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Vietnam Opens Doors to Global Capital with the New Resolution on International Financial Centres

Vietnam is accelerating its ambition to become a recognized global financial hub. With the adoption of a landmark legislative framework, the country is now poised to attract world-class investors, deepen ties with international markets, and cultivate a vibrant environment for fintech, green finance, and capital market development. The newly passed Resolution No. 222/2025/QH15 on International Financial Centres (IFCs), effective on 1 September 2025, marks not just a policy shift, but a bold reimagining of Vietnam's role in the global financial ecosystem.

Key Takeaways

- **Twin-City Financial Hub**: Ho Chi Minh City and Da Nang are designated as Vietnam's dual IFCs, both operated under a unified legal and operational framework, each focusing on complementary financial functions.

- **Investor-Friendly Access**: Foreign investors benefit from liberalized entry, 100% ownership rights, and exemptions from Vietnam's standard investment licensing and foreign exchange controls.

- **Unprecedented Incentives**: The Resolution offers up to 30 years of 10% corporate income tax, personal income tax exemptions for foreign experts until 2030, long-term land use rights, and streamlined capital mobility.

- **Fintech & Sustainability Focus**: Dedicated regulatory sandboxes, green finance incentives, and non-refundable innovation grants aim to position the IFCs as hubs for digital finance and ESG alignment.

- **Modern Legal Environment**: English is an official working language. International arbitration is promoted, and parties may waive annulment of arbitral awards — enhancing legal certainty and cross-border compatibility.

One Centre, Two Destinations: Ho Chi Minh City and Da Nang

Under the Resolution, Ho Chi Minh City and Da Nang are chosen destinations for dual pillars of Vietnam's financial future. It represents a historic milestone in the country's financial reform journey - moving beyond symbolic gestures to deliver concrete, transformative change. With visionary scope and detailed incentives, the Resolution sets the stage for Vietnam to compete with regional heavyweights like Singapore and Hong Kong.

Vietnam's "one centre – two destinations" strategy reflects a geographically and thematically complementary vision. Ho Chi Minh City, the country's economic engine, will serve as the comprehensive financial hub, focusing on capital markets, asset and fund management, insurance, banking, specialized commodity trading, and fintech experimentation through a regulatory sandbox. Its vibrant ecosystem and the strong presence of global financial institutions provide a robust foundation for deeper integration with international markets.

Da Nang, by contrast, is positioned to develop green finance, trade finance tailored to start-ups and SMEs, offshore financial services for non-residents, and cross-border commerce connected to free trade zones, high-tech parks, and open economic zones. It will also pilot digital assets, cryptocurrencies, and advanced payment systems under a controlled regulatory framework, targeting remittance-backed vehicles, investment funds, and smaller fund managers.

This clear functional division aims to prevent overlap while fostering synergy. Together, the two cities are set to build a dynamic, integrated financial architecture aligned with Vietnam's global ambitions.

Permitted Activities and Products: Building a Full-Spectrum Ecosystem

The IFCs will host a broad range of financial and non-financial services, including banking, foreign exchange, insurance, fund management, fintech, digital assets, and green finance. The Resolution outlines an expansive list of permissible products, from traditional instruments such as stocks, bonds, and fund certificates to emerging instruments like derivatives, carbon credits, and tokenized assets.

A notable innovation is the legal framework for establishing diverse and specialized exchange platforms. These include exchanges for commodities and derivatives, carbon credits, rare metals, and even cultural and artistic assets. While some of these markets are still evolving globally, their inclusion underscores Vietnam's forward-looking approach to regulation and openness to alternative asset classes.

Importantly, the integration of carbon credit trading and digital assets is in line with Vietnam's recent legal and policy developments. Pilot programs and draft legislation in these areas signal strong governmental support. The IFCs are thus expected to serve as central platforms for scaling these frameworks under a coordinated and internationally aligned regime.

Who Can Join: Open Doors with Selective Criteria

Entities eligible to become IFC members include banks, securities firms, insurers, fund managers, fintech and digital asset firms, market infrastructure operators, and even certain non-financial service providers. Membership eligibility will depend on meeting criteria related to financial capacity, market reputation, and alignment with the IFCs' development orientation. Detailed requirements will be set out in forthcoming implementing regulations.

To fast-track credibility and attract anchor investors, the Resolution grants automatic recognition (without registration procedures) to two specific groups: (i) companies listed in the Fortune Global 500 and their direct parent companies, and (ii) domestic financial institutions ranked among the top ten by equity capital within their respective sectors. This exemption does not apply to banks, insurers, or securities firms, which reflects regulatory caution in core sectors while incentivising high-calibre participation elsewhere.

Exclusive Rights of IFC Members and Foreign Investors

Once admitted, IFC members benefit from extensive operational flexibility. They may establish holding companies for capital mobilization and outbound investment (except for commercial banks), raise foreign funds without prior approval (subject to reporting), and apply international accounting standards such as IAS/IFRS.

Foreign investors may fully or partially own IFC members and establish entities within the IFCs without undergoing Vietnam's usual investment licensing procedures, including exemptions from Investment Policy Approval, Investment Registration Certificates, and M&A Approvals. These streamlined processes mark a decisive departure from the country's traditionally conservative regulatory regime.

Unprecedented Incentives: Tax, Foreign Exchange, Land, and Labour

To operationalize its bold vision, the Resolution introduces a comprehensive package of special policies and incentives, covering taxation, foreign exchange control, land access, employment, infrastructure, construction, environment, import and export, and innovation support. These measures are designed not only to attract capital but also to create the necessary ecosystem for high-end financial services and innovation. Among these, four key categories of incentives stand out for their scope and impact:

- **Taxation**: Corporate income tax (CIT) rates can be reduced to 10% for up to 30 years for projects operating in priority financial sectors. This is considerably more generous than the current preferential CIT framework, which typically offers a 10 - 17% rate for up to 15 years.

In addition, qualifying entities are entitled to a four-year CIT holiday followed by a 50% reduction for up to nine (9) years.

Personal income tax (PIT) incentives are introduced to attract international talent. Foreign experts and executives working at the IFCs will be eligible for full PIT exemptions on employment income until 2030. Furthermore, capital gains derived from the transfer of securities and equity are also exempted from PIT through the same period.

- **Foreign Exchange**: The Resolution introduces a far-reaching liberalization of foreign exchange rules within the IFCs. Members may use foreign currencies for a wide range of activities, including transactions, pricing, advertising, quotations, valuation, and payments between members and with offshore entities. They are allowed to borrow in foreign currency from offshore entities, credit institutions and foreign bank branches operating within the IFCs.

  Foreign investors can freely transfer capital into the IFCs and remit profits, capital, and other lawful earnings abroad in foreign currency without prior approval. Moreover, 100% foreign-owned members are exempt from standard administrative procedures under Vietnam's foreign exchange regulations when transferring funds abroad for investment or lending purposes.

- **Land**: Investment projects situated within the IFC boundaries are entitled to long-term land use rights, with potential extensions (i.e., up to 70 years for projects falling within priority sectors or of significant scale, and up to 50 years for others). Where land is allocated or leased on a one-off rental basis, both the land use right and the on-site assets may be mortgaged to foreign credit institutions to secure investment financing.

- **Labour**: The Resolution introduces an open and competitive labour regime for the IFCs. Members are not subject to caps on foreign hires, nor are they required to conduct labour market testing or notify recruitment for Vietnamese candidates before hiring foreign professionals. Work permits are not required for expatriates meeting specific qualifications, and long-term visas of up to 10 years are available for them and their families.

Tailored Rules for Fintech, Start-ups, and Green Finance

To complement the broader financial liberalization, the Resolution sets out a progressive regulatory sandbox and targeted incentives for emerging sectors, especially fintech, innovation-driven start-ups, and green finance.

- **Fintech**: Fintech companies can participate in controlled sandbox programmes, which permit exemption from certain existing legal and technical requirements. Sandbox participants along with regulators and supervisors, are shielded from administrative, disciplinary, and civil liabilities if losses arise from objective factors and proper compliance with trial procedures is demonstrated. Notably, fintech companies are eligible for incentive schemes equivalent to or exceeding those granted at the National Innovation Centre. Subject to budgetary availability, local governments may also provide non-refundable grants to support fintech and innovation pilot projects.

- **Innovation Start-ups**: Innovative start-ups can raise capital via crowd-funding mechanisms or private placement platforms operated by licensed entities under government guidance. Both domestic and foreign organisations are permitted to participate in these capital-raising activities.

- **Green Finance**: Financial products certified as "green" by the relevant authorities may be issued and traded within the IFCs. Issuers and investors in such green financial products are entitled to a variety of incentives and support mechanisms, including preferential tax treatment.

Significantly, the Resolution authorizes the IFC management authority to design and roll out additional targeted incentive schemes tailored to green finance, digital assets, and fintech.

Dispute Resolution: Legal Certainty for Global Players

A hallmark of world-class financial centres is a reliable, efficient, and internationally trusted dispute resolution framework. Recognizing this imperative, the Resolution introduces a dedicated, multilayered system to address commercial and financial disputes arising within the IFCs. This system reflects international best practices and aims to provide both flexibility and legal certainty for investors and service providers:

- Specialized courts in the IFCs;
- Specialized International Arbitration Centres in the IFCs; or
- Other mutually agreed tribunal, including foreign courts and arbitration centres.

Crucially, the Resolution allows parties to contractually waive their right to seek annulment of arbitral awards before Vietnamese courts. This provision strengthens the finality of arbitral decisions and significantly reduces post-award uncertainty, bringing Vietnam in line with international arbitration standards and enhancing its credibility as a dispute-friendly jurisdiction.

Language and Operational Standards

To facilitate international engagement, English is recognized as an official working language within the IFCs. Administrative procedures, internal governance, and dispute resolution may be conducted in English or in a bilingual format. This is both a practical and symbolic step, reflecting Vietnam's alignment with global standards and the expectations of international investors.

Outlook: Strategic Impact and Next Steps

Vietnam’s IFC Resolution marks a bold and forward-looking policy shift that aligns domestic priorities with global financial trends. More than a framework to attract capital, it lays the foundation for a sophisticated, innovation-driven financial ecosystem. From fintech and green finance to arbitration and foreign exchange liberalization, the Resolution reflects a comprehensive understanding of what modern financial institutions and investors demand.

Unlike Vietnam’s historically fragmented regulatory landscape, the Resolution introduces a unified and coherent legal framework more closely aligned with international standards. The true test will be in its implementation, but the Resolution reflects a clear and deliberate commitment to positioning Vietnam as a competitive international financial centre.

About Indochine Counsel

Established in October 2006, Indochine Counsel is a leading commercial law firm in Vietnam. Our firm is ideally positioned to assist international investors and foreign firms to navigate the legal landscape in one of Asia's most dynamic and challenging countries. We also take pride in our services offered to domestic clients in searching for opportunities abroad. With over 45 lawyers many of whom have been trained abroad and staffs in two offices, Ho Chi Minh City and Hanoi, Indochine Counsel offers expertise in a dozen practice areas and provides assistance throughout the entire life cycle of your business.

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