

SPECIAL LEGAL REGIME FOR INVESTORS IN VIETNAM'S UPCOMING INTERNATIONAL FINANCIAL CENTERS

On 27 June 2025, the National Assembly of Vietnam adopted Resolution No. 222/2025/QH15 to establish International Financial Centers (IFCs) in Ho Chi Minh City and Da Nang (the “**Resolution**” or “**Resolution 222**”). The Resolution aims to boost Vietnam’s financial markets by offering preferential treatment, simplified procedures, and international standards to attract local and foreign investors. It will take effect on 1 September 2025 and sets out a unified framework for managing and operating both centers.

1. OBJECTIVES AND GOVERNANCE STRUCTURE

The IFCs are designed to serve as hubs for a broad range of financial and supporting services, encompassing both traditional financial products, such as banking, capital markets, and insurance as well as modern offerings such as fintech, digital assets, and other innovative financial solutions. Among these services, the IFCs actively promote sustainable finance, support the development of green financial products, and encourage solutions that help mobilize resources for energy transition and green transformation projects.

To support their operation, each IFC will be governed by three dedicated authorities:

- Governing Authority – responsible for regulation, licensing, and policy implementation;
- Supervisory Authority – in charge of compliance monitoring, inspections, and enforcement;
- Dispute Resolution Authority – including an International Arbitration Center and a designated Court.

The Governing Authority, which plays a central role in ensuring the functioning of the IFC, has broad autonomy to issue its own regulations, procedures, and special administrative mechanisms tailored to the practical needs of investors, enterprises, and professionals operating within the IFC. These measures, provided they align with the Constitution and international treaties, prevail over other domestic laws and regulations within the scope of their application in the IFC. In addition, arbitration awards made by the IFC’s Arbitration Center cannot be annulled if parties have formally waived annulment rights, reinforcing legal certainty.

2. BENEFIT AND INCENTIVES

Resolution 222 introduces a comprehensive, investor-oriented legal framework offering clear advantages for various categories of participants in Vietnam’s International Financial Centers (IFCs), including foreign investors, IFC members, and experts/professionals working in the centers.

Category	Foreign Investors	IFC Members	Experts & Professionals
Investment & Setup	<p>No limitation on foreign shareholding ratio in IFC member</p> <p>Can establish entities without requiring an Investment Registration Certificate or approval—only a simple notification is needed.</p>	<p>Can set up holding companies (except banks)</p> <p>Can raise funds from overseas without a license</p>	Not applicable

Currency & Capital Flows	Can freely bring in and take out money in foreign currency via local banks	Can transact in foreign currency with other IFC members and foreign parties Can borrow and lend in foreign currency Some exemptions from currency controls	Not applicable
Accounting	Not applicable	Can use international accounting standards (e.g., IAS/IFRS)	Not applicable
Tax	Exempt from personal income tax on sale of share as to 2030	Corporate Income Tax: For priority sectors: 10% for 30 years, 4-year tax holiday and 50% off for the next 9 years, or For non-priority sectors: 5% for 15 years, 2-year holiday and 50% off for the next 4 years.	Exempt from personal income tax on salaries (until 2030)
Labor & Immigration		No limit on foreign hires No need to go through standard labor approvals	Eligible for long-term visas (up to 10 years), permanent residency options, and work-permit exemptions Enjoy priority immigration access
Real Estate	Can own residential property and land in IFC real estate projects	Priority access to land for projects Can mortgage land and assets at foreign banks	Can own residential property and land in IFC real estate projects
Trade	Not applicable	Enjoy streamlined customs procedures	Not applicable
Innovation Sandbox		Can test new tech or business models under flexible rules May be exempt from technical rules and liability during pilot phase	

In addition, IFC members that meet specific qualifications (sector focus, financial strength, reputation, and long-term commitment) are considered strategic investors. They enjoy extra advantages such as:

- Priority to invest in major IFC infrastructure projects
- Direct land leases without public auctions
- Freedom to sublease, manage, or transfer IFC projects
- Permission to offer support and land clearance services for other investors

- Opportunities to build large complexes that attract global institutions and talent

3. TRADING PLATFORMS AND EXCHANGES

Resolution 222 provides a variety of trading platforms and exchanges that may be established and operated within Vietnam's International Financial Centers. These platforms are designed to support diverse asset classes and promote a transparent, competitive marketplace aligned with international standards. Trading platforms can be set up in the following sectors:

- Commodity and commodity derivatives trading
- Carbon credit trading
- Cultural and artistic asset trading
- Precious metals trading
- Green financial products
- Other emerging or innovative platform types, based on market needs

These platforms shall operate under the following principles:

- Market-based operation: Platforms must ensure transparency and fair competition, and actively encourage both domestic and foreign investor participation.
- Global standards compliance: Operations must align with international norms for trading, clearing, disclosure, and risk management.
- Internal rules required: Each platform must develop and implement internal rules on listing, trading, payment, asset and member management—subject to approval by relevant authorities.
- Qualified participation: Only members meeting entry criteria may access and use the platform's services and products.

4. HOW TO JOIN THE IFC

Investors and companies can become IFC members in two ways:

Entry Method	Description
Recognition	For major players having their presence in the IFC such as Fortune Global 500 firms and their direct parent companies and top 10 Vietnamese financial institutions (by charter capital, excluding banking, securities, and insurance).
Registration	For other organizations that meet financial and reputational standards aligned with the IFC's development strategy.
Obtainment of Operation License	For investors in banking and financial sectors.

5. FUTURE ORIENTATION

Certain unclear issues under the Resolution, such as detailed standards on financial capacity, reputation, and fields of operation to qualify for IFC membership or specific regulatory on outbound trade or investment (from IFCs to other onshore regions and to offshore) are expected to be addressed in an implementing Decree to be promulgated by the Government of Vietnam.

The creation of a more favorable legal regime for investors and enterprises within the IFC, compared to the non-qualified one, is likely to result in a significant shift in investment and business activities in Vietnam's financial sector.