



Shape the future
with confidence

Legal Alert

April 2025

Visit other Alerts [here](#).

Draft Law amending investment regulations in the field of science and technology

This Alert highlights notable updates in investment regulations as proposed in the Draft Law amending the Law on Investment, the Law on Public-Private Partnership Investment, and the Law on Bidding.

On 31 March 2025, the Ministry of Finance has released the Draft Law amending several articles of the Law on Investment, the Law on Public - Private Partnership Investment, and the Law on Bidding (Draft Law), for consultation with government agencies, business associations, and the broader business community until 3 April 2025.

In recent years, Vietnam has emerged as a significant information technology hub. In this connection, the Draft Law further strengthens Vietnam's digital infrastructure by effecting regulatory changes to foster investment in science and technology development, innovation, and digital transformation.

Key highlights in the Draft Law include:

- Amendments to the Law on Investment: Special investment incentives and support, as well as special investment procedures for certain scientific and technological investment projects.
- Amendments to the Law on Public-Private Partnership (PPP) Investment: Removal of some administrative procedures and requirements for the investor selection for certain PPP investment projects in the field of science and technology.
- Amendments to the Law on Bidding: Bidding incentives and removal of some administrative procedures and requirements for the investor selection for certain scientific and technological investment projects.

1. Amendments to the Law on Investment

- Under the Draft Law, the following investment projects are entitled to special investment incentives and support:
 - (i) Investment projects to build data center infrastructure, cloud computing infrastructure, 5G, 6G mobile infrastructure and other digital infrastructures in the field of strategic technology according to the decision of the Prime Minister.
 - (ii) Investment projects in the field of strategic technology according to the decision of the Prime Minister.
 - (iii) Investment projects to manufacture products in the list of strategic technologies according to the decision of the Prime Minister.
 - (iv) Investment projects to establish new (including expansion of newly established projects) national innovation centers established under the decision of the Prime Minister.
- Accordingly, these projects are entitled to:
 - Investment incentives including corporate income tax incentives, import tax, land levy and land rents, accelerated depreciation.
 - Investment support including assistance in the development of technical infrastructure and social infrastructure, in training and development of human resources, credit assistance, assistance in access to business premises, assistance in science, technology and technology transfer, assistance in market development and information provision, and assistance in research and development.
- Notably, the Draft Law also proposes a special investment mechanism for investment projects belonging to categories (i), (ii) and (iii) above:
 - Foreign investors are allowed to establish economic organizations to implement projects before carrying out procedures for the issuance and amendment of the Investment Registration Certificate (IRC).
 - Investment projects in industrial zones, export processing zones, high-tech parks, concentrated information technology parks, free trade zones and functional areas in economic zones are allowed to adopt an ex-post supervision mechanism instead of the traditional pre-licensing approach. This means that investors are exempted from several administrative procedures, including in-principal investment approval, technology appraisal, environmental impact assessment, formation of detailed planning, issuance of construction permits and other construction, fire prevention and firefighting approvals. Instead, they only need to commit to comply with requirements relating to construction, environment, fire prevention and firefighting during the project implementation stage. The Investment Registration Certificate (IRC) shall be issued within 15 days of the receipt of a complete and valid application dossier.
 - The maximum term of these investment projects shall be 70 years, as compared to the maximum term of 50 years as before.
 - This change demonstrates a significant effort of the Government in enhancing the legal framework, simplifying the administrative procedures and creating a more transparent investment environment for the investors engaging in science, technology and digital business.

2. Amendments to the Law on Public-Private Partnership Investment

- Apart from the PPP projects applying high technology in the list of high technologies prioritized for investment and development according to the law on high technology, and projects applying new technology according to the law on technology transfer as mentioned

in the current Law on PPP Investment, the Draft Law also adds specific favorable provisions for the following groups of PPP projects:

- PPP projects in the field of science, technology development, innovation and national digital transformation.
- PPP projects that own or have copyrights for strategic technologies in the list issued by the Ministry of Science and Technology.
- Accordingly, the PPP procedures for these projects have been narrowed down to three statutory stages, with the elimination of the stage of preparing and appraising pre-feasibility study reports and deciding on investment policies:
 - Stage 1: Prepare and appraise the feasibility study report, approve and announce the project.
 - Stage 2: Select investors and sign the PPP project contract. In case the investor proposes a project that owns or has copyrights for strategic technologies in the list issued by the Ministry of Science and Technology, investor selection will be done through direct investor appointment.
 - Stage 3: Implement the PPP project contract.
- Regarding the methods and standards for evaluating bidding documents during the investor selection stage:
 - Science, technology and innovation enterprise investors do not need to prove the ability to arrange equity capital and are allowed to use the project, the work that they directly implement, whose technology has been put into successful trial operation, to prove the experience of implementing similar projects.
 - For projects where direct investor appointment is applicable, the criteria for evaluating bidding documents include criteria for evaluating capacity, experience and criteria for evaluating finance - trade and are built according to the pass/fail method.
- State investment support, incentives and guarantee policies for PPP projects in the field of science and technology include the followings:
 - **Termination of PPP project contracts:** Investors and PPP project enterprises are entitled to compensation costs in case of early termination of the PPP project contract (including all investment and construction costs for investors and PPP enterprises) in case where scientific and technological products created by PPP project enterprises have commercialized ineffectively, or the actual revenue is lower than 50% of the expected revenue in the financial plan.
 - **Financing of PPP projects:** For PPP projects in the field of science, technology development, innovation and national digital transformation, investors and the PPP project enterprises can mobilize preferential loans from the Vietnam Development Bank.
 - **Foreign-currency balance guarantees:** For science and technology PPP projects with the participation of foreign enterprises, foreign enterprises owning strategic technologies according to the list issued by the Ministry of Science and Technology, the PPP enterprise shall be guaranteed foreign-currency as follows: (i) 100% of the project's Vietnam Dong revenues after subtracting its Vietnam Dong expenditures, within the first 3 years of operation and business; (ii) 50% for the period from 3 to 5 years of operation and business; and (iii) 30% for the remaining time of the PPP project contract.
 - **Allocation of the increase and decrease of project revenues:** For PPP projects in the field of science, technology development, innovation and national digital transformation, investors (i) are not required to share the increase of project revenues within the first 3 years of operation and business, and (ii) can apply the sharing of 100% of the difference

between actual revenue and revenue in the financial plan when actual revenue is lower than 75% of the revenue in the financial plan.

3. Amendments to the Law on Bidding

- The following groups of products or bidders are eligible for incentives in bidder selection under the Draft Law:
 - Innovative products, digital technology products and services that meet domestic production criteria as prescribed by the Ministry of Science and Technology.
 - Bidders who are innovation centers, science and technology enterprises, high-tech enterprises, science and technology organizations, research and development centers; small and micro enterprises when bidding for innovative products in the field of digital technology.
- Accordingly, incentives in bidder selection will include higher ranking, extra points, addition of money to the bid price, priority in terms of evaluation of eligibility, capacity, experience and other criteria in the process of evaluating bidding documents.
- Science, technology and innovation enterprise, enterprise that owns and has copyrights for strategic technology is eligible for incentives in investor selection in terms of evaluation of capacity, experience and other criteria in the process of evaluating project implementation registration dossier and bidding dossier.
- The following two approaches are adopted for investor selection for specific science and technology projects:
 - Direct appointment of investors: Applicable to investment projects in the field of science, technology, innovation and national digital transformation in which the investor proposing the project is an enterprise that owns and has copyrights for strategic technology; the project needs to continue to select enterprises that have previously deployed infrastructure and digital platforms to ensure synchronization and connection of infrastructure and digital platforms.
 - Selection of investors in special cases: Applicable to investment projects with specific requirements for research, application and development of science, technology, innovation and national digital transformation that cannot apply other forms of investor selection.
- The competent person shall decide whether to apply domestic bidding or international bidding in order to select investors for investment projects in the fields of science, technology development, innovation and national digital transformation. In case of domestic bidding, domestic investors may form a joint venture with foreign investors or use a sub-contractor who is a foreign bidder to participate in the bidding; the domestic investor must be the head of the joint venture.
- Regarding the criteria in bid assessments:
 - Science, technology and innovation enterprise investors do not need to prove the ability to arrange equity capital and are allowed to use the project, the work that they directly implement, whose technology has been put into successful trial operation, to prove the experience of implementing similar projects.
 - For projects where direct investor appointment is applicable, the criteria for evaluating bidding documents include criteria for evaluating capacity, experience and criteria for evaluating for land use efficiency, investment efficiency in developing industries, fields, and localities, and are built according to the pass/fail method.



Shape the future
with confidence

Contacts

Hanoi Office



Linh Hoang Anh Nguyen | Senior Manager
EY Law Vietnam Limited Liability Company
linh.hoang.anh.nguyen@vn.ey.com



Le Hong Nguyen | Manager
EY Law Vietnam Limited Liability Company
le.hong.nguyen@vn.ey.com

Ho Chi Minh City Office



Robert King | EY Vietnam, Laos, Cambodia Tax Leader
EY Consulting Vietnam Joint Stock Company
robert.m.king@vn.ey.com



Michael Beckman | Managing Director
EY Law Vietnam Limited Liability Company
michael.beckman@vn.ey.com



Thach Thi Cam Tran | Senior Manager
EY Law Vietnam Limited Liability Company
thach.cam.tran@vn.ey.com

Japanese Business Services (JBS)



Takahisa Onose | EY Vietnam, Laos, Cambodia JBS Leader
Ernst & Young Vietnam Limited
takahisa.onose@vn.ey.com



Takaaki Nishikawa | Director
Ernst & Young Vietnam Limited
takaaki.nishikawa@vn.ey.com



Kota Takano | Associate Director
Ernst & Young Vietnam Limited
kota.takano1@vn.ey.com

Korean Business Services (KBS)



Binh Thanh Phan | EY Vietnam, Laos, Cambodia KBS Leader
EY Consulting Vietnam Joint Stock Company
binh.thanh.phan@vn.ey.com



Kyung Hoon Han | Director
Ernst & Young Vietnam Limited
kyung.hoon.han@vn.ey.com



Dong Ho Park | Assistant Director
Ernst & Young Vietnam Limited
dongho.park@vn.ey.com

Chinese Business Services (CBS)



Truong Duc Le | EY Vietnam, Laos, Cambodia CBS Leader
Ernst & Young Vietnam Limited
truong.duc.le@vn.ey.com



Owen Tsao | Director
Ernst & Young Vietnam Limited
owen.tsao@vn.ey.com



Trinh Kiet Luong | Assistant Director
Ernst & Young Vietnam Limited
trinh.kiet.luong@vn.ey.com

EY | Building a better working world

EY is building a better working world by creating new value for clients, people, society and the planet, while building trust in capital markets.

Enabled by data, AI and advanced technology, EY teams help clients shape the future with confidence and develop answers for the most pressing issues of today and tomorrow.

EY teams work across a full spectrum of services in assurance, consulting, tax, strategy and transactions. Fueled by sector insights, a globally connected, multi-disciplinary network and diverse ecosystem partners, EY teams can provide services in more than 150 countries and territories.

All in to shape the future with confidence.

EY refers to the global organization, and may refer to one or more, of the member firms of Ernst & Young Global Limited, each of which is a separate legal entity. Ernst & Young Global Limited, a UK company limited by guarantee, does not provide services to clients. Information about how EY collects and uses personal data and a description of the rights individuals have under data protection legislation are available via ey.com/privacy. EY member firms do not practice law where prohibited by local laws. For more information about our organization, please visit ey.com.

©2025 EY Law Vietnam Limited Liability Company. All Rights Reserved.

APAC No. 16290401

ED None

This material has been prepared for general informational purposes only and is not intended to be relied upon as accounting, tax, legal or other professional advice. Please refer to your advisors for specific advice.

ey.com/en_vn