applications and engagement with customs authorities by assessing technical positions, preparing analysis and supporting documentation, and assisting with requests on classification, valuation and origin to establish more predictable and defensible customs treatment.

Post-Clearance Audit & Dispute Resolution

Prepare for and manage post-clearance audits by assessing potential exposures, developing defense strategies and supporting interactions with customs authorities; where disputes arise, provide technical analysis and strategic support to address findings and pursue practical resolution.

A dedicated practice, backed by a global network

KPMG in Vietnam operates one of the largest Trade & Customs advisory practices in the country, staffed by professionals with local and international experience and well-established credentials. The practice sits within Integrated International Tax, the only practice in Vietnam bringing trade & customs, transfer pricing and international tax together in one team.

Our advisors work hand in hand with Tax Dispute Resolution & Controversy colleagues, whose experience and working relationships with the authorities help protect your positions when disputes arise.

Why KPMG

Global network Professionals across every sector and geography, helping you navigate multifaceted, changing environments and build a roadmap for success.	Technology KPMG Digital Gateway gives access to tools that speed up data management, improve efficiency and strengthen compliance across the trade function.	Extensive expertise Hands-on experience across classification, origin, valuation and special regimes, ensuring compliance for major enterprises across Vietnam.
Comprehensive support Skilled support at every stage of investigations and customs reviews, with practical solutions tailored to how your business actually operates.	Value-driven service A competitive fee structure designed so clients receive maximum value from their investment in KPMG's services.	One integrated view Customs, transfer pricing and international tax advice that agree with each other, so a fix in one area does not create exposure in another.

When to call us: Situations where an early conversation pays for itself

- You have received notice of a post-clearance audit or customs inspection
- You are unsure whether your goods qualify for preferential origin
- Transfer pricing adjustments may affect declared customs values
- Classification disputes are creating duty or penalty exposure
- Tariff changes are affecting your export pricing or sourcing decisions
- Year-end customs finalization reveals inventory or material variances
- You are relocating or adding production and need the regime chosen correctly
- Your ERP or trade system cannot produce the evidence authorities ask for

Meet our experts



Nhan Huynh

Partner, Head of Global Trade & Customs Advisory and Value Chain Management



Nguyen Thu Huong

Partner, Head of Tax Dispute Resolution & Controversy



Nguyen Nhat Linh

Director, Global Trade & Customs Advisory



Vuong Quang Thuan

Director, Global Trade & Customs Advisory

Awards for Tax services

Transfer Pricing Firm of the Year



ITR

ASIA-PACIFIC TAX
AWARDS 2024

KPMG in Vietnam was named **Vietnam Transfer Pricing Firm of the Year at the ITR Asia-Pacific Tax Awards 2024**. This is the 8th consecutive year that KPMG in Vietnam has been honored at this award, affirming the unwavering commitment of our expert team in delivering professional tax advisory services to our clients.



Tier 1 in World Tax Rankings

KPMG in Vietnam was ranked **Tier 1 in every category of the tax business in Vietnam** by the International Tax Review (ITR). This recognition highlights our continued excellence in three significant categories: Customs, General Corporate Tax, and Transfer Pricing.

Awards for Legal services

Vietnam Law Firm Awards

KPMG Law in Vietnam was recognized in **seven categories** at the 2026 Vietnam Law Firm Awards by Asia Business Law Journal:

Compliance & Corporate Governance; Data Compliance & Cyber Security; Inbound Investment; Japan Practice; Insolvency & Restructuring; Structured Finance & Securitization; Taxation.



The Legal 500 Rankings

KPMG Law in Vietnam was recognized in The Legal 500 rankings across six practice areas, reaffirming our legal capabilities and the confidence our clients place in our teams across key regulatory matters:

Banking and Finance; Tax; Corporate and M&A; Technology, Media, and Telecoms; Data Protection; Real Estate and Construction



Banking and foreign exchange control

1. INVESTMENT CAPITAL ACCOUNTS

Key regulatory update

Circular No. 83/2026/TT-NHNN, effective 18 August 2026, introduced a new framework for foreign investment capital accounts, replacing the traditional DICA/IICA-based approach and aligning foreign exchange administration with Vietnam's updated investment regime.

- The traditional distinction between Direct Investment Capital Accounts (DICAs) and Indirect Investment Capital Accounts (IICAs) has been refined and replaced by a broader investment-capital-account framework aligned with the new Investment Law.
- Foreign investors should assess account-opening requirements based on the investment structure and ownership profile of the target entity, rather than relying solely on the traditional direct-versus-indirect investment distinction.
- Foreign investors are generally required to use designated investment capital accounts with licensed banks in Vietnam for investment-related capital flows.
- These accounts are used for capital contributions, capital transfers, foreign loan transactions (where applicable), and the remittance of investment proceeds and profits.

2. FOREIGN EXCHANGE CONTROLS

Vietnam operates a managed foreign exchange regime. Foreign currency transactions must generally be conducted through credit institutions or other financial institutions authorized by the State Bank of Vietnam (SBV).

The Vietnamese Dong (VND) is not a freely convertible currency, and most monetary transactions within Vietnam must be conducted in VND unless otherwise permitted by law.

Foreign investors may purchase foreign currency through licensed banks and transfer funds abroad for legitimate purposes, including capital transactions, foreign loan repayments and profit remittance, subject to compliance with applicable regulations and supporting documentation.

3. FUNDING OF INVESTMENTS

Foreign-invested enterprises may finance their investment activities through:

- Equity capital contributed by investors;
- Domestic financing;
- Foreign loans obtained in compliance with Vietnam's foreign borrowing regulations.

Cross-border capital movements relating to investment activities remain subject to Vietnam's banking and foreign exchange regulations administered by SBV.

4. CAPITAL AND PROFIT REPATRIATION

Vietnam permits foreign investors to remit lawful profits, investment capital and other legitimate investment proceeds abroad after fulfilling applicable financial and tax obligations.

Profit remittance is generally permitted:

- Annually, after completion of the financial year and satisfaction of statutory requirements; or
- Upon termination, liquidation or transfer of an investment project.

Investors are required to comply with applicable notification, tax and foreign exchange procedures before remittance.

Meet our expert



Nguyen Mai Phuong

Partner, KPMG Law

Accounting and Reporting (1/2)

1. ACCOUNTING REQUIREMENTS

Vietnamese Accounting System, Vietnamese Accounting Standards (VAS), the Law on Accounting 2015 and Amendment to the Law on Accounting 2024 (the Laws)

Enterprises with foreign-owned capital, foreign parties to business cooperation contracts, and foreign contractors that have a resident base in Vietnam (collectively "FIE") are required to adopt Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises, and their interpretive guidance.

The Vietnamese Accounting System for enterprises is issued by the MOF in the form of a bookkeeping manual that provides a standard chart of accounts, financial statements template, accounting books and voucher templates, as well as detailed guidance on accounting double entries for each specific account.

On 27 October 2025, the MOF officially released Circular No. 99/2025/TT-BTC, which addresses some implementation issues of Circular No. 200/2014/TT-BTC and brings VAS closer to IFRS in some areas, representing a notable milestone in Vietnam's accounting framework. The Circular is effective from 01 January 2026 and applies to fiscal year beginning on or after 01 January 2026.

Currently, the general requirements of VAS and the Laws include:

Language: If a foreign language is used in the financial statements in Vietnam, both the Vietnamese language and foreign language should be used simultaneously. Accounting documents in foreign languages must be translated into Vietnamese upon requests from a competent authority.

Currency: VND is the default currency unit in accounting. An FIE is permitted to use a "foreign currency" as the currency unit in their accounting records if certain criteria are met. However, in such cases, the financial statements submitted to local authorities must be converted into VND and must be audited.

Digits: Companies, and branches of foreign companies that are required to submit financial statements to parent companies or use the same management software with the parent companies, are allowed to use the comma (,) as the digit grouping symbol and the dot mark (.) as the decimal symbol. However, for those financial statements to be submitted to the tax authority, statistical authority, and government agency, the dot mark (.) must be used as the digit grouping symbol and the comma (,) must be used as the decimal symbol.

Forms: The prescribed forms of financial statements provided in Circular No. 99/2025/TT-BTC shall be complied with. Where necessary to accommodate the nature of its business operations and management requirements, an enterprise is permitted to add supplementary line items to the financial statements, provided internal accounting regulations on the supplementation are in place to serve as a basis for implementation, and such additions are disclosed in the notes to the financial statements. There are some industry-specific VAS besides the general one for enterprises such as those for credit institutions, insurance companies, securities companies, fund managers, and investment funds.

2. FISCAL YEAR

The fiscal year applicable to FIEs in Vietnam is normally 12 months, commencing on 01 January and ending on 31 December. FIEs with specific operation characteristics may adopt their own 12-month fiscal year, commencing from the first day of a solar calendar quarter and ending on the last day of the previous solar calendar quarter in the following year. They must inform the local tax authority of the adoption of such a fiscal year.

Where the first fiscal year or the last fiscal year does not exceed 03 consecutive monthly accounting periods, it is allowed to add this period to the following/preceding fiscal year to make up one fiscal year.

3. ANNUAL FINANCIAL STATEMENTS

Within 90 days following the close of the fiscal year, enterprises operating in Vietnam are required to prepare and file Annual Financial Statements to relevant local authorities. FIEs and certain types of entities (such as credit institutions) are required to have their Annual Financial Statements audited by a qualified independent auditor.

For enterprises operating in export processing zones (EPZs) or industrial zones (IZs), Annual Financial Statements may be required to be filed with the management board of the EPZs or IZs. The Annual Financial Statements must be signed off by the preparer, the chief accountant, and the legal representative of the enterprise.

Accounting and Reporting (2/2)

4. ACCOUNTING RECORDS AND SUPPORTING DOCUMENTS

Types of Accounting Documents

Types of accounting documents include accounting vouchers, sub-ledgers, general ledgers, and financial statements. Accounting documents should be archived in their original form, except for copied accounting documents specifically permitted by the Law.

Electronic Records

Electronic vouchers and accounting books do not require printing for retention. However, enterprises must guarantee information security and ensure data accessibility throughout the retention period. Enterprises must print electronic accounting documents and have them signed and stamped by the legal representative or chief accountant (or acting chief accountant) whenever a competent authority requests them for inspection or audit purposes.

Document Storage and Retention

Accounting documents and accounting books of an FIE must be stored either at the enterprise's premises in Vietnam or in an external archive facility within Vietnam. This storage requirement applies throughout the operating period specified in its IRC registration. When the enterprise ceases operation in Vietnam, its legal representative determines the storage location for accounting documents unless otherwise prescribed by law. Retention duration varies based on the document type, with minimum periods of five and ten years. Certain types of documents must be retained perpetually.

5. APPOINTMENT OF CHIEF ACCOUNTANT OR PERSON IN CHARGE OF ACCOUNTING

Enterprises are required to appoint a Chief Accountant or hire external chief accountant services. The Chief Accountant must satisfy the criteria and conditions stipulated by the Law on Accounting and its guiding regulations. If not immediately able to appoint a Chief Accountant, the enterprise may appoint a person in charge of accounting for a period not exceeding 12 months. Very small enterprises may appoint a person in charge of accounting instead of a Chief Accountant.

Foreigners may be appointed as Chief Accountants if they possess:

- A certificate of accounting expertise or an accounting/auditing certificate issued by a foreign professional body and recognized by the MOF.
- An accounting/auditing professional practicing certificate issued by the MOF.
- A Chief Accountant certificate obtained after passing a MOF-prescribed chief accountant training course.
- At least 2 years of accounting experience, including at least 1 year of accounting experience in Vietnam.

The Law prohibits the following individuals from assuming the role of accountant within an enterprise:

- Those responsible for the enterprise's direction and management;
- Storekeepers;
- Cashiers;
- Individuals responsible for the entity's purchasing and sales.

6. INTERNAL CONTROL SYSTEM

The enterprise must establish an internal control system to:

- Ensure its assets are safeguarded and protected from inappropriate and inefficient use.
- Ensure transactions are approved by authorized persons and completely recorded to serve as the basis for the preparation and presentation of financial statements that give a true and fair view.

The enterprise is responsible for developing its own internal governance regulations (or equivalent documents) and organizing internal controls with rights, obligations and responsibilities of departments and individuals who initiate, implement, manage and monitor economic transactions while ensuring compliance with relevant laws and regulations.

Meet our expert



Chang Hung Chun

Managing Partner, Head of Audit

IFRS in Vietnam: A legal gateway opens in 2027

On 18 August 2026, the Ministry of Finance issued Circular No. 118/2026/TT-BTC (effective 01 January 2027), allowing enterprises that are members of Vietnam’s International Financial Center to elect to prepare financial statements under IFRS, applied in full and consistently for each financial year, with IFRS 1 transition disclosures.

Application is optional, not mandatory, and tax obligations continue to follow Vietnamese tax law. In parallel, the MoF is developing Vietnam Financial Reporting Standards (VFRS) based on IFRS for the wider economy, and Circular No. 99/2025/TT-BTC has already moved VAS closer to IFRS.



2020-2021: Preparation

Vietnam formally established its IFRS/VFRS roadmap through Decision No. 345/QĐ-BTC, issued on 16 March 2020.



2022-2025: Pilot phase

Eligible companies with sufficient resources were permitted to voluntarily adopt IFRS for their consolidated financial statements after notifying the MoF.



2026:

The new Circular No. 99/2025/TT-BTC took effect on 01 January 2026, replacing the long-standing Circular No. 200 and moving Vietnam’s accounting regime closer to IFRS in several areas.



2027:

Optional IFRS for IFC members (Circular No. 118/2026/TT-BTC).



2027 onward:

VFRS roadmap for other enterprises (under development)

KEY BENEFITS OF IFRS

Transparency

Stakeholder confidence boost

Fund accessibility enhancement

Global comparability

As cross-border commercial activities gain momentum and Vietnam establishes itself as an attractive FDI destination, the adoption of consistent International Financial Reporting Standards (IFRS) across multiple jurisdictions, including Vietnam, has become essential for unlocking growth and innovation.

In April 2024, IFRS 18 was issued globally by the International Accounting Standards Board (IASB) and will officially take effect worldwide for annual reporting periods beginning on or after 01 January 2027. Designed to improve clarity and financial statement disclosure, IFRS 18 focuses particularly on income statement classification.

KPMG’s comprehensive IFRS conversion services offer all the support needed to facilitate a smooth transition to the relevant GAAP, providing valuable insights and access to thought leadership on the evolving global financial reporting landscape for Board and Audit Committee members, executives, management, stakeholders, and government representatives.

Source: KPMG Analysis

Meet our expert



Pham Thi Hoang Anh
Partner, Audit Services
IFRS Conversion Service Lead

Click [here](#) to explore our IFRS conversion services.

Explore more about the differences between Vietnamese GAAP & IFRS. ([EN](#) | [VN](#))

Stay up-to-date

Click [here](#) to explore more how KPMG can help.

Data privacy continues to grow in importance

The rapid adoption of data-intensive technologies has increased exposure to privacy, cybersecurity and data protection risks. To address these challenges, Vietnam has introduced a comprehensive legal framework that increasingly aligns with international standards, including the EU General Data Protection Regulation (GDPR). Businesses are now subject to heightened compliance obligations and stronger accountability requirements.

Regulators worldwide are intensifying their oversight and enforcement actions on data protection. Both within and outside Vietnam, new rules and regulations are being developed to effectively combat and prevent privacy issues.

Vietnam's data law has evolved significantly from the phase of building a new legislation in 2023 and most notably the 2024 Law on Data, to the phase of legislating and strengthening enforcement, with the 2025 Law on Personal Data Protection and Decree No. 330 in 2026. This framework establishes comprehensive regulations for data management, personal data protection, and cybersecurity, with major implications for businesses operating in the country and stronger sanctions.



At KPMG in Vietnam, we offer a comprehensive suite of services to help businesses navigate the complexities of Personal Data Protection regulations. Our expert team is equipped to provide tailored solutions that ensure compliance and protect your data.

Click [here](#) to explore more how KPMG can help.

Subscribe now

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Source: Vietnamese Government, KPMG Analysis

Timeline

2023

Decree No. 13/2023/ND-CP

On 17 April 2023, the Government issued Decree No. 13 on Personal Data Protection, which took effect from 01 July 2023. Decree No. 13 introduced a comprehensive personal data protection framework.

2024

Law on Data

Vietnam's first Law on Data (Law No. 60/2024/QH15) was passed by the National Assembly on 30 November 2024 and took effect on 01 July 2025.

2025

Decree No. 24/2025/ND-CP

Decree No. 24, issued on 21 February 2025, amends and supplements several provisions of Decree No. 98/2020/ND-CP on administrative penalties in consumer rights protection. The new decree increased sanctions for violations related to data privacy.

Law on Personal Data Protection (PDPL)

The new PDPL (Law No. 91/2025/QH15), enacted on 26 June 2025, retains the core principles of the earlier PDP Decree (Decree No. 13), while introducing more detailed and prescriptive requirements. - Read more [here](#).

2026

Decree No. 356/2025/ND-CP

Decree No. 356 (effective from 01 January 2026) provides detailed regulations on the implementation of the Law on Personal Data Protection, replacing Decree No. 13/2023/ND-CP. It establishes a more comprehensive regulatory framework regarding the data lifecycle, including intra-group data sharing and transfers to third parties.

Decree No. 330/2026/ND-CP

The Decree, issued on 19 August 2026 by the Government, establishes Vietnam's first dedicated administrative sanction regime for cybersecurity and personal data protection violations, significantly strengthening enforcement and regulatory oversight.

Meet our experts



Bui Thi Thanh Ngoc
Partner, Legal Services



Tran Bao Trung
Director, Legal Services

Vietnam unlocking private sector

On 04 May 2025, Vietnam’s Politburo introduced Resolution No. 68-NQ/TW on developing the private economy, representing a symbolic move in Vietnam’s economic reform, highlighting the private sector as the driving force for growth and innovation. The resolution addresses existing barriers and fosters a supportive environment for business, contributing to the national economic progression.

Targets by 2030

2 million

Companies in operation

≥20

Major private enterprises joining global value chains

10-12%/year

Average growth rate of the private economy

55-58%

Contribution to GDP

Level of technology, innovation capacity, and digital transformation:

Top3

among ASEAN countries

Top5

in Asia

Vision to 2045

≥3 million

Companies in operation

>60%

Contribution to GDP

- To grow rapidly, strongly, and sustainably; actively participate in global production and supply chains.
- Proactively participate in global production and supply chain and possess high competitiveness at both regional and international levels.

Initial results

One year after the Resolution No. 68-NQ/TW was issued, the Vietnamese economy has achieved breakthrough milestones.

1.1 million

Companies in operation as of 18 May 2026

111,700

Newly established enterprises in H1 2026
(+22.5% year-on-year)

US\$52 bn

Total registered capital in H1 2026
(+64.8% year-on-year)

US\$0.47 mn

Average registered capital per company
(+34.5% year-on-year)

Vietnam’s market for new public listings has rebounded strongly, with four companies going public in the first half of this year, supported by regulatory reforms and a robust pipeline of sizeable listings.

Vietnam’s successful IPOs and deal value, H1 2026



07 Jan

Hoa Phat Agriculture Development
US\$49 million



14 Jan

Gelex Infrastructure
US\$111 million



16 Jun

LPBank Securities
US\$162 million



30 Jun

Dien May Xanh Investment
>US\$500 million

Vietnam’s planned IPOs

Several prominent companies, including Long Chau, Misa, Highlands Coffee, Thaco, C.P. Vietnam, VNLife, Galaxy Media and DatVietVAC, are either preparing listings or considering public offerings, fueling expectations of a fresh IPO cycle.

Source: Vietnamese Government, Mobile World, Vietnam News



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Supplements

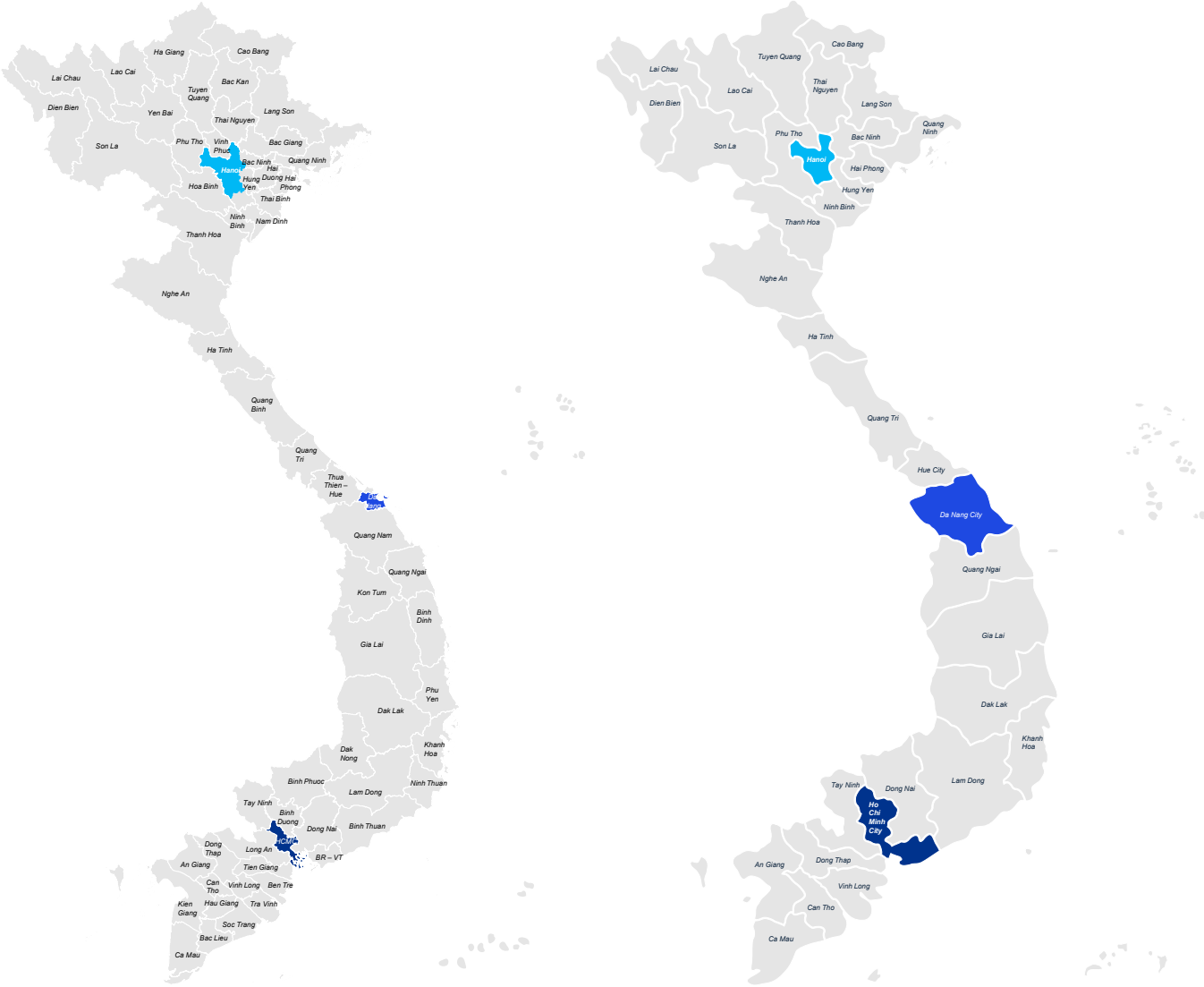
Vietnam’s provincial restructuring

On 12 April 2025, Vietnam’s 13th Party Central Committee approved Resolution No. 60-NQ/TW, initiating a reorganization of administrative units and establishing a two-tier local governance system.

Vietnam’s map after provincial merger

Old map

New map



Summary of Resolution No. 60/NQ-TW

Reduce from 63 provinces and centrally run cities to 34 provincial administrative units

Removal of district-level administrative units

Merger of communal-level administrative units

Source: B&Company Vietnam, KPMG Analysis

KPMG in motion: Recent public affairs activities

Private sector

July 2026

Warrick Cleine MBE, Chairman and CEO, KPMG in Vietnam and Cambodia, and Chair of Britcham BCAC, attended the **Prime Minister's** Conference with the Business Community in Hanoi with focal discussion on policy priorities, investment opportunities, and key challenges affecting the private sector.



NEV

June 2026

Representing KPMG in Vietnam, Tran Thanh Tam, Head of Markets & Corporate Affairs, hosted the **Thailand Automotive Institute** to discuss new energy vehicles (NEV), smart mobility and Vietnam's industrial competitiveness.



Banking

April 2026

Nguyen Ngoc Nam, Director, and Pham Thi Quynh Nhu, Associate Director, Financial Services Consulting, KPMG in Vietnam, shared insights on Circular No. 83/2025/TT-NHNN at a seminar co-hosted with the **State Bank of Vietnam**, focusing on risk management for credit institutions.



June 2026

FDI

Nguyen Thu Huong, Head of Tax Dispute Resolution & Controversy, represented KPMG in Vietnam at the National Conference on Resolution No. 10 - the first Politburo resolution dedicated to the FDI sector – chaired by **General Secretary and State President To Lam**.



May 2026

Digital transformation

Warrick Cleine, Chairman and CEO, KPMG in Vietnam and Cambodia, led a delegation in a working session with the **State Audit Office of Vietnam** to discuss audit quality, digital transformation and AI in auditing.



March 2026

Healthcare

KPMG in Vietnam, in collaboration with the **UK Government**, organized and facilitated an official UK working visit for a Vietnam **Ministry of Health** delegation, supporting dialogue on healthcare policy, regulation and collaboration.





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