

## Special Alert

# VIETNAM'S AMENDED TECHNOLOGY TRANSFER LAW: TOWARD A MORE COMPLETE FRAMEWORK

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Following a period of public consultation, the Law amending and supplementing a number of articles of the Law on Technology Transfer 2017 (the “**2017 TTL**”) was officially passed by the National Assembly on 10 December 2025 (the “**Amended TTL**”), with the aim of further completing the legal framework and promoting innovation in the context of a knowledge- and technology-based economic development. Prior to the official effective date of the Amended TTL on 1 April 2026, entities engaged in activities related to technology transfer are advised to proactively review and assess the potential impact of the amended provisions on their practical operations. Within the scope of this article, the authors focus on analysing the key amendments to the Amended TTL in order to provide a comprehensive overview of the notable changes.

## Key Takeaways

- **Amendment to the Definition of “Technology Transfer”:** This definition has been revised under the Amended TTL to provide greater clarity and comprehensiveness, thereby aiming to promote innovation.
- **Supplementation of State Policies on Technology Transfer Activities:** The Amended TTL introduces new State policies relating to strategic technologies and the technology transfer to Vietnamese organizations and individuals, thereby promoting domestic technology transfer activities.
- **Supplementation of Technology Transfer Rights:** The Amended TTL recognizes the transferee’s rights to improve, develop, and exploit the transferred technology, and clarifies the principle of separation between rights to the technology and rights to products, machinery, equipment or systems incorporating such technology.
- **Amendment to Regulations on Capital Contribution by Technology:** To better reflect practical realities, the Amended TTL allows organizations and individuals to contribute capital in the form of technology to enterprises, instead of limiting such capital contributions to investment projects only, as provided under the 2017 TTL.

- **Encouragement of Registration and Provision of Information on Technology Transfer:** The Amended TTL clearly stipulates the encouraged regulations relating to the registration of technology transfer and the provision of relevant information for the purposes of State management.
- **Transitional Provisions:** To provide guidance during the transitional period, the Amended TTL clarifies whether the 2017 TTL or the Amended TTL applies in cases where the parties have entered into technology transfer agreements, submitted dossiers for registration, extension of technology transfer agreements, and dossiers for approval, license of technology transfer.

## Amendment to the Definition of “Technology Transfer”

Whereas the 2017 TTL approached the definition of “*technology transfer*” mainly from the perspective of establishing legal rights through the assignment of technology ownership or the license to use technology, the Amended TTL adopts a broader approach that more accurately reflects the substance of this concept in the context of promoting scientific, technological, and innovation-driven development. Specifically, the Amended TTL defines “*technology transfer*” as scientific, technological, and innovation activities carried out through the assignment of technology ownership or the license to use technology, for the purpose of bringing technology into practical application to create new products, services, or production methods.

The revised definition clearly reflects the legislative intent to promote innovation not only through the implementation of technology transfer activities themselves, but also through the ultimate objective of bringing technology into practical application to create new products, services, or production methods. Under this approach, transferred technology is no longer viewed merely as a subject of legal rights, but is instead closely associated with its effective utilization and commercialization. Therefore, this revised definitional approach is regarded as both necessary and practically meaningful, however, it also indirectly imposes requirements on transferees regarding their absorptive and operational capacity so as to ensure its effective application in practice.

## Supplementation of State Policies on Technology Transfer Activities

The new policies introduced under the Amended TTL, while new in nature, are structured to clarify the core policy objectives governing technology transfer activities. In this regard, in addition to advanced and high technologies, “*strategic technologies*” have been expressly incorporated into the policies promoting technology transfer from abroad to Vietnam, and policies emphasizing the dissemination of technology from foreign-invested enterprises to domestic enterprises.

Notably, the new policies also encourage foreign organizations and individuals to engage in technology transfer to Vietnamese counterparts, in order to strengthen domestic capacity for technology absorption, mastery, and innovation. Technology transfer activities in the context of foreign investment are carried out on a voluntary basis, grounded in the parties’ mutual agreement, and subject to compliance with intellectual property laws as well as international treaties to which the Socialist Republic of Vietnam is a party. This approach reflects a clear shift from a control-oriented regulatory model toward an incentive-based mechanism grounded in investor interests and commitments, and is more consistent with international practices in technology transfer.

## Supplementation of Technology Transfer Rights

The supplementation of rights relating to technology transfer is aimed at further strengthening the legal framework governing technology transfer activities. This approach helps reduce legal risks and enables the parties to more effectively exercise their respective rights and obligations, particularly in the context of promoting domestic technology transfer and encouraging innovation.

It should also be noted that the Amended TTL expressly recognizes the transferee's right to improve, develop, and exploit the transferred technology, based on the transferred technology itself, in accordance within intellectual property laws and other relevant regulations. This recognition is expected to encourage both domestic and cross-border technology transfer, as transferees are no longer limited to merely exploiting the technology, but are also facilitated in improving and developing the same. In turn, this contributes to enhancing both the practical efficiency and the economic value of the transferred technology.

In addition, the Amended TTL clarifies that where a technology is incorporated into a product, machinery, equipment or system, the ownership of, or the license to use, such technology does not automatically arise together with the same, unless otherwise provided by law or agreed by the parties in accordance with applicable laws. This regulation is a practical and well-founded development, as it helps the parties minimize legal risks by clearly identifying and distinguishing between ownership and license rights in the technology, and in the products, machinery, equipment or systems incorporating such technology, when entering into technology transfer agreements.

## Amendment to Regulations on Capital Contribution by Technology

Technology is regarded by experts not only as a means of production, but also as a valuable asset that can be valued and used for capital contributions. Building on this understanding, the Amended TTL significantly broadens the scope of capital contribution in the form of technology by allowing organizations and individuals who lawfully own technology to contribute such technology as capital to enterprises, rather than limiting this solely to investment projects as provided under the 2017 TTL. This approach reflects a comprehensive legislative perspective, ensuring consistency between the legal framework on technology transfer and the realities of investment and capital contribution practices in Vietnam.

Furthermore, the State also encourages capital contribution by technologies generated from scientific, technological, and innovative activities conducted by Vietnamese organizations, individuals, and enterprises through measures relating to technology valuation, establishment of lawful ownership or license rights. This is considered as a noteworthy aspect, as an important legal basis, for promoting domestic technology transfer and encouraging the commercialization of research and development results.

## Encouragement of Registration and Provision of Information on Technology Transfer

In practice, the incentive mechanism for registering technology transfer under the 2017 TTL has proven ineffective. This is mainly due to the fact that the relevant provisions are framed in general, principle-based terms, without being sufficiently linked to benefits for the participating parties or accompanied by specific policies to ensure effective implementation. As a

result, the number of registered technology transfer agreements remains relatively low compared to the actual volume of technology transfer activities, creating challenges for state authorities in collecting, monitoring, and managing information on technology transfer. To address this issue, the Amended TTL clearly reflects the legislature's intent to strengthen the incentive framework by providing that a certificate of technology transfer registration may serve as a basis for priority consideration in the selection or direct assignment of scientific, technological, and innovation-related tasks, as well as in the application of preferential policies.

Furthermore, to support state management activities, the competent authorities have supplemented regulations on the provision of technology transfer information. However, consistent with the shift from a control-oriented regulatory approach toward one that promotes innovation, the legislature deliberately uses the term "*encouragement*" rather than imposing a mandatory obligation on organizations and individuals engaged in technology transfer activities to provide complete, accurate, and timely information. Such information may be disclosed on the National Digital Platform for Science, Technology, and Innovation Management, thereby contributing to the development of a centralized database to support State management, policy formulation, and the development of the science and technology market.

## Transitional Provisions

Technology transfer agreements entered into prior to 1 April 2026 shall continue to be performed in accordance with the terms agreed by the parties. However, where such agreements are amended, supplemented, or extended after this date, the parties are required to comply with the provisions of the Amended TTL.

A similar principle applies to dossiers for the registration, extension of technology transfer agreements, and accordingly, where such dossiers were received but remain unresolved as of 1 April 2026, the provisions of the 2017 TTL shall be applied. Meanwhile, for dossiers requesting approval, license of technology transfer that were received prior to 1 July 2025 but remained unresolved as of 1 April 2026, the provisions of the 2017 TTL shall be applied.

## Conclusion

Overall, the amendments and supplements introduced under the Amended TTL clearly reflect the legislature's direction and policy intent in strengthening the legal framework governing technology transfer activities, with a focus on promoting innovation and the commercialization of technology. The Amended TTL is expected to provide legal momentum, help reduce regulatory risks, and encourage stakeholders to actively engage in technology transfer activities, particularly domestic technology transfer activities.

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