



## INTRODUCTION

---

### Dear Valued Clients and Business Partners,

In a landscape of constantly evolving tax laws and policies, semiconductor companies require timely updates on regulatory changes and detailed guidance from industry experts on how these changes impact their operations.

Deloitte Vietnam understands businesses needs and is proud to introduce our **Tax Newsletter for Enterprises in the Semiconductor Industry**. This Tax Newsletter captures the publication of regulations and development process of the tailored legislative landscape, that impact the semiconductor industry.

Through this publication, our Valued Clients and Business Partners will be better equipped to manage tax liabilities, enhance compliance, and improve operational efficiency, all of which are crucial for sustainable business growth.

Deloitte Vietnam is the leading Tax and Legal advisor, especially in the field of investment incentives for the semiconductor industry in Vietnam. We are offering comprehensive tax consulting services, promoting compliance and sustainable development, while supporting clients in effective tax management to achieve their business goals.

Deloitte Vietnam is always honored to accompany our esteemed clients and partners!



A handwritten signature in blue ink that reads "Minh". The signature is written in a cursive style and is positioned above two horizontal blue lines that extend to the right.

**Minh Bui**  
Partner  
Country Leader, Tax & Legal  
Advisory Services  
Deloitte Vietnam

## Semiconductor Highlights

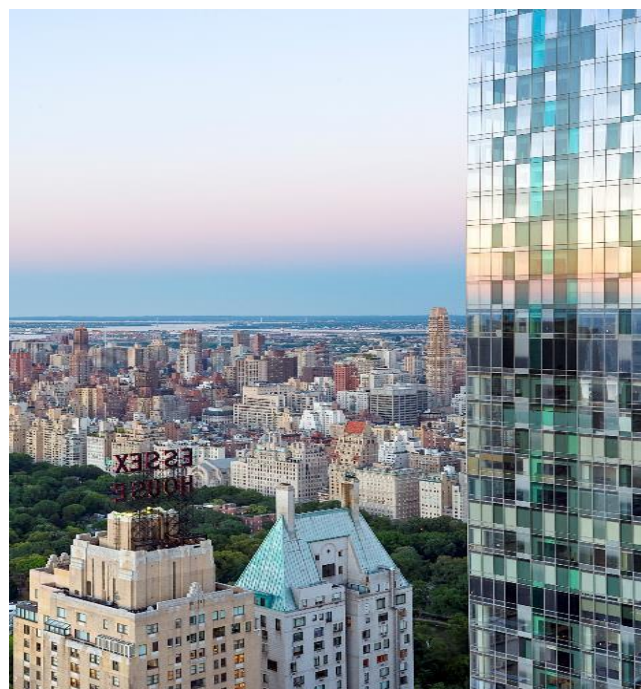
### Semiconductor development in Vietnam – A snapshot

Vietnam is striving to become a pivotal player in the global semiconductor industry through a comprehensive national strategy aimed at bolstering its capabilities in this critical sector. Recently, the Government has taken decisive steps to strengthen and attract semiconductor businesses, including:

- ✓ Development of the **Strategy for Semiconductor Industry Development**: strategy in progress with goals extending to 2030 and a vision to 2045, focuses on integrating Vietnam into the regional semiconductor ecosystem and attracting global investments.
- ✓ Establishment of **National Steering Committee for Semiconductor Industry Development (Decision No. 791/QĐ-TTg dated 05 August 2024)** in researching, directing and coordinating in solving important and interdisciplinary tasks related to promoting the development of the semiconductor industry in Vietnam.
- ✓ Establishment of **Vietnam Semiconductor Hub for Education (VSHE)**: through collaboration between Vietnam National Innovation Center (NIC), FPT Group, and TreSemi, aiming to develop 50,000 semiconductor engineers by 2030.
- ✓ **Vietnam-US Cooperation in semiconductors and AI**: focusing on training, capacity building, and integrating into the global value chain.
- ✓ Encourage establishment of various semiconductor design centers and accelerate co-operation between corporations in semiconductor.

The national strategy and Government's direction will serve as a foundation for shaping new policies that are designed to accelerate the growth and development of Vietnam's semiconductor industry.

With this alert, Deloitte Vietnam aims to update enterprises in the semiconductor industry on the latest policy developments, offering insights and recommendations to help navigating this evolving landscape.



### Highlights of the alert

- Based on our review of the draft policies, Deloitte observes that Vietnam tends to diversify its investment incentive policies by introducing new cost-based incentives, beside traditional profit-based incentives, which includes financial supports and incentives such as super tax deduction for Research & Development ("R&D") expenses, cash grant for certain types of expenses, etc. Regional-specific policies are also being developed in certain provinces such as Ho Chi Minh City and Da Nang, introducing unique mechanisms and support to strengthen their attractiveness.
- As Vietnam's semiconductor industry evolves, businesses are recommended to keep a close eye on new policy changes, evaluate investment strategies, and actively engage with the government for policy contribution from business perspectives.
- Deloitte specializes in this sector and is equipped with the expertise to guide businesses through the latest policies and incentives. We encourage you to consult with us to seize the potential opportunities with current regulations.

### Contact

Website: [deloitte.com/vn](https://deloitte.com/vn)

Email: [deloittevietnam@deloitte.com](mailto:deloittevietnam@deloitte.com)

*For reference purposes only, not for distribution or sale*

**Transfer Pricing  
Firm of the Year**

**Tax Firm  
of the Year**

## Investment support and incentive policies

At present, Vietnam employs various policies to attract investment in prioritized development sectors, such as tax incentive scheme for the high-tech industry, or special investment incentives as outlined in Decision No. 29/2021/QĐ-TTg issued by the Prime Minister. However, with the semiconductor industry emerging as a critical global sector and Vietnam becoming a focal point for international semiconductor investments, the Vietnamese Government has recently introduced or is drafting targeted incentive policies specifically for the semiconductor sector. The domestic policies related to the semiconductor industry outlined below are based on prevailing policies and official information of Draft policies.

### I. NATION-WIDE POLICIES

Policy	Eligibility Criteria	Benefit / Support Offered
<p><b>1. Decree on Investment Support Fund</b></p> <p><i>A policy initiative of the Government to develop a National Fund to provide direct financial support to strategic companies and projects based on certain eligible expenses that incurred by companies/projects.</i></p> <p><b>Enforcement:</b> tentatively from 2024</p> <p><b>Legalization status:</b> draft</p>	<ul style="list-style-type: none"> <li>Enterprises in high-tech sectors:                             <ul style="list-style-type: none"> <li>(i) High-tech companies</li> <li>(ii) Companies having projects manufacturing high-tech products</li> <li>(iii) Companies having high-tech application projects</li> <li>(iv) R&amp;D centers</li> </ul> </li> <li>Qualified companies need to meet certain conditions of capital, revenue, capital disbursement.</li> <li>Semiconductor businesses are subject to more favorable criteria (only required VND 6,000 billion investment capital or VND 10,000 billion annual revenue).</li> </ul>	<ul style="list-style-type: none"> <li>✓ <b>Cost-based incentives</b> on eligible expenses:                             <ul style="list-style-type: none"> <li>○ Training &amp; HR development costs: 50%</li> <li>○ R&amp;D costs: 1%-30% depending on applicable subjects</li> <li>○ Newly invested fixed assets: 1%-10% depending on applicable subjects</li> <li>○ Manufacturing costs of high-tech product: 0.5%-3% depending on applicable subjects</li> <li>○ Social infrastructure system: 25%</li> </ul> </li> </ul>
<p><b>2. Draft Law on Digital Technology Industry</b></p> <p><i>Draft policy focusing on digital technology industries (e.g. information technology, Artificial Intelligence, Cloud, Internet of Things, Blockchain etc.), as well as including semiconductor businesses.</i></p> <p><b>Enforcement:</b> tentatively from 2025</p> <p><b>Legalization status:</b> draft</p>	<ul style="list-style-type: none"> <li>R&amp;D centers for semiconductor products</li> <li>Investment projects in semiconductor</li> </ul>	<ul style="list-style-type: none"> <li>✓ <b>Funding support</b> for setting up R&amp;D facilities, technical infrastructure</li> <li>✓ <b>Profit-based incentives:</b> <ul style="list-style-type: none"> <li>○ Special investment incentive on preferential Corporate Income Tax (“CIT”) rate, import taxes</li> <li>○ CIT exemption for 5 years on income from transfer of shares/capital</li> <li>○ Personal Income Tax (“PIT”) incentives for expats</li> </ul> </li> <li>✓ <b>Cost-based incentives</b> on eligible expenses:                             <ul style="list-style-type: none"> <li>○ For purchase of machinery and equipment (“M&amp;E”): up to 5%</li> <li>○ For transfer of asset, technological line, equipment to VN: up to 10%</li> <li>○ For implementing new project in manufacturing integrated electronic circuits (“IC”), : up to 10% of total investment capital</li> <li>○ For R&amp;D: super deduction of 150%</li> </ul> </li> <li>✓ <b>Other supports:</b> Administrative procedures, Customs Green Lane for export – import</li> </ul>

#### Contact

Website: [deloitte.com/vn](https://deloitte.com/vn)  
Email: [deloittevietnam@deloitte.com](mailto:deloittevietnam@deloitte.com)  
For reference purposes only, not for distribution or sale

**Transfer Pricing  
Firm of the Year**

**Tax Firm  
of the Year**



## Investment support and incentive policies

### II. REGIONAL DEVELOPMENT POLICIES

Policy	Eligibility Criteria	Benefit / Support Offered
<p><b>3. Resolution No. 98/2023/QH15 for Ho Chi Minh City</b></p> <p><i>Resolution to provide special regimes and policies aimed at further enabling Ho Chi Minh City to unlock resources, drive development, and fully leverage its potential and strengths.</i></p> <p><b>Enforcement:</b> from 01 August 2023</p> <p><b>Legalization status:</b> currently in force</p>	<ul style="list-style-type: none"> <li>• <b>Strategic investors having investment projects</b> in semiconductor integrated circuit industry, technology for designing &amp; manufacturing IC, printed electronics, chips</li> <li>• <b>Prioritized projects in semiconductor:</b> minimum investment capital of VND 30,000 billion, disbursed in 05 years</li> <li>• <b>Strategic investors:</b> minimum chartered capital of VND5,000 billion or total asset of VND 25,000 billion, having experience in similar projects of minimum VND 10,000 billion capital</li> </ul>	<ul style="list-style-type: none"> <li>✓ <b>For R&amp;D activities:</b> super deduction of 150%</li> <li>✓ <b>Other supports:</b> Customs priority</li> </ul>
<p><b>4. Decision No. 3686/QD-UBND dated 06 September 2024 on the "Program for Developing the Ho Chi Minh City Microchip Industry in SHTP in the period of 2025-2030"</b></p>	<p>The program has 9 projects, proposals, and plans, including scientific and technological tasks on piloting mechanisms and policies to support the development of the semiconductor microchip industry; Training and human resource development plan; R&amp;D tasks on semiconductor microchip and Micro-Electro-Mechanical Systems (MEMS) technology in the period of 2025-2030.</p>	
<p><b>5. Resolution No. 136/2024/QH15 for Da Nang City</b></p> <p><i>Resolution to provide special regimes and policies aimed at further enabling Da Nang City to unlock resources, drive development, and fully leverage its potential and strengths.</i></p> <p><b>Enforcement:</b> from 01 January 2025</p> <p><b>Legalization status:</b> currently in force</p>	<ul style="list-style-type: none"> <li>• <b>Strategic investors having investment projects</b> in the field of semiconductor chip technology, semiconductor integrated circuit industry, manufacturing components, IC, PE</li> <li>• <b>Prioritized projects in semiconductor:</b> minimum investment capital of VND 30,000 billion, disbursed in 5 years</li> <li>• <b>Strategic investors:</b> minimum chartered capital of VND 1,000 billion, having experience in similar projects of min VND 2,000 billion</li> </ul>	<ul style="list-style-type: none"> <li>✓ <b>For R&amp;D activities:</b> super deduction of 150%</li> <li>✓ <b>Other supports:</b> Customs priority, land lease</li> </ul>
	<ul style="list-style-type: none"> <li>• <b>Semiconductor IC enterprises</b></li> </ul>	<ul style="list-style-type: none"> <li>✓ <b>Profit-based incentives:</b> <ul style="list-style-type: none"> <li>○ 5-year CIT exemption on income from innovative start-up activities</li> <li>○ 5-year tax exemption (PIT and CIT) on income from transferring shares/capital contributions</li> <li>○ 5-year PIT exemption on income from salaries and wages of experts, scientists, etc.</li> </ul> </li> </ul>
	<ul style="list-style-type: none"> <li>• <b>Strategic partners</b> in semiconductor IC: <ul style="list-style-type: none"> <li>- Global revenue in the most recent year of minimum VND 25,000 billion</li> <li>- Commit for long-term development in Da Nang with a minimum period of 5 years</li> <li>- Other conditions</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>✓ <b>Cost-based incentives</b> on expenses: <ul style="list-style-type: none"> <li>○ For purchase of M&amp;E: up to 5%</li> <li>○ For transfer of asset, technological line, equipment of new projects: up to 5%</li> <li>○ For new projects: up to 5%</li> <li>○ For hiring highly-qualified employees</li> </ul> </li> <li>✓ <b>Other supports:</b> Leasing of information infrastructure, administrative procedures</li> </ul>

#### Contact

Website: [deloitte.com/vn](https://deloitte.com/vn)

Email: [deloittevietnam@deloitte.com](mailto:deloittevietnam@deloitte.com)

For reference purposes only, not for distribution or sale

**Transfer Pricing Firm of the Year**

**Tax Firm of the Year**

## Deloitte's view

### Emerging trends of incentive policy to foster Semiconductor development

Vietnam is increasingly focusing on the semiconductor industry as a key component of its development strategy. There has been a noticeable shift towards more targeted tax incentives aimed at boosting semiconductor, including new cost-based incentives (e.g. cash grants, investment subsidies, super deductions for R&D expenses, etc.) beside traditional profit-based schemes. The new policies are designed to attract investors with large-scale projects and expertise in this field, ensuring that those who can add substantial value to the economy are chosen. This strategy aligns with Vietnam's broader goal of promoting high-value industries and driving economic growth.

In addition to nationwide policies, Vietnam is also promoting pilot particular policies in specific regions, such as HCMC and Danang, to foster the development of Semiconductor industry. These initiatives introduce unique mechanisms tailored to the strengths and appeal of each location, attracting semiconductor investment projects to these strategic provinces.

### Forward-looking on the landscape

Given the current global context of increasing demand for Semiconductor production, the strategic importance of this industry, and the existing draft policies on semiconductor incentives, Vietnam is expected to both broaden and reform its incentive programs to attract even greater investment. This may include not only more profit-based and cost-based incentives but also other supportive measures. In addition to financial incentives, Vietnam may introduce simplified administrative procedures to reduce the burden on businesses, making it easier for semiconductor companies to establish and expand their operations.

Furthermore, Vietnam may look to international best practices in incentive policy, drawing lessons from other leading semiconductor hubs around the world. By integrating these global insights, Vietnam could strengthen its position as a competitive and attractive destination for semiconductor businesses, ensuring its continued growth and leadership in the industry.

## Recommendation for businesses

*In the context of the rapidly changing semiconductor industry policies, companies should initiate proactive measures to adapt and capitalize on emerging opportunities. Deloitte's recommended action plan is as follows:*

#### 1 Stay informed of policy developments

- Enterprises should closely monitor ongoing legislative changes in the semiconductor industry;
- Staying informed enables companies to quickly adapt their strategies and engage with the Government on relevant investment opportunities.

#### 2 Re-assess business cases and investment

- Companies should revisit current business strategies, including plans for expansion or new investments, to explore opportunities to maximize benefits from semiconductor incentives;
- This proactive approach will help optimize returns from Government policies.

#### 3 Amplify perspectives in policy contributions

- Companies could consider actively communicating with the Government, voicing practical needs and concerns to contribute to the policies that address industry challenges and align with business objectives
- This is vital for creating favorable environment for the semiconductor sector.

#### 4 Consult with experts

- Companies should consult with experts, especially Deloitte's Tax and Legal advisory team, to fully understand the implications of new semiconductor policies and how to best leverage available incentives;
- Expert advice can help companies make informed decisions and align strategies with evolving regulatory frameworks

### Contact

Website: [deloitte.com/vn](https://deloitte.com/vn)

Email: [deloittevietnam@deloitte.com](mailto:deloittevietnam@deloitte.com)

*For reference purposes only, not for distribution or sale*

**Transfer Pricing  
Firm of the Year**

**Tax Firm  
of the Year**

## Contact us

We are always ready to serve our partners and clients with a team of experts in the Semiconductor field. Our experienced professionals provide comprehensive and practical insights tailored to your needs.

To start a conversation, please contact us:



**Bui Tuan Minh**  
Tax & Legal Partner  
Vietnam Country Leader  
+84 24 7105 0022  
[mbui@deloitte.com](mailto:mbui@deloitte.com)



**Vu Thu Nga**  
Tax & Legal Partner  
+84 24 7105 0023  
[ngavu@deloitte.com](mailto:ngavu@deloitte.com)



**Tran Anh Son**  
Tax & Legal Director  
+84 24 7105 0036  
[sontran@deloitte.com](mailto:sontran@deloitte.com)

### Hanoi Office

15<sup>th</sup> Floor, Vinaconex Building,  
34 Lang Ha Street, Dong Da District,  
Hanoi, Vietnam  
Tel: +84 24 7105 0000  
Fax: +84 24 6288 5678

### Ho Chi Minh City Office

18<sup>th</sup> Floor, Times Square Building,  
57-69F Dong Khoi Street, District 1,  
Ho Chi Minh City, Vietnam  
Tel: +84 28 7101 4555  
Fax: +84 28 3910 0750

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited (“DTTL”), its global network of member firms, and their related entities (collectively, the “Deloitte organization”). DTTL (also referred to as “Deloitte Global”) and each of its member firms and related entities are legally separate and independent entities, which cannot obligate or bind each other in respect of third parties. DTTL and each DTTL member firm and related entity is liable only for its own acts and omissions, and not those of each other. DTTL does not provide services to clients. Please see [www.deloitte.com/about](http://www.deloitte.com/about) to learn more.

Deloitte Asia Pacific is a member firm of Deloitte Global. Deloitte Asia Pacific members and affiliates provide services to clients in more than 100 cities in the region, including Auckland, Bangkok, Beijing, Bengaluru, Hanoi, Hong Kong, Jakarta, Kuala Lumpur, Manila, Melbourne, Mumbai, New Delhi, Osaka, Seoul, Shanghai, Singapore, Sydney, Taipei and Tokyo. In member countries, business activities are carried out independently by separate legal entities.

### About Deloitte Vietnam

In Vietnam, services are provided by separate and independent legal entities, each of which may be referred to or known as Deloitte Vietnam.

This document contains general information and is for informational purposes only, therefore, no DTTL company, or any of its affiliates or subsidiaries and their employees shall be deemed to, within the scope of the content of this document, provide services or give opinions, professional advice for readers. This document does not constitute advice to the reader and shall not affect other advice provided by any employee of the Deloitte Foundation. The information presented in this document does not apply to the individual cases of the enterprise. Before making any decision or action that may affect your financial or business situation, you should consult a professional advisor.

No representations, warranties or undertakings (express or implied) are made as to the accuracy or completeness of the information contained herein, and no member of the Deloitte Companies Network shall be liable for any damages, losses incurred directly or indirectly as a result of the reader's use, publication, dissemination of, or reliance on this material to act, inaction, or make any decisions.