

Luther in Vietnam

Newsletter, Issue 07/2026

Content

■ FOCUS

Vietnam's E-Commerce Platforms: What Operators Need To Prepare For 2026 4
Vietnam's Amended 2026 Notarisation Law: Less Burden For Businesses 9
From Acceptance To Accountability: Decree 207 Raises the Bar for Construction Quality in Vietnam 11
Navigating Vietnam's Corporate Income Tax Incentives In 2026 14

■ GENERAL INFORMATION

Contact us 18
Events, publications and blog 19

Dear Readers,

Welcome to our newest edition of the Luther Vietnam Newsletter. As the Year of the Fire Horse – traditionally associated with energy, ambition and forward momentum – continues, its symbolism resonates with Vietnam's current trajectory. The country is looking ahead to an exciting period of continued growth, while also navigating significant regulatory changes. Channelling this spirit, this edition focuses on four key areas shaping the business landscape: e-commerce, notarisation, construction and corporate taxation. These developments reflect the Vietnamese authorities' ongoing efforts to modernise regulations, streamline procedures and strengthen compliance. Our insights are designed to provide the clarity and practical guidance needed to navigate these changes with confidence.

We begin with Vietnam's new e-commerce framework, which introduces significant changes for businesses operating in the digital marketplace. Effective from 1 July 2026, the framework strengthens requirements around platform classification, transparency, consumer protection, seller verification and data governance. These changes create important compliance considerations for both domestic and foreign e-commerce businesses and will require businesses to reassess their existing operational, contractual and data-management practices.

The second article examines the latest amendments to Vietnam's Notarisation Law 2026, which aim to reduce procedural burdens, modernise notarial administration and support the development of nationwide real estate notarisation. In particular, the narrowing of mandatory notarisation requirements may reduce transaction costs and simplify certain procedures. However, businesses should continue to consider voluntary notarisation where additional legal certainty and risk mitigation are important.

The third article focuses on Decree 207, which raises the bar for construction quality in Vietnam and introduces a comprehensive framework governing construction projects throughout their lifecycle. Effective from 1 July 2026, the Decree strengthens accountability among project stakeholders through stricter documentation, digital monitoring, state inspections and structured handover requirements. For foreign investors, lenders, developers and contractors, the changes highlight the importance of treating construction quality, safety, acceptance and handover as legal, financial and dispute-related issues from project structuring through to operation and maintenance.

The final article examines Vietnam's corporate income tax incentives in 2026, which remain an important tool for attracting higher-value, technology-driven and sustainable foreign investment. The updated framework provides preferential CIT rates of 10% or 17%, together with tax exemption and reduction periods for qualifying projects in encouraged sectors and locations. For foreign investors, the article highlights the importance of early tax planning, clear documentation and regular eligibility reviews, as access to these incentives is subject to ongoing compliance with the applicable requirements.

Together, these updates highlight the importance of keeping pace with Vietnam's evolving legal and regulatory environment and understanding how new requirements may affect business operations.

We hope the insights in this edition provide a clear understanding of these developments and their practical implications for your business in Vietnam. As always, our team remains committed to providing practical, commercially focused advice to help you navigate Vietnam's regulatory landscape with confidence.

If you have any questions about the topics covered or would like to discuss how these developments may affect your business, our team would be pleased to assist.

Yours sincerely,

Luther Vietnam Law LL.C.
Ho Chi Minh City

■ FOCUS

Vietnam's E-Commerce Platforms: What Operators Need To Prepare For 2026



I. Introduction

Vietnam has adopted a new legal framework for e-commerce. It consists of Law 122/2025/QH15 ("**Law on E-commerce**") and Decree 248/2026/ND-CP ("**D.248**") as its implementing decree. Together they establish a more comprehensive regime for e-commerce platforms and digital commerce. These new rules aim to strengthen consumer protection, increase transparency, regulate cross-border platforms and expand state oversight of the fast-growing digital marketplace. The new regime affects domestic and foreign businesses that operate e-commerce platforms or sell online in Vietnam. Companies should begin reviewing their compliance frameworks now.

II. Core Regulatory Shifts for E-Commerce Platforms

1. New Classification of E-Commerce Platforms

The Law on E-commerce introduces a new statutory classification of e-commerce platforms. The previous regime distinguished only between e-commerce websites and trading floors. A platform's category now determines which obligations apply to its operator.

The Law on E-commerce distinguishes four principal categories of e-commerce platforms:

a. Direct-Selling E-Commerce Platforms

A direct-selling platform is one an organisation or individual uses to sell only its own goods or services online. It is a digital sales channel, not a marketplace, and does not host transactions between independent third-party sellers and consumers.

Examples include corporate online stores, retailer apps and direct booking or subscription services.

b. Intermediary E-Commerce Platforms

An intermediary platform lets traders, organisations or individuals open accounts and trade independently through it. This is the conventional marketplace model: the operator facilitates transactions between third-party sellers and customers rather than selling itself.

c. E-Commerce Social Networks

The Law on E-commerce creates a separate category for e-commerce social networks: social platforms with built-in commercial features such as online ordering, payment, livestream selling or other tools for concluding sales contracts.

By bringing social commerce within scope, the Law on E-commerce subjects it to obligations comparable to those for conventional online marketplaces.

d. Host (Integrated) E-Commerce Platforms

A host (integrated) platform brings one or more e-commerce platforms together in a single ecosystem, connecting multiple marketplaces, applications or services through one technical infrastructure.

2. Increased Transparency Through Expanded Disclosure Obligations

The Law on E-commerce expands what operators must disclose to users. Most disclosures must be public, clear and in Vietnamese.

a. Operator Information

Platform operators must disclose basic corporate information, including their legal name, business registration details and registered address.

b. Privacy and Personal Data Policies

Operators must publish clear information on their personal data processing practices, including:

- The purposes, scope, retention period and recipients of personal data processing;
- Measures to protect personal data;
- Procedures for data subjects to exercise their rights (e.g. access, correction, deletion and restriction of processing); and
- Complaint handling mechanisms relating to personal data protection.

These obligations sit alongside the Personal Data Protection Law, and platforms should keep their e-commerce and privacy documentation consistent.

c. Rights and Obligations of the Parties

Platform operators must clearly disclose the respective rights and obligations of:

- Platform operators, covering operation, security, complaint handling and resolution (channels and timelines), regulatory compliance and dispute-resolution tools;
- Sellers, covering accurate information, product quality, after-sales duties, protection of buyers' data and financial and legal compliance; and
- Buyers, covering their rights to accurate information and data protection and their duties to give accurate information, pay and follow the platform's rules.

d. Additional Disclosure Requirements for Platforms with Online Ordering Functions

Platforms with online ordering must also disclose:

- Pricing, taxes, delivery charges and other fees, including platform service fees and prior notice of fee changes, payment methods and refund policies;
- Restrictions on the supply of goods or services;
- The main criteria used to rank or prioritise product listings;
- Livestream rules and streamer verification procedures (where applicable); and
- Delivery methods, timelines and logistics, and return, exchange and refund policies.

3. Responsibilities of Platform Operators

a. General Obligations

All operators must:

- Publicly disclose, in Vietnamese, the platform's operating conditions, privacy policy, parties' rights and obligations, and complaint handling procedures;
- Submit an annual online report on the previous year's e-commerce activities by 15 February;
- Remove unlawful information within 24 hours upon request from a competent authority;
- Apply keyword filtering based on recommendations issued by competent authorities before listings are displayed;
- Maintain an active account on the national e-commerce management system to handle complaints and disputes, and cooperate with competent authorities in investigations, dispute resolution and enforcement; and
- Disclose the main criteria their algorithms use to prioritise or restrict products or services.

b. Direct Sales Platforms

Direct sales platforms must also:

- Publicly display licences required for conditional business lines;
- Provide complete information on product quality, labelling and related services; and
- Retain published product and service information for at least one year.

With an online ordering function, they must also:

- Complete the notification procedure with the competent provincial People's Committee before commencing operation;
- Retain transaction-related information for at least three years (or one year for eligible small and micro enterprises during the applicable transitional period); and
- Accept returns of products that do not match their description, and carry out recalls and compensation for defective products.

c. Intermediary E-Commerce Platforms

Intermediary platforms face the strictest requirements, including:

- Electronically verify the identity of all sellers, Vietnamese and foreign, before they operate on the platform;
- Review listings to prevent counterfeit, smuggled and intellectual property-infringing goods from being displayed; and
- Retain published product and service information for at least one year.

With an online ordering function, they must also:

- Obtain registration confirmation from the Ministry of Industry and Trade before operation;
- Retain transaction-related information for at least three years;
- Allow sellers to download contract data, which must remain accessible for three years, even after account termination;
- Suspend or terminate seller accounts upon request from competent authorities;
- Provide a transparent buyer review and rating system; and
- Handle returns, recalls and compensation for defective or misrepresented products.

Large digital platforms have additional obligations:

- Report removals of unlawful information within 48 hours of a competent authority's request, and submit monthly e-commerce activity reports by the 15th of the following month;
- Establish an online complaint handling mechanism;
- Implement automated systems to detect, remove and prevent repeated unlawful listings;
- Provide transaction data and algorithm-related information upon request from competent authorities; and
- Disclose integrated payment and logistics providers and let buyers choose freely among eligible ones.

d. Social Commerce Platforms

The applicable obligations depend on the platform's functions.

- Platforms enabling online contracts carry the same obligations as intermediary platforms and must keep contract-formation data for at least three years;
- Platforms combining livestream selling with online ordering carry the same obligations as intermediary platforms with ordering functions and must place ordering-related content in a dedicated section; and
- Large social commerce platforms with online ordering functions are additionally subject to the enhanced obligations applicable to large intermediary e-commerce platforms.

e. Integrated E-Commerce platforms

Integrated platforms must:

- Refrain from integrating platforms identified by competent authorities as violating the law;
- Clearly identify integrated platforms and obtain users' consent before each access;
- Establish technical rules governing data access, authorisation and sharing; and
- Retain exchanged data for at least three years.

Large integrated platforms may not require integrated platforms to use their own services as a condition of integration, nor prevent them from working with competitors.

f. Sellers

Sellers on intermediary and social commerce platforms must:

- Provide complete identification information for verification; and
- Accurately disclose product information and licences required for conditional business activities.

On platforms with online ordering, sellers must also:

- Use only their own payment accounts on the platform;
- Provide documents evidencing compliance with applicable business conditions before commencing sales; and
- Notify the platform operator of defective products to facilitate public disclosure, product recalls and consumer compensation.

III. E-commerce Involving Foreign Elements

1. Regulatory Framework for Foreign E-Commerce Platforms Operating in Vietnam

The Law on E-commerce subjects foreign businesses engaging in e-commerce in Vietnam to requirements broadly comparable to those for domestic operators.

Foreign e-commerce platforms may therefore fall under Vietnam's e-commerce rules and must register with the Ministry of Industry and Trade, even without a physical presence, where they do any of the following:

- Operate a Vietnameselanguage interface;
- Use a ".vn" domain name; or
- Meet a specified transaction threshold in the Vietnamese market (at least 100,000 transactions with buyers in Vietnam within one year).

They must then meet the following localisation requirements (unless a law provides otherwise):

- Foreign direct sales platforms with an online ordering function must appoint an authorised legal entity in Vietnam;
- Foreign intermediary e-commerce platforms and social commerce platforms without an online ordering function must appoint an authorised representative in Vietnam; and
- Foreign intermediary e-commerce platforms, social commerce platforms with an online ordering function, and integrated e-commerce platforms must establish a legal entity in Vietnam.

Where an applicable international treaty to which Vietnam is a party prohibits the imposition of a local establishment requirement, the relevant foreign platform operator is instead required to:

- Appoint an authorised legal entity in Vietnam;
- Maintain a security deposit of VND 20 billion at a commercial bank or foreign bank branch in Vietnam to secure consumer compensation and financial obligations to the State; and
- Comply with the applicable platform management and operational requirements.

2. Market Access Conditions for Foreign Investors in the E-Commerce Platform Sector

Foreign investment into the management and operation of an ecommerce platform is expressly treated as a sector subject to conditional market access under Vietnam's investment regime.

a. Equity Ownership Limits:

Vietnam has made no specific WTO commitment to open this sector to foreign presence. However, under the general principle set out in the Law on Investment, where no international commitment applies and Vietnamese law sets specific requirements, market access is governed by Vietnamese law.

Accordingly, Decree 96/2026/ND-CP and D.248 permit foreign investors to engage in the "*management and operation of intermediary e-commerce platforms, social commerce platforms and integrated e-commerce platforms*" by establishing an enterprise or acquiring equity in an existing enterprise. This business line is treated as a conditional market access sector, requiring the foreign-invested enterprises to obtain the Business Licence as a sub-licence for the provision of this service.

Neither Vietnam's commitments nor its domestic law prescribes a foreign ownership cap for this sector. In practice, wholly foreign-owned operators such as Shopee, TikTok and Lazada already hold licences, which suggests 100% foreign ownership is accepted even though the law does not expressly confirm it.

b. "Control" over Large Digital Platforms and National Security Appraisal

Where a foreign investor controls an organisation operating a large digital platform, the investment is subject to a national security assessment by the Ministry of Public Security. A foreign investor is deemed to "control" the platform operator if any of the following applies:

- Holding more than 50% of the charter capital;
- Having the right to appoint key management personnel (e.g. members of the board of directors or the chief executive officer); and
- Possessing the ability to determine significant business decisions or the strategic direction of the platform.

Investors in Vietnamese digital platforms should assess whether these rules affect their transaction timeline or approvals.

IV. Conclusion

The Law on E-commerce establishes a comprehensive regime covering online marketplaces, social commerce, algorithm-driven platforms and cross-border services.

It introduces new obligations for domestic and foreign businesses, with a focus on transparency, accountability and consumer protection. Many details will follow in implementing regulations, but operators will need stronger governance and greater responsibility for activity on their platforms.

V. How We Can Help

We can assist clients in:

- Assessing whether their platform falls within the scope of the new Law on E-commerce;
- Conducting compliance gap assessments against the new legal requirements;
- Reviewing platform terms and conditions, privacy notices and disclosure documents;
- Advising on registration and reporting obligations; and
- Supporting foreign investors and platform operators on market entry, regulatory approvals and ongoing compliance in Vietnam.

Vietnam's Amended 2026 Notarisation Law: Less Burden For Businesses



I. Introduction

Notarisation is a routine but essential step in many transactions carried out by foreign-invested enterprises in Vietnam, including real estate transactions, lease arrangements, powers of attorney, security documents, and corporate authorisations. On 23 April 2026, Vietnam's National Assembly passed the Law Amending and Supplementing a Number of Articles of the Law on Notarisation No. 04/2026/QH16 (the "Amended Notarisation Law"), which took effect on 1 July 2026, amending and supplementing the Law on Notarisation 2024.

The amendments focus on three key areas: narrowing the scope of mandatory notarisation, decentralising notarial administration to provincial authorities, and modernising the notarisation framework through digitalisation and the gradual removal of location-based restrictions for nationwide real estate notarisation.

For European Union companies operating in Vietnam, these changes are expected to reduce procedural burdens and transaction costs. At the same time, parties should be aware that, where mandatory notarisation is removed, they will no longer benefit from the additional legal review and evidentiary value traditionally associated with notarised documents.

This article sets out the principal changes most relevant to corporate clients and their practical implications.

II. Key Developments and Practical Implications

1. Narrower Scope of Mandatory Notarisation

Under the previous framework, mandatory notarisation could be prescribed either by a law enacted by the National Assembly or by Government Decrees.

The Amended Notarisation Law removes the latter mechanism. Going forward, mandatory notarisation may only be required where expressly provided by a law enacted by the National Assembly. As a result, certain transactions currently subject to notarisation solely under decree-level regulations are expected to fall outside the mandatory notarisation regime following the Government's review and amendment process.

To facilitate this transition, the Ministry of Justice ("MOJ") will coordinate the review of existing legislation and publish a consolidated list of transactions for which notarisation remains mandatory.

According to the Government's explanatory report accompanying the Amended Notarisation Law, the removal of mandatory notarisation for the following six categories of transactions is expected to take effect from 1 January 2027:

- authorisation letters executed by individuals residing overseas authorising another person to purchase State-owned housing on their behalf
- contracts for the transfer of real estate business agreements
- agreements among co-land users on capital contribution using land use rights
- authorisation documents in enforcement proceedings involving assets where the judgment debtor has left Vietnam
- authorisation documents for exercising the right to lodge complaints; and
- contracts for the transfer of Bailiff Offices (Thừa phát lại, private offices authorised to carry out certain enforcement and document-service tasks).

For businesses, these changes may reduce transaction costs, shorten execution timelines and simplify administrative procedures for transactions that will no longer be subject to mandatory notarisation.

Notarisation still does two useful things. It independently confirms the parties' identity, legal capacity, signing authority and the legality of the transaction, and it gives the document greater evidentiary value – that is, greater weight as proof if a dispute reaches a court. It is therefore worth considering voluntary notarisation for high-value transactions, long-term contractual arrangements, security documents and any transaction where certainty of proof and risk mitigation matter.

2. Towards Nationwide Real Estate Notarisation

Under the current framework, real estate transactions generally must be notarised by a notary office located in the same province or centrally governed city (the cities administered directly by the central government, such as Hanoi and Ho Chi Minh City) where the relevant property is located.

The Amended Notarisation Law introduces a framework to relax these territorial restrictions, allowing real estate-related documents to be notarised regardless of the location of the property. However, this change will only become operational once the national notarisation database and related databases are fully integrated and synchronised.

Until the relevant databases are fully operational, the existing territorial notarisation restrictions remain applicable.

For businesses holding assets across multiple provinces, nationwide notarisation may eventually simplify transaction execution and reduce coordination between provinces. For now, companies should still structure real estate transactions on the basis of the existing territorial notarisation rules and monitor further guidance on the implementation of the national database.

3. Access to Notarised Documents by the Competent State Authorities

The Amended Notarisation Law clarifies the circumstances in which competent authorities may access notarised documents.

Where a competent authority submits a written request in connection with inspections, investigations, judicial proceedings or other activities conducted in accordance with law, the relevant notary office may be required to provide copies of notarised documents. In certain circumstances, authorities conducting legal proceedings may also obtain access to original documents for verification or examination purposes.

For businesses, this means that notarised corporate documents, including commercial agreements, powers of attorney, security documents and capital contribution records, may be subject to regulatory or judicial review. Companies should therefore ensure that notarised documents are accurate, complete and consistent with related corporate records.

In addition, businesses may want to maintain certified copies of key notarised documents and review their document-retention, confidentiality and dispute-management procedures in light of the clarified framework for official access to notarised records.

III. Key Takeaway

The Amended Notarisation Law further simplifies notarisation in Vietnam by narrowing what must be notarised, decentralising notary management and moving towards nationwide real estate notarisation, as well as clarifying how the authorities may access notarised records. For European Union companies, the practical effect is reduced mandatory compliance in some areas, but greater responsibility in others. Companies will need to decide for themselves where notarisation still adds value as proof, and to manage the province-by-province differences that remain during the transition. The sensible approach is to review existing and planned transactions against the new rules now, to treat voluntary notarisation as a deliberate risk-management choice rather than a default, and to keep certified copies of key notarised documents on hand.

IV. How We Can Help

We can assist clients in:

- reviewing notarisation requirements;
- reducing transaction costs;
- protecting high-value transactions; and
- improving document governance.

From Acceptance To Accountability: Decree 207 Raises The Bar For Construction Quality In Vietnam



I. Introduction

On 15 June 2026, the Government of Vietnam issued Decree 207/2026/ND-CP ("Decree 207"), implementing the Law on Construction No. 135/2025/QH15 on quality management, construction and maintenance of construction works. Effective from 1 July 2026, Decree 207 replaces the previous framework established under Decree 06/2021/ND-CP.

For foreign investors, lenders, developers and contractors active in Vietnam's real estate, energy and infrastructure markets, Decree 207 is not merely a technical update. It affects how construction quality, site safety, acceptance, handover and project records are managed and evidenced throughout the project lifecycle.

This article follows on from our detailed article "Vietnam's New Construction Law: New Opportunities and New Responsibilities for Investors" in the June edition of our newsletter, which examined the Law on Construction No. 135/2025/QH15 itself. Decree 207 is the implementing decree that puts that law into practice.

II. Key Developments and Practical Implications

1. Quality Across the Project Lifecycle

One of the key features of Decree 207 is its lifecycle-based approach to construction quality management. Rather than treating quality as an issue confined to the construction phase, the Decree requires quality to be managed throughout the entire project lifecycle – from project preparation, design and construction through completion to handover, operation, warranty and maintenance.

The core principle is that each party remains responsible for the quality of the work within its scope: contractors are responsible for the works they perform, including works carried out by subcontractors, while project owners must organise construction management, supervision and statutory acceptance. Importantly, acceptance of the works by the project owner does not relieve contractors of liability for defective or non-compliant works.

For foreign sponsors, lenders, EPC contractors and investors, these requirements elevate construction quality management from a purely technical matter to a key legal and project-finance consideration. Project documentation should align the employer's requirements, design review process, quality assurance and quality control (QA/QC) plan, testing and inspection regime, commissioning requirements, as-built records, warranty obligations and maintenance procedures.

2. Responsibility and Site Safety

Decree 207 also gives greater emphasis to clear responsibility allocation among project owners, contractors, consultants and competent authorities. While a project owner may establish a project management unit or appoint independent consultants to supervise all or part of the works, such delegation does not transfer the project owner's statutory responsibility for organising and managing the construction process. Likewise, contractors remain accountable for the quality of the works within their scope, including works performed by subcontractors.

The importance of clearly defined responsibilities is particularly evident in complex delivery models, such as Engineering, Procurement and Construction (EPC)/turnkey projects and Public-Private Partnership (PPP) projects, where multiple

parties perform overlapping functions. Decree 207 therefore reinforces the need to align statutory responsibilities with the contractual allocation of risk and obligations.

For international investors, lenders and contractors, this means that reliance on project management consultants or supervision engineers by itself is not sufficient to manage legal risk. Consultancy and project management agreements should clearly define reporting lines, escalation procedures, interfaces with competent authorities, document management responsibilities, supervision and testing obligations, and liability for defective supervision or inaccurate testing records.

The same principle applies to construction safety and compliance management. Rather than treating health and safety as a standalone operational issue, project documentation should integrate Health, Safety and Environment (HSE) requirements into the project's broader governance and quality management framework. This includes approved HSE plans, method statements, permit-to-work systems, toolbox talks, incident reporting procedures, audit rights, and contractual stop-work mechanisms where quality or labour safety requirements are not met. For higher-risk projects, digital supervision technologies – including site cameras, electronic inspection records, and other monitoring tools – can further strengthen compliance, evidence preservation, and accountability.

3. Supply Chain and Acceptance Records

Decree 207 strengthens quality control requirements for construction materials and equipment by reinforcing supplier accountability and imposing stricter acceptance procedures before materials and equipment may be incorporated into the works. The project owner's supervision team must inspect and formally accept materials and equipment before use. Furthermore, construction contracts must specify detailed technical specifications, manufacturer origins, and import documentation, with all acceptance results officially recorded in comprehensive written reports. These requirements are particularly relevant for foreign-sourced equipment, imported building systems, Mechanical, Electrical and Plumbing (MEP) packages, renewable energy components and specialised infrastructure equipment. Procurement schedules should therefore build in Vietnamese-law documentation, certificates, factory test reports, import-origin evidence, inspection records and traceability materials.

Moreover, since Decree 207 also reinforces staged acceptance and completion documentation, project participants should maintain construction logs, inspection and supervision reports, testing and commissioning results, material and equipment certificates, as-built drawings and formal acceptance minutes as part of the completion dossier. Investors and lenders should consider making complete acceptance documentation a condition precedent to milestone payments, taking-over, availability payments or disbursement, since late or incomplete evidence may delay acceptance, commissioning, authority inspections, payment, customs coordination or handover, and may weaken claims or defences relating to defects, delay, variation or payment disputes.

4. Digital Records and Construction Monitoring

Decree 207 expressly recognises the use of digital construction management tools, including Building Information Modelling (BIM) and electronic completion dossiers for construction management. However, these electronic documents must comply with e-transaction laws and be capable of being printed and certified in hard copy by the project owner upon authority request.

This is helpful for foreign investors, sponsors and contractors accustomed to BIM, common data environments and digital QA/QC workflows, but digitalisation does not remove the need for legally compliant records. Contracts should specify the common data environment, naming conventions, access rights, audit trails, e-signature requirements, Vietnamese-language record requirements and hard-copy certification procedures. Decree 207 also specifies circumstances in which works must be observed during construction, with building contractors required to conduct observation and summarise results according to the approved observation plan. For projects with multiple packages or contractors, the project owner and contractors may agree to appoint one contractor or hire an independent observation contractor to perform this function. Accordingly, for high-rise buildings, industrial facilities, infrastructure, energy assets and projects with complex ground or structural conditions, observation data should be integrated into the technical specifications, programme, reporting matrix and claims procedure, as it may become critical evidence in completion, defect, delay or safety disputes.

5. Commissioning and Handover

Before completed works or completed work items are commissioned for use, Decree 207 requires the project owner to conduct an acceptance test. For large-scale works with complicated technical requirements listed in Annex IX of the

Decree, and works with major effects on community safety or interests, the project owner's acceptance results must be inspected by the competent authority before the works are put into operation or use. Decree 207 also clarifies the allocation of inspection authority among the State Inspection Council for Acceptance of Construction Works, specialised construction agencies under line ministries and specialised construction agencies under provincial People's Committees. Where a project or component project comprises works of different grades, the competent inspecting authority is generally determined by reference to the principal work of the highest grade in that project or component project. For bank-financed infrastructure, energy and real estate projects, authority inspection should be built into the critical path. Long-stop dates, delay liquidated damages, financing drawdowns, revenue commencement, handover dates and insurance triggers should account for the statutory inspection timeline and the risk of additional information requests.

The Decree also introduces detailed rules on handover of construction works in urban development projects, including handover principles, conditions, contents, procedures and the rights and responsibilities of the project owner, receiving entity and provincial People's Committee. The receiving entity may refuse handover in prescribed circumstances, but if it fails to take over works that satisfy the handover requirements, it may have to reimburse the project owner for management, operation and maintenance costs. This is important for foreign investors in residential, mixed-use, township and urban infrastructure projects, where handover risk should be reflected in development agreements, sale and purchase documentation, Operations and Maintenance (O&M) arrangements, infrastructure transfer obligations and escrow or security structures.

6. Warranty and Maintenance

Decree 207 provides greater contractual flexibility for construction works financed with non-state capital. The parties may agree on the applicable warranty period and warranty amount, although they may choose to adopt the statutory minimum standards applicable to state-funded projects (24 months and 3% of the contract value for special-grade and Grade I works, and 12 months and 5% for other works). Where the parties agree on an extended warranty period, the corresponding warranty amount or security arrangement for the additional period should be expressly addressed in the contract.

Furthermore, the Decree establishes baseline maintenance requirements for all construction works, while recognising that sector-specific legislation may impose additional maintenance obligations. As a result, project participants should consider warranty and maintenance as part of a broader post-completion risk management framework rather than as standalone contractual obligations.

As a result, warranty security, performance bonds, parent company guarantees, equipment warranties, O&M obligations, insurance cover and lender step-in requirements should be reviewed together. Contracts should avoid mismatches between statutory warranty obligations, contractual defect liability periods, supplier warranties, long-term service agreements and project finance requirements. For projects involving imported equipment or specialised infrastructure systems, parties should also align the statutory warranty framework with manufacturer warranties, spare-parts commitments, maintenance manuals, training obligations, availability guarantees and post-completion technical support.

III. Key Takeaway

Decree 207 signals a more accountable and document-driven construction environment in Vietnam. For foreign investors and contractors, the practical message is clear: quality, safety, acceptance and handover are not merely technical workstreams. They are legal, financial and dispute-risk issues that should be managed from project structuring through to operation and maintenance.

IV. How We Can Help

We can assist clients in:

- reviewing construction, EPC, consultancy and O&M contracts to ensure compliance with Decree 207;
- advising on quality management, acceptance, handover, warranty and maintenance obligations throughout the project lifecycle;
- developing practical compliance frameworks for QA/QC, HSE, digital records and project documentation; and
- assisting with construction risk management, dispute prevention and regulatory issues for real estate, energy and infrastructure projects in Vietnam.

Navigating Vietnam's Corporate Income Tax Incentives In 2026



I. Introduction

As global supply chains shift and technology advances, Vietnam has refocused its foreign direct investment ("**FDI**") strategy from the volume of capital it attracts to the quality of the projects it supports. The Government now prioritises strategic industries, highly skilled talent, and innovation, while Corporate Income Tax ("**CIT**") incentives remain a key tool to support these goals.

Vietnam grants CIT incentives for investment projects in two main categories:

- Projects in encouraged locations
- Projects in encouraged industries

These incentives apply to new investment projects and the expansion of existing investments. The incentive package generally consists of:

(i) Preferential CIT rates, commencing from the date the enterprise generates sales revenue.

(ii) CIT exemption and reduction periods ("**Tax Holiday**"), commencing from the date the enterprise generates taxable income.

Some cases qualify only for tax holiday, without the other incentive schemes.

FDI enterprises should carefully assess the availability and durability of incentives at the planning stage, and monitor global tax developments and the conditions they must keep meeting.

II. Key Changes to CIT Incentives in Vietnam

1. New CIT Regime

Vietnam has recently reformed its CIT regime. The standard rate of 20% remains. The new CIT Law adds two lower rates for smaller enterprises, based on the revenue of the previous year:

- Revenue up to VND 3 billion: 15%
- Revenue over VND 3 billion to VND 50 billion: 17%
- All other enterprises (standard rate): 20%

Higher rates apply to resource industries. Gains from oil and gas projects are taxed at 25% to 50% depending on the contract. The gains from exploration and extraction of rare or precious minerals are taxed at 40% to 50% depending on the project.

The 15% and 17% rates target micro- and small enterprises having no related-party transaction. In practice, most foreign companies do not qualify, because they either exceed the VND 50 billion threshold or have inter-company charges. These revenue-based rates are different to the project-based preferential rates of 10% and 17% described below, which follow entirely different conditions.

2. Preferential CIT Rate of 10%

Eligible Locations:
- Extremely difficult socio-economic zones
- High-tech and agricultural high-tech zones
- Concentrated digital technology zones

Eligible Industries:
- High-Tech and industrial production supporting the high-tech development
- Software production
- Strategic energy (renewable, green, etc.), materials and manufacturing
- Public infrastructure development
- Certain education and healthcare projects
- Environmental protection projects
- Large-scale projects entitled to special investment incentives.

Typical Entitlement:
- CIT rate: 10%
- Preferential rate duration: 15 years (or entire lifecycle in exceptional cases)
- Tax exemption: 4 years
- 50% tax reduction: Up to 9 subsequent years

3. Preferential CIT Rate of 17%

Eligible Locations:
- Difficult socio-economic zones

Eligible Industries:
- High-Value Industrial and Agricultural Support Production
- Automobile Manufacturing, Assembly, and Digital Technology Product Manufacturing
- SME Support Infrastructure and Innovation Ecosystems

Typical Entitlement:
- CIT rate: 17%
- Preferential rate duration: 10 years (or entire lifecycle in exceptional cases)
- Tax exemption: 2 years
- 50% tax reduction: 4 subsequent years

4. Key Incentive Schemes Eligible for Tax Holiday Only

- Expansion investment project: eligible for tax incentives following the initial investment project
- Enterprise below VND 1 billion revenue: every year in which the revenue is below the threshold, subject to annual assessment.
- Innovative startups and startup support entities: exemption for 2 years, 50% reduction for 4 years
- Newly established SME: exemption for 3 years
- Business household/individual conversion to an enterprise: exemption for 2 years.

Important note for foreign investors: For a period in early 2026, it was unclear whether foreign-invested enterprises could use the three-year exemption for newly established SMEs. In June 2026, the tax authorities issued official guidance (Official Letters No. 3896/CT-CS and No. 3897/CT-CS, both dated 11 June 2026) that foreign-invested enterprises are not excluded. They can use the exemption if they genuinely meet all the conditions for a newly established SME. The earlier, stricter guidance from some local tax departments was suspended.

III. Key Conditions for Maintaining CIT Incentives

Qualifying for a CIT incentive is only the first step. To continue receiving the incentive, FDI enterprises should be prepared to show that the qualifying activity is actually carried out, that the income receiving the incentive is generated from the qualifying activity, and that all required certificates and approvals are in place.

Below are the main requirements the taxpayer enjoying CIT incentives must follow:

1. Activity-based Substance Requirement

Preferential tax treatment applies only to income generated directly from the encouraged location or industry. Being eligible for an incentive does not mean that all of an enterprise's income is covered by the incentive. Taxpayers must be able to identify qualifying income and keep it separate from other income. During audits, the tax authorities check whether this separation was done properly and whether the incentive was applied only to qualifying income. If the distinction is not maintained, the incentive can be denied for the entire income.

2. Separate Accounting Requirement

Taxpayers must also keep separate accounting records, for example by tracking revenue and deductible expenditure by activity to determine the taxable income of incentive-eligible operations.

Where separate accounting cannot be shown, tax authorities may reallocate income and deny part or all of the incentive claim.

3. Specific Licence Requirement

For industry-based CIT incentives, an investment registration certificate alone is not enough.

Taxpayers must show that they are properly licensed for the incentivised activity and continue to meet the sector-specific conditions throughout the incentive period. The tax authorities often check whether the taxpayer held the required sub-licence when the incentive income arose, and whether the activities were within the scope of that authorisation.

If the required sub-licences are not obtained, renewed or maintained, the tax authorities may challenge the entitlement to CIT incentives. This can lead to a clawback of benefits already used, together with late-payment interest and administrative penalties.

4. Expansion Investment Project

An expansion project should not be seen merely as additional capital expenditure. Depending on the circumstances, the expansion investment may qualify for its own CIT incentive package, including tax exemption and tax reductions. Investors should therefore assess eligibility before starting any major expansion.

In some cases, an expansion may affect the tax incentives already used for the existing project. This risk typically arises where new business activities are added, project licences are amended, production scale is expanded, or income from the original and expanded operations cannot be clearly separated.

IV. Circumstances That Can Lead to the Loss of CIT Incentives

CIT incentives may be reduced or withdrawn if the eligibility conditions are no longer met. This can happen, for example, where:

- the enterprise becomes a subsidiary or affiliated entity of a related party that does not qualify for the 15% or 17% preferential CIT rate;
- the initial investment licence is amended;
- a new investment project is formed through restructuring, merger, acquisition or business conversion;
- sector-specific requirements attached to the incentive are no longer met;
- qualifying income is not properly separated and documented; and
- the top-up tax under the Global Minimum Tax (Pillar Two) applies to bring the rate up to the 15% minimum

The Global Minimum Tax (Pillar Two) is an international rule under which large multinational groups must pay at least 15% tax in each country where they operate. Where Vietnamese incentives bring the effective rate below 15%, a top-up tax can apply and reduce the benefit of a tax incentive.

Tax incentives should not be treated as a “set-and-forget” benefit. FDI enterprises should regularly review whether the eligibility conditions are still met, particularly before making major operational, licensing or corporate changes.

V. Key Takeaways

While Vietnam's CIT incentives remain attractive for foreign investors, using them requires careful attention to eligibility criteria and ongoing compliance obligations. The following points are worth keeping in mind:

- New investment projects remain the primary gateway to CIT incentives
- Industry-specific incentives continue to favour high technology, software production, energy manufacturing and sustainable investments
- Being licensed within a preferred industry does not automatically give access to CIT incentives; the substantive qualification requirements must also be met
- A separate-entity structure can make it easier to track eligible income and manage tax incentives
- Consider using the Investment Support Fund (ISF) and the Research & Development Fund to reduce the impact of the Global Minimum Tax

VI. How We Can Help

At Luther, our tax and legal teams support businesses throughout the investment lifecycle in securing, maintaining and defending their CIT incentives. From investment structuring and early-stage tax planning to ongoing compliance reviews and support in tax audits and inspections, we provide practical, commercial advice that helps clients make the most of CIT incentives while managing tax and compliance risks.

■ GENERAL INFORMATION

Contact us



Luther Vietnam Law LL.C.
Suite 25.02 Deutsches Haus 33 Le Duan Boulevard
Sai Gon Ward, Ho Chi Minh City, Vietnam
T +84 2873 0010 73
vietnam@luther-lawfirm.com

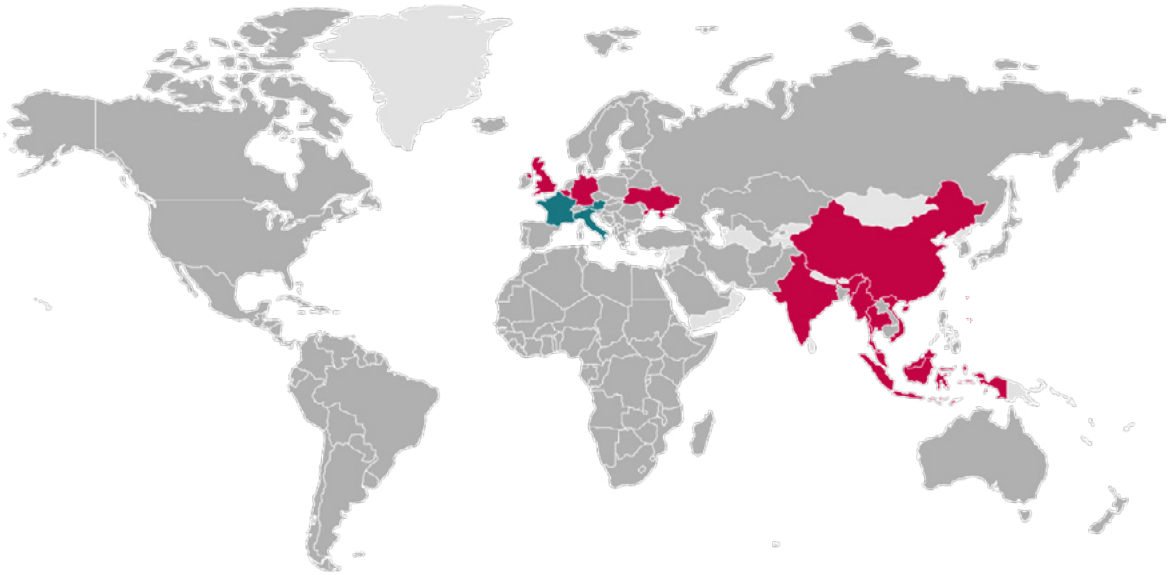
Visit us online

Website
German: click HERE
English: click HERE

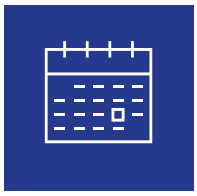
LinkedIn
Luther Vietnam: click HERE

Learn from us:
Subscribe to our monthly newsletters to stay ahead of the curve and acquire invaluable insights into the ever-evolving regulatory framework click HERE

Luther international network



Events, publications and blog



You will find an overview of our events here.



You will find a list of our current publications here.



You will find our blog here.

Legal information

Published by: Luther Vietnam Law LL.C. – a partner firm of Luther.
Suite 25.02 Deutsches Haus 33 Le Duan Boulevard
Sai Gon Ward, Ho Chi Minh City, Vietnam
vietnam@luther-lawfirm.com
Responsible for the content: Luther Vietnam Law LL.C.;
Suite 25.02 Deutsches Haus 33 Le Duan Boulevard
Sai Gon Ward, Ho Chi Minh City, Vietnam
vietnam@luther-lawfirm.com

Copyright: All texts of this newsletter are protected by copyright. You are welcome to use excerpts, provided the source is named, after written permission has been granted by us. Please contact us for this purpose. If you do not wish to receive information from Luther Vietnam Law LL.C. in the future, please send an e-mail with the subject line “Unsubscribe” to **vietnam@luther-lawfirm.com**

Picture credits:

Viktor / Adobe Stock: page 4; Johannes / Adobe Stock: page 9; Andrey Popov / Adobe Stock: page 11; Jieun / Adobe Stock: page 14.

Disclaimer

Although this newsletter has been carefully prepared, no liability is accepted for errors or omissions. The information in this newsletter does not constitute legal or tax advice and does not replace legal or tax advice relating to individual cases. Our contact persons at the individual locations are available for this purpose.

Luther.

Bangkok, Berlin, Brussels, Cologne, Delhi-Gurugram, Dusseldorf, Essen, Frankfurt a.M., Hamburg, Hanover, Ho Chi Minh City, Jakarta, Kuala Lumpur, Kyiv, Leipzig, London, Luxembourg, Munich, Shanghai, Singapore, Stuttgart, Yangon

You can find further information at:
www.luther-lawfirm.com
www.luther-services.com

unyer GLOBAL ADVISORS