

## Industry Insights

Law on Digital Technology Industry no. 71/2025/QH15  
Breakthrough incentive and support mechanisms to  
elevate digital technology as core industry of Vietnam

June 2025

# Overview of the Law and expert viewpoints

## Context

In recent years, the Government have issued several key directives and strategic guidelines aimed at completing and establishing an institutional framework to promote the development of information technology and digital technology industries as foundational sectors, thereby driving the country's industrialization and modernization efforts. In fulfilling its mandates, the **Ministry of Science and Technology ("MOST")** has conducted research and developed the **Law on Digital Technology Industry ("DTI") no. 71/2025/QH15**, which introduces a range of diverse and breakthrough incentive and support mechanisms to foster the sustainable development of the domestic digital technology industry.

This Law was officially approved by the National Assembly on 14 June 2025 and will take effect from **01 January 2026**, except for some incentive provisions on investment, cost subsidies and customs procedures, which will be effective from **01 July 2025**.

Below is Deloitte's Alert, providing an update on the key provisions concerning incentives and support policies for digital technology industry activities, along with some other highlighted provisions of the Law.



## Deloitte's viewpoints and recommendations

### Viewpoint

The Law on DTI establishes a clear legal framework, defines the concepts of digital technology, digital technology industry, and semiconductor industry, while introducing a wide range of incentive policies and support mechanisms for enterprises and organizations operating in the DTI sector (*investment incentives, corporate income tax (CIT) incentives, cost subsidies, customs procedures, human resources development support, etc.*).

With the investment promotion policies stipulated under the Law, both existing enterprises and investors planning to expand their investments in Vietnam in the fields of information technology, digital technology, semiconductors, supporting industries directly serving digital technology, and electronics manufacturing, will have significant opportunities to leverage these incentives to promote sustainable development and enhance competitiveness in the market.

### Recommendations

1

#### Review and evaluate the potential for applying incentive and support mechanisms

Both existing enterprises and investors planning to enter Vietnam in the digital technology industry should review their activities and products to assess the potential eligibility for applicable incentive and support mechanisms under the Law.

2

#### Develop strategic plan for incentive and support application

- Shape up investment strategy in Vietnam, including determination of the investment scale and human resource needs; selection of investment location; research on the supply chain and ecosystem supporting businesses; estimation of operational efficiency factoring the available incentives and support under the Law on DTI.
- Discuss with professional advisors to formulate and align the investment strategy, aiming at incentives claiming in the future.

3

#### Continue to closely monitor the development of subsequent guiding regulations

Following the Law, the MOST will proceed to develop detailed Decree and Circular, outlining specific criteria and conditions for the application of incentives and support measures. Enterprises should continue to closely monitor these developments for prompt updates and proactive preparation, ensuring readiness to timely approach incentive policies as soon as they come into effect.



# Key subjects eligible for incentives & support under the Law

Group	Eligible subjects	Details
1	Digital technology ("DT") products manufacturing and services provision	<p><b>Manufacturing of DT products:</b> research and development, design, assembly, fabrication, testing, quality assurance, and other related activities for manufacturing of digital technology products, including:</p> <p>(a) <b>Hardware products</b> (computers, networking equipment, peripheral devices; telecommunications equipment; multimedia devices; transmission equipment; electronic devices with integrated digital technology; components and component clusters, electronic components, semiconductor chip and other hardware products);</p> <p>(b) <b>Software products</b> (system software; application software; utility software; tool software; digital platforms and other software);</p> <p>(c) <b>Digital content products</b> (documents, digital data, image, audio recording, video recording and other digital formats).</p> <p><b>Provision of DT services:</b> consultation, design, installation, integration, management, operation, training, digitization, data processing, warranty, maintenance, refurbishment, publishing, distribution of DT products; offering DT products as services and other DT services.</p>
2	Key DT products manufacturing and services provision; manufacturing software; artificial intelligence (AI) system development; investment in the development of AI data centers	<p><b>Key DT products and services</b> are those that satisfy the prescribed criteria regarding domestic and foreign market demand, value-added potential, export capability, contribution to national key digital transformation initiatives, positive breakthrough impact, economic efficiency, etc.</p> <p><b>The list of key DT products and services shall be published</b> by the MOST.</p>
3	Digital technology centralized zone	<b>Functional zone centralized</b> with the activities of research and development, support, training, innovation promotion, incubation of DT and DT enterprises, production and trading of DT products and services, infrastructure provision, service provision for organizations, enterprises, individuals, and other relevant activities within the zone.
4	Digital technology research and development ("R&D") activities	Enterprises carrying out research and development activities for DT products and services.
5	Semiconductor industry activities	Enterprises involved in stages of the <b>semiconductor chain</b> , including the production of materials, supplies, equipment, machinery and tools; R&D; design; manufacturing, packaging and testing.
6	Enterprises participating in the semiconductor supply chain	<p>Including:</p> <ul style="list-style-type: none"> <li>Projects manufacturing direct auxiliary products supporting the semiconductor industry refers to the production of raw materials, supplies, and components provided directly to semiconductor chip manufacturing, packaging, and testing projects;</li> <li>Enterprises implementing electronic equipment manufacturing projects.</li> </ul>

Besides the key subject groups above, the Law on DTI also introduces incentive and support policies for other categories: Innovative start-up projects in DTI; Market development activities for DT enterprises; Development of environmentally friendly DT products and services.



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# Incentive and support policies for each group



## Group 1 - DT products manufacturing and services provision

Types of incentives	Specific incentive and support policies
Investment/ CIT incentives	<p>Entitled to incentives applicable to <b>incentivized business sectors</b>, including the following CIT incentives:</p> <ul style="list-style-type: none"> <li>✓ Preferential tax rate 17% for 10 years;</li> <li>✓ CIT exemption up to 02 years, followed by a 50% of CIT reduction for no more than the next 04 years.</li> </ul>
Human resources development support	<p>(1) For high-quality DTI human resources:</p> <ul style="list-style-type: none"> <li>• Entitled to personal income tax incentives in accordance with the law on personal income tax.</li> <li>• For high-quality DTI human resources who are <b>foreigners</b>: <ul style="list-style-type: none"> <li>✓ Granted with <b>5-year temporary residence card</b>; relatives including spouses and children under 18 years old are also granted with temporary residence cards with corresponding duration;</li> <li>✓ <b>Exempted from work permit application</b> in accordance with the labor laws.</li> </ul> </li> </ul> <p><i>High-quality DTI human resources include Vietnamese nationals, overseas Vietnamese, and foreign nationals who meet the criteria as prescribed by the Government (expected to be detailed in Decree and Circular).</i></p> <ul style="list-style-type: none"> <li>• For DT talents: <ul style="list-style-type: none"> <li>✓ Entitled to the same incentives as of high-quality DTI human resources as abovementioned;</li> <li>✓ Eligible for special salary and bonus schemes, competitive with global standards;</li> <li>✓ Supported with working environment, living space, housing, and transportation;</li> <li>✓ Provided with financial and infrastructural support for R&amp;D in the DT sector; etc.</li> </ul> </li> </ul> <p><i>DT Talents is high-quality DTI human resources, meeting the criteria for talent in the field of science, technology and innovation according to the law on science, technology and innovation.</i></p>





# Incentive and support policies for each group



## Group 2 – Key DT products manufacturing and services provision

Types of incentives	Specific incentive and support policies
Investment/ CIT incentives	<ul style="list-style-type: none"> <li>Entitled to incentives applicable to <b>specially-incentivized business sectors</b>, including the following CIT incentives:               <ul style="list-style-type: none"> <li>✓ Preferential tax rate 10% for 15 years;</li> <li>✓ CIT exemption up to 04 years, followed by a 50% of CIT reduction for no more than the next 09 years;</li> </ul> </li> <li>Entitled to <b>CIT, land incentives</b> following the provisions on special investment incentives according to law on investment.</li> </ul>
Cost subsidies	<p><b>Direct cost subsidies:</b> for investment in factory construction, technical infrastructure, machinery and equipment, funded from the local budget. The Provincial People's Council shall provide specific regulations, in accordance with local conditions.</p>
Human resources development support	<p>(1) Local policy for DTI human resource development support:</p> <ul style="list-style-type: none"> <li>✓ Partially support for the cost of hiring high-quality human resources;</li> <li>✓ Partially support for the costs of training, retraining, and improving the quality of human resources of the enterprise.</li> </ul> <p>(2) For high-quality DTI human resources:</p> <ul style="list-style-type: none"> <li>✓ Similar as Group 1;</li> <li>✓ Entitled to <b>PIT exemption for the period of 05 years</b> from labor contract signing date.</li> </ul> <p>(3) For DT talents: Similar as Group 1</p>
Customs procedures	Entitled to privilege customs procedures according to customs law



# Incentive and support policies for each group



## Group 3 – Digital Technology Centralized Zone

Types of incentives	Specific incentive and support policies
Investment/ CIT incentives	<ul style="list-style-type: none"> <li>DT Centralized Zone enjoy incentives for <b>specially difficulty socio-economic areas</b>, including the following CIT incentives: <ul style="list-style-type: none"> <li>✓ Preferential tax rate 10% for 15 years;</li> <li>✓ CIT exemption up to 04 years, followed by a 50% of CIT reduction for no more than the next 09 years.</li> </ul> </li> <li>DTI Investment projects and projects on construction and business of DT Centralized Zone infrastructure are entitled to incentives applicable to <b>specially-incentivized business sectors</b></li> </ul>
Land support	<p>(1) DTI Investment projects within DT Centralized Zone: Exemption and reduction of land rental</p> <p>(2) Investors/Investment project on construction and business of DT Centralized Zone infrastructure:</p> <ul style="list-style-type: none"> <li>✓ Exemption and reduction of land rental;</li> <li>✓ Support for investment in technical infrastructure within the Zone and infrastructure connected to the Zone (transportation roads, electricity, water, waste treatment,...)</li> </ul>
Human resources development support	For high-quality DTI human resources, income from DT projects is entitled to PIT exemption for the period of 05 years from labor contract signing date.



## Group 4 – Digital Technology R&D activities

Types of incentives	Specific incentive and support policies
Investment/ CIT incentives	<ul style="list-style-type: none"> <li>Entitled to the highest incentives according to the law on science, technology and innovation; digital transformation;</li> <li>Cost subsidies for R&amp;D activities on DT products and services;</li> <li>Expenditures for DT R&amp;D are entitled to super deduction when determining CIT taxable income according to CIT regulations.</li> </ul>



# Incentive and support policies for each group



## Group 5 – Semiconductor industry activities

Incentivized activities	Investment/ CIT incentives	Cost subsidies	Customs procedures	Human resources development support
(1) Production of raw materials, supplies, equipment, machinery and tools for semiconductor industry encouraged for investment and development <sup>1</sup>	Specially-incentivized business sectors			
(2) Projects designing semiconductor chip	<ul style="list-style-type: none"> <li>Specially-incentivized business sectors;</li> <li>Special investment incentives and support for large-scale project according to investment law.</li> </ul>	<ul style="list-style-type: none"> <li>Cost subsidies for human resource development training, R&amp;D, trial production, purchase of machinery and equipment, technology and technological innovation<sup>2</sup>;</li> <li>Direct cost subsidies for investment in factory construction, technical infrastructure, machinery and equipment<sup>3</sup>.</li> </ul>	Privilege customs procedures according to customs law	05-year PIT exemption for high-quality DTI human resources participating in semiconductor chip R&D projects
(3) Projects manufacturing, packaging and testing semiconductor chip	<ul style="list-style-type: none"> <li>Specially-incentivized business sectors;</li> <li>Special investment incentives and support for large-scale project according to investment law.</li> </ul>	Direct cost subsidies for investment in factory construction, technical infrastructure, machinery and equipment <sup>3</sup>	<ul style="list-style-type: none"> <li>Import used technological lines, equipment, machinery, and tools directly serving the project<sup>4</sup>;</li> <li>Privilege customs procedures according to customs laws.</li> </ul>	05-year PIT exemption for high-quality DTI human resources participating in semiconductor chip manufacturing projects

<sup>1</sup> The MOST promulgates the List of semiconductor materials, supplies, equipment, machinery, and tools for the semiconductor industry that are encouraged for investment and development.

<sup>2,3</sup> Provincial People's Councils prescribe criteria, conditions, procedures, contents and levels of subsidy from local budgets in accordance with local conditions

<sup>4</sup> The MOST promulgates the Criteria for used technological lines, equipment, machinery and tools imported to directly serve projects on manufacturing, packaging and testing semiconductor chip products.



# Incentive and support policies for each group



## Group 6 – Enterprises participating in the semiconductor supply chain

Incentivized activities	Investment/ CIT incentives	Cost subsidies	Customs procedures
(1) Projects manufacturing direct auxiliary products in the semiconductor industry	<ul style="list-style-type: none"> <li>• Specially-incentivized business sectors</li> <li>• Special investment incentives and support for large-scale project according to investment law</li> </ul>	<ul style="list-style-type: none"> <li>• Direct cost subsidy for investment in factory construction, technical infrastructure, machinery and equipment<sup>1</sup></li> <li>• Partially or fully support for trial production, technology purchase and technology innovation<sup>2</sup></li> </ul>	<ul style="list-style-type: none"> <li>• Privilege customs procedures according to customs laws</li> </ul>
(2) Enterprises implementing electronic equipment manufacturing projects that meet the criteria prescribed by the MOST	Eligible to CIT incentives according to CIT regulations	Partially or fully support for trial production, technology purchase and technology innovation <sup>2</sup>	

<sup>1 2</sup> Provincial People's Councils prescribe criteria, conditions, procedures, contents and levels of support from local budgets in accordance with local conditions.





# Other highlighted provisions

In addition, the Law also stipulates on the management and promotion of Artificial Intelligence (AI) and Digital Assets:



## Artificial Intelligence (AI)

1. **Definition of AI system:** is a machine-based system designed to operate with varying degrees of autonomy and to be adaptive after deployment to achieve explicit or implicit goals, reasoning from the input data it receives to generate predictions, content, recommendations, decisions that can affect the physical or electronic environment.
2. **Principles for development, provision, deployment, and use of AI system:** serving humans, taking humans as the center, ensuring transparency, security, and confidentiality, without exceeding human control, etc.
3. **Strategy for research, development, and application of AI:** The MOST is responsible for developing strategies based on the orientation of socio-economic development, national defense, and security.
4. **Management of AI system:** classification of risk levels for AI systems (high-risk AI system, high-impact AI system) and corresponding management measures.
5. **Identification marks for AI system:** the MOST issues a List of digital technology products created by artificial intelligence that must have identification marks.
6. **Responsibilities of stakeholders in development, provision, deployment, and use of AI system:** regulating on the responsibilities of organizations and individuals participating in the development, provision, deployment and use of AI systems.



## Digital Assets

1. **Definition of digital assets:**
  - Digital assets are assets as prescribed in the Civil Code, that is represented in the form of digital data, created, issued, stored, transferred and authenticated by digital technology in the electronic environment;
  - Including: virtual assets in the electronic environment; cryptographic assets; other digital assets.
2. **Management of digital assets:**
  - Classify digital assets according to the criteria: purpose of use; technology; other criteria
  - Digital asset management provisions include:
    - ✓ Creation, issuance, storage, custody, transfer, establishment of ownership of digital assets;
    - ✓ Rights and obligations of parties in activities related to digital assets;
    - ✓ Measures to ensure information security and network security; prevention and combat of money laundering and terrorism;
    - ✓ Inspection, examination, and handling of violations of laws;
    - ✓ Business conditions for providing crypto-asset services.





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