

Special Alert

VIETNAM'S FIRST AI LAW – WHAT BUSINESSES NEED TO KNOW AHEAD OF IMPLEMENTATION

January 2026

On 10 December 2025, the National Assembly unanimously passed the Law on Artificial Intelligence (the “**AI Law**”), marking a significant milestone in Vietnam’s journey toward aligning with the international standards and trends. With official enforcement planned on 1 March 2026, the AI Law first extends its scope to the outputs and usage of artificial intelligence (AI), as well as potential risks this innovation may cause to society.

Key Takeaways

- **Governing Scope:** The AI Law establishes a broad regulatory perimeter covering AI Activities conducted in Vietnam, as well as certain extraterritorial scenarios where AI systems may impact individuals, organisations, or public interests within Vietnam.
- **Defined Concepts and Core Principles:** The Law introduces new defined concepts and foundational principles for AI governance. These principles are intended to guide the interpretation and implementation of AI obligations across the entire lifecycle of AI systems.
- **AI System Classification and Accompanying Compliance Obligations:** While AI systems are subject to differentiated obligations based on their risk classification, transparency obligations are equally applied regardless of the risk levels of the AI systems.
- **Data, Ethics and Human Rights Protection:** Compliance under the AI Law is not limited to technical performance, but also extends to preventing discriminatory outcomes, ensuring human oversight, and responsibly managing AI-related data processing activities.

Governing Scope

The Law governs the activities of researching, developing, providing, deploying and using AI systems (“**AI Activities**”), while explicitly excludes the same when being utilized for the sole purpose of national defense and security.

Apart from Vietnamese entities (including agencies, organizations and individuals), foreign organizations and individuals participating in AI Activities in Vietnam shall be subject to the Law’s governing scope.

Reading from the current wording of Article 1 and Article 2, it can be interpreted that even when an AI system is developed completely offshore by a foreign entity, the providing of such AI system for use in Vietnam is still likely be governed by the AI Law.

Defined Concepts and Core Principles

The AI Law defines “AI system” as “*machine-based system, designed to perform artificial intelligence capacities with different levels of autonomy, having self-adopt ability upon deployment; basing on target explicitly determined or implicitly formed, such system deduces from input data to create output data such as predictions, content, recommendations, or decisions that may affect the physical or virtual environment*”. The definition clearly reflects reference to global concepts in terms of basic nature of an AI system, showing the effort of Vietnam to align with the international standards in the field.

Parties that involve in AI Activities and/or AI system are also identified, with an ultimate purpose of assigning respective rights and obligations which will be subsequently discussed. In particular:

- *Developer* means any organization or individual that designs, develops, trains, or materially modifies an artificial intelligence system, including through the selection of algorithms, model architectures, training methodologies, or training data, whether for its own use or for provision to third parties;
- *Provider* means any organization or individual that supplies, distributes, places on the market, or otherwise makes available an artificial intelligence system to another party, whether on a commercial or non-commercial basis, including through software licensing, cloud-based services, APIs, or embedded solutions;
- *Deployer* means any organization or individual that integrates, implements, or uses an artificial intelligence system within its own operations or products, and exercises control over the purpose, context, or manner in which the AI system is applied;
- *User* means any natural person or legal entity that interacts with or benefits from the output of an artificial intelligence system without exercising control over its design, deployment parameters, or operational decision-making.

Most importantly, the AI Law consistently emphasizes the ethical element and human rights protection relating to AI Activities. Accordingly, human must always be regarded as the center for all AI Activities, while imbruing the idea that AI

system should be regarded as an assisting tool instead of human replacement.

AI System Classification and Accompanying Compliance Obligations

Risk level-based classification

In comparison with earlier draft version, the AI Law adopts a functional and technological-neutral definition of AI, aiming at future-proofing itself against rapid technological changes, ensuring to capture any new AI techniques to be developed in the future.

This approach also facilitates the risk level-based classification of AI system as adopted under the AI Law, leveraging the identification and assignment of respective compliance obligations.

The table below shows a brief of how AI system is classified under the AI Law, as well as key compliance obligations that should be attended to:

Risk levels	Natures	Notify the classification result to the MOST	Examining & Monitoring	Conformity Assessment
High-risk AI system	Systems that may cause significant harm to lives, health, legal rights and interests of organizations and individuals; to national interests and security, and public interest.	<ul style="list-style-type: none"> ✓ Self conducted by Providers; ✓ Classification dossier is required; ✓ Classification result must be notified to the MOST. 	Periodical or upon violation signs.	<ul style="list-style-type: none"> ✓ Conformity Assessment is required prior to practical use or upon significant changes during the use; ✓ Conformity assessment must also be done in accordance with the law on technical standards and regulations where there are technical standards or regulations applicable to the AI system.
Medium-risk AI system	Systems that may mislead, impact or manipulate users due	<ul style="list-style-type: none"> ✓ Self conducted by Providers; 	Monitored through reporting, sample testing, or independent	Not required.

Risk levels	Natures	Notify the classification result to the MOST	Examining & Monitoring	Conformity Assessment
	to the inability to identify AI system as interaction entity or due to its generated contents.	<ul style="list-style-type: none"> ✓ Classification dossier is required; ✓ Classification result must be notified to the MOST. 	organizational evaluation.	
Low-risk AI system	Systems other than the high-risk and medium-risk AI systems.	<ul style="list-style-type: none"> ✓ Self conducted by Providers; ✓ No specific requirement as to classification dossier; ✓ Basic information is encouraged (not required) to be published for transparency. 	Monitored and checking upon incidents, feedback, needs for security ensuring without creating unnecessary obligations for organizations or individuals.	Not required.

The risk-based classification of AI systems is assessed by reference to several key criteria, including the extent of their impact on human rights, safety, and security. The sector in which the system is deployed, particularly where such sector constitutes an essential service or directly relates to public interests, as well as the scope of users and the scale of the system's potential impact are also taken into consideration. More detailed guidance on this classification framework is expected to be provided in a forthcoming Government decree.

Transparency obligations

Meanwhile, transparency obligations applicable to AI systems vary on particular role towards such system, from which we can interpret that these obligations apply to AI systems, regardless of their risk level.

Providers are required to ensure that AI systems are accompanied by adequate information enabling Deployers to understand the system's intended purpose, functioning logic, limitations, and foreseeable risks, including clear instructions for lawful and safe use.

Deployers, in turn, must ensure transparency toward end-users and affected parties, including by informing them where they are interacting with or subject to decisions generated by an AI system, and by implementing appropriate human oversight measures.

Effective compliance therefore depends on close coordination between Providers and Deployers, particularly in relation to information flows, disclosure mechanisms, and the allocation of transparency responsibilities across the AI lifecycle.

Data, Ethic and Human Rights Protection

Data protection, ethical standards, and human rights safeguards are priorities that are clearly reflected in the AI Law, which dedicates Chapter V in its entirety to “Ethics and Responsibilities in AI Activities”. By elevating these issues into a standalone chapter, the legislators signal that ethical compliance and human-centric safeguards are fundamental to AI governance, rather than merely supplementary to technical or security requirements.

High-level principles and responsibilities applicable throughout the AI system lifecycle have been provided, including the obligation to respect and protect human rights, prevent discriminatory or biased outcomes, and ensure an appropriate level of transparency and human oversight, particularly where AI systems may materially affect individuals or operate in high-risk contexts. These principles are closely linked to data protection requirements, reinforcing expectations around lawful data use, data quality, and accountability in AI-related activities.

A National AI Ethical Framework is to be issued and periodically reviewed and updated upon significant technical, legal and practical managerial changes. Such a framework is set to be the orientation for all development of professional standards and guidelines in the field. Yet, the applicable of the framework will only go as far as encouragement, reading from the current wording of the AI Law.

From a practical perspective, it can be interpreted that AI compliance will be assessed not only on the basis of technical performance, but also on the societal and individual impacts of AI deployment. Businesses engaging in AI activities should therefore integrate ethical and human rights considerations into their internal governance and compliance frameworks from an early stage.

Conclusion

The AI Law marks a significant step in Vietnam’s effort to establish a comprehensive and risk-based regulatory framework for artificial intelligence. While a number of implementing details remain subject to further guidance, clear signals have been provided that AI compliance will extend beyond technical requirements to encompass accountability, data governance, and responsible deployment throughout the AI lifecycle.

For AI systems launched before the AI Law’s effective date, compliance obligations thereunder are still required, with a particular grace period of 18 months applicable to AI systems in the medical, educational and financial fields, and 12 months for AI systems in other fields.

Businesses engaging in AI Activities should therefore begin with early preparation to ensure timely alignment and mitigate regulatory risk as the instrument officially takes effect.

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