

## Special Alert

# KEY UPDATES ON THE LAW ON HIGH TECHNOLOGY 2025

January 2026

On 10 December 2025, the National Assembly passed the High Technology Law No. 133/2025/QH15 (the "**High-Tech Law 2025**"), which is considered an important step in institutionalizing the spirit of making scientific and technological development a key breakthrough for the country. This law aims towards technological self-reliance and sustainable development in line with Resolution No. 57-NQ/TW dated 22 December 2024, by the Politburo on the development of science, technology, and innovation until 2030, with a vision toward 2045. The High-Tech Law 2025 will come into effect on 1 July 2026, and will replace the High Technology Law No. 21/2008/QH12 (the "**High-Tech Law 2008**").

## Key Takeaways

- **Promoting localization towards technological self-reliance:** The concept of high technology is expanded alongside the supplementation and refinement of the concepts of core technologies and strategic technologies, thereby establishing a legal basis for policies to promote the development of advanced technologies aimed at strengthening national technological self-reliance. Foreign ownership in strategic technology enterprises is capped at 49%.
- **Strengthening incentive policies:** A comprehensive and enhanced system of incentives is established, ranging from land, credit, and tax incentives to public procurement and support for research and development to encourage enterprises, organizations, and individuals to invest in the production, mastery, and commercialization of high technologies and strategic technologies, thereby strengthening national innovation capacity and technological autonomy.
- **Classifying enterprises with differentiated incentives:** A mechanism is introduced to classify high-tech enterprises based on their level of participation in value chains, research and development capacity, and localization ratios, serving as the basis for applying differentiated incentive policies, ensuring targeted support,

encouraging deep investment, and fostering the development of core high-tech and strategic technology enterprises.

- **Decentralization to local authorities:** Authority is further decentralized to local governments in the establishment and management of high-tech parks, as well as in the implementation and attraction of high-tech investment, enhancing proactiveness, flexibility, and alignment with the specific socio-economic development conditions of each region.
- **Building a comprehensive ecosystem and infrastructure:** A synchronized high-tech ecosystem is developed by integrating infrastructure, research and development, enterprises, and urban development, together with the application of controlled regulatory sandbox mechanisms, creating a foundation for innovative yet safe development and enhancing long-term competitiveness.

## High Technology – Strategic Technology

The High-Tech Law 2025 clarifies, expands, and harmonizes the concepts of high technology ("**High-Tech**") and High-Tech products. Accordingly, "*High-Tech refers to technologies that have a high content of scientific research and technology development, integrating advanced scientific achievements, being breakthrough, creating products and services of superior quality, high added value, and environmental friendliness*". As a result, High-Tech products will not only include physical products but also services created by High-Tech. This provision is reasonable given the current context, where many high-impact services, such as artificial intelligence (AI), blockchain technology, and big data, have become widespread and significantly influence social life.

In addition to High-Tech concepts, the High-Tech Law 2025 provides new regulations regarding strategic technologies: "*Strategic technology is breakthrough and widely disseminated technology, identified by the state as a focus for investment to enhance technological self-reliance, create national competitive advantages, ensure national defense and security, and promote sustainable economic and social development*". The concept of strategic technology was already defined in the Law on Science, Technology, and Innovation 2025, but it was not specifically tied to creating national competitive advantages, industrial self-reliance, and did not differ significantly from the concept of High-Tech. The new regulation in the High-Tech Law 2025 presents a clearer approach, providing a basis to focus policies, resources, and incentives at the highest levels for strategic technologies/products with particular importance for the nation's development.

The criteria for identifying strategic technologies are based on their critical, long-term role in the country's development. Both High-Tech and strategic technologies aim to promote economic and social development while ensuring national defense and security. However, while High-Tech mainly focuses on creating products and services with superior quality, high added value, and broad applicability, strategic technology emphasizes breakthrough impact, the ability to create long-term national competitive advantages, and the role in shaping new production methods, new industries, and new value chains. Strategic technology focuses on self-reliance and mastery of technology, with the potential to originate from core technologies researched and mastered by domestic organizations or individuals to create strategic technology products.

The list of High-Tech/High-Tech products and strategic technologies/strategic technology products will be issued

periodically by the Prime Minister, based on the criteria aligned with the economic-social development situation at each stage.

## Classification of enterprises in high technology activities

According to the High-Tech Law 2025, enterprises in the high-tech sector are categorized with the following criteria:

Enterprise	Criteria		
High-Tech Enterprises – Group 1	<ul style="list-style-type: none"> <li>– Manufacturing High-Tech products provided in the High-Tech product list.</li> <li>– Applying environmental measures, energy-saving methods, and quality management systems meeting the standards of Vietnam, the region, or foreign countries.</li> </ul>	<ul style="list-style-type: none"> <li>– Owning, co-owning, or having legal rights to use technology, or engaging in technology transfer activities.</li> <li>– Satisfying the requirements on revenue, expenditure for research and development (R&amp;D) and employee directly involved in R&amp;D.</li> </ul>	<ul style="list-style-type: none"> <li>– Conducting R&amp;D activities.</li> <li>– Manufacturing High-Tech products with a minimum localization rate as specified by the Government for each sector.</li> <li>– Annual R&amp;D expenditure in Vietnam must be at least 1% of net revenue after deducting input costs.</li> </ul>
High-Tech Enterprises – Group 2	✓	✓	X
Enterprises manufacturing High-Tech products	✓	X	X
Strategic Technology Enterprise	<ul style="list-style-type: none"> <li>– Manufacturing strategic technology products provided in the list of strategic technology product;</li> <li>– The ownership rate of domestic investors must be 51% at least, except in special cases decided by the Prime Minister to attract important strategic technology;</li> <li>– Owning or co-owning strategic technology or core technologies used for producing strategic technology products in Vietnam;</li> <li>– Meeting revenue, R&amp;D expenditure, local content ratio, and direct labor involved in R&amp;D criteria.</li> </ul>		

The separation of enterprises into specific groups has brought about significant meaning both in legislation and in practice. This classification addresses the weaknesses and limitations of the High-Tech Law 2008, which only regulated a single type of high-tech enterprise, leading to broad-based preferential policies that did not accurately reflect the level of investment and technological capability of enterprises. The High-Tech Law 2025 has clearly defined the criteria for each group of enterprises, creating clear tiers with different levels of preferential treatment.

Accordingly, strategic technology enterprises and Group 1 High-Tech enterprises are the ones that receive the highest preferential treatment in terms of investment, taxes, and land use. Group 2 High-Tech enterprises, which do not engage in R&D activities or fail to meet the criteria for total R&D expenditure or local production content ratio, will not receive the

highest level of preferences like Group 1. High-Tech product manufacturing enterprises are only entitled to corporate income tax incentives. It is evident that each group of enterprises will receive different levels of preferential treatment. The systematization in the High-Tech Law 2025 helps to identify, assess, and apply appropriate incentives, while encouraging development with clear criteria and benefits.

## Promotion through Policies and Specific Incentives

The production of High-Tech products, strategic technology products, and High-Tech supporting industry products are industries with special investment incentives. The High-Tech Law 2025 has provided various preferential policies and support measures to promote innovation, enhance localization, and achieve technological self-reliance as follows:

- **Incentives in Bidding, Public Procurement, and Public-Private Partnership (PPP) Projects:** High-tech incubators, High-Tech business incubators, strategic technology enterprises, High-Tech enterprises, and High-Tech product manufacturing enterprises are not required to prove the capital arrangement capability of their owners in bidding activities and PPP projects. Additionally, High-Tech products and strategic technologies will be prioritized in bidding and public procurement, contributing to the increased participation of High-Tech products in public sectors.
- **Incentives in Customs Procedures and Import-Export Taxes:** Strategic technology enterprises, High-Tech enterprises, and High-Tech product manufacturing enterprises that meet the legal conditions are eligible for preferential treatment in customs procedures. Raw materials, supplies, and components imported for production and research by strategic technology enterprises, High-Tech enterprises, and High-Tech product manufacturing enterprises will be exempt from import taxes for five years from the date they start research and production activities.
- **Corporate Income Tax Incentives:** Strategic technology R&D centers, strategic technology enterprises, High-Tech R&D centers, and Group 1 High-Tech enterprises are subject to a 10% tax rate for 25 years.
- **Promoting International Cooperation while Enhancing Domestic Self-Reliance:** Vietnamese organizations and individuals are encouraged to engage in mergers, acquisitions, and joint ventures with foreign enterprises holding core technologies and strategic technologies, with support from the state for technology assessment costs, legal consulting, and tax incentives for the value of the technology received. The policy for developing High-Tech emphasizes technology transfer from abroad into Vietnam with a commitment to domestic R&D. The law clearly outlines the goal of fostering international cooperation in a proactive and conditional manner, avoiding dependence on foreign technology and capital; it does not aim to turn Vietnam into a “manufacturing hub” in the global value chain but aims to elevate Vietnam's position in high-value-added steps of the production chain, including R&D activities, mastering technology, and core manufacturing.
- **Promoting R&D Activities:** Organizations and individuals involved in R&D activities, including creative research, decoding, mastering, improving, applying, testing, and perfecting technologies, will receive preferential policies and support for training, scientific research, technological development, labor, housing, immigration, work permits, and tax incentives as prescribed by law.

## Developing Integrated Infrastructure and a Comprehensive Ecosystem

The High-Tech Law 2025 reflects the policy of building and developing a comprehensive ecosystem to serve high-tech research, investment, and development, promoting connections between key entities within the ecosystem, and focusing on creating a favorable environment for the sustainable development of high technologies. This provides a more favorable legal basis, with expectations of enhancing collaboration effectiveness among research institutions, educational entities, businesses, startup support organizations, and regulatory bodies in high-tech research, development, and application activities in Vietnam. The intention to develop such an ecosystem is a reasonable policy objective.

In this ecosystem, High-Tech enterprises play a central role, and high-tech parks are the hubs where research, development, application, education, training, trade promotion, and infrastructure provision are interconnected. They are also particularly crucial for the controlled testing of product manufacturing and the application of new policies, aiming to establish a comprehensive and safe High-Tech ecosystem.

One of the key changes in the High-Tech Law 2025 is that provincial People's Committees will have the authority to establish, expand, and adjust high-tech parks, rather than to the Prime Minister as stipulated in the High-Tech Law 2008. This transfer of power helps shorten the approval process, allowing local governments to be more proactive in developing high-tech parks that are suited to their specific situations and development needs, providing flexibility in attracting investment and developing high-tech infrastructure.

The High-Tech Law 2025 also provides new regulations on high-tech urban areas. A high-tech urban area is a city developed based on a high-tech ecosystem, where high-tech parks and scientific and technological organizations play a central role. Unlike regular urban areas, high-tech urban areas not only focus on developing infrastructure but also emphasize the establishment and development of technological and scientific organizations, creating a green, smart environment conducive to the growth of high technology and innovation. The formation and development of high-tech urban areas are expected to create modern living and working environments, where technology and scientific research play a leading role in the city's development.

## Conclusion

The High-Tech Law 2025 demonstrates Vietnam's strategic direction in promoting the development of high technology, core technologies, and enhancing technological self-reliance through technology transfer and increasing the domestic content ratio. With favorable preferential policies for domestic enterprises and foreign investors, the law not only drives innovation but also lays the foundation for the formation of high-tech parks, urban areas, and ecosystems, contributing to sustainable development and enhancing the competitiveness of the economy. Enterprises and investors need to proactively monitor and update any changes in the legal framework and implementation guidelines in order to fully understand the new regulations and preferential policies. Based on this, businesses can adjust their strategies, operational models, and investment plans to effectively engage in the market, seize supporting opportunities, and thus promote technological cooperation and sustainable development in Vietnam in the coming years.

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