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Tax Alert

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Update on regulations for science and technology enterprises

Aligned with the strategic direction for breakthroughs in science, technology, and innovation outlined in Resolution 57-NQ/TW, the National Assembly and the Government have taken steps to institutionalize policies and measures that foster the development of science and technology and promote innovation. Recent regulations introduce policies offering significant incentives and enhanced support for scientific research, technology development, and the commercialization of research outcomes, including activities carried out by science and technology enterprise (S&TE).

EY would like to provide an update on several new regulations concerning S&TE and related tax incentive policies.

Relevant regulations:

- Law No. 93/2025/QH15 (Law No. 93) was passed by the National Assembly of the Socialist Republic of Vietnam, XV Legislature, during its 9th Session on 27 June 2025. This law will take effect on 1 October 2025, except for certain provisions specified separately.
- Law No. 67/2025/QH15 (Law No. 67) was passed by the National Assembly of the Socialist Republic of Vietnam, XV Legislature, during its 9th Session on 14 June 2025. This law will take effect on 1 October 2025 and applies for the corporate income tax calculation period of 2025.

1. S&TEs and conditions for issuance of Certificate of S&TE

S&TEs are businesses engaged in research, development, technology transfer, and innovation, with the capability to absorb and master technology, thereby generating economic, social, and environmental benefits.

Decree 268/2025/ND-CP dated 14 October 2025 (Decree 268) provides detailed regulations on the conditions for issuing Certificate of S&TE. In addition to general requirements, S&TEs must meet specific conditions based on the scale of their operations. These conditions introduce several new provisions compared to those previously stipulated in Decree 13/2019/ND-CP dated 1 February 2019, placing greater emphasis on research and development activities. Specifically, under Decree 268, enterprises may be granted a Certificate of S&TE when they satisfy the following conditions:

General conditions:

- Be established and operate in accordance with the Law on Enterprises
- Create science, technology, and innovation products derived from legally owned or utilized results of scientific research, technology development, or innovation, including:
 - Patents, utility solutions, industrial designs, and layout designs of semiconductor integrated circuits protected under copyright in Vietnam
 - Computer programs that have been granted a certificate of registered copyright
 - New animal breeds, plant varieties, aquatic breeds, forestry plant varieties, and technical advances that are protected or recognized under copyright law
 - Scientific research, technology development, and innovation results that have been accepted, confirmed, or recognized in accordance with the law
 - Technology acquired through a registered technology transfer contract in compliance with the Law on Technology Transfer

Specific conditions: The scale of the enterprise is determined according to the provisions of the law on support for small and medium-sized enterprises.

For large enterprises	For medium-sized enterprises	For small and micro enterprises
<ul style="list-style-type: none"> Total expenditure on scientific research, technology development and innovation activities reaches at least 2% of the average net revenue or from VND200 billion/year or more over three consecutive fiscal years; in case the enterprise has operated for less than three years, the average is calculated over the entire operating period since establishment, but not less than one full fiscal year. The research and development department has at least 10 personnel with a university degree or higher, of which at least five personnel are Vietnamese. Science, technology and innovation product accounts for at least 30% of total revenue or reaches VND90 billion/year or more over three consecutive fiscal years; in case the enterprise has operated for less than three years, the average is calculated over the entire operating period since establishment, but not less than one full fiscal year. Science, technology and innovation products bring one of the following benefits: <ul style="list-style-type: none"> Exported to foreign market Created from technology included in the list of technologies encouraged for transfer according to legal regulations Won a national or international award for quality or environment 	<ul style="list-style-type: none"> Total expenditure on scientific research, technology development and innovation activities reaches at least 2% of the average net revenue over three consecutive fiscal years; in case the enterprise has operated for less than three years, the average is calculated over the entire operating period since establishment, but not less than one full fiscal year. The research and development department has at least five personnel with a university degree or higher, including Vietnamese personnel. Science, technology and innovation product accounts for at least 20% of total revenue over three consecutive fiscal years; in case the enterprise has operated for less than three years, the average is calculated over the entire operating period since establishment, but not less than one full fiscal year. 	<ul style="list-style-type: none"> Total expenditure on scientific research, technology development and innovation activities reaches at least 2% of the average net revenue over three consecutive fiscal years; in case the enterprise has operated for less than three years, the average is calculated over the entire operating period since establishment, but not less than one full fiscal year. Have at least two personnel engaged in science, technology and innovation activities, including Vietnamese personnel, or hire two or more experts from research institutions, training institutions or science and technology organizations. Have at least one science, technology, and innovation product currently being commercialized.

2. Licensing authority

The Provincial People's Committee where the enterprise headquartered is the competent authority to receive applications, appraise and issue the Certificate of S&TE, issue amendments, reissuance, revocation and annulment of the validity of the Certificate of S&TE, instead of the Department of Science and Technology as previously stipulated.

3. Compliance and post-inspection requirements

- S&TEs shall report operational results using form No. V.6 in appendix V issued together with Decree 268 on the online platform of the Ministry of Science and Technology before 15 December each year.
- The inspection and evaluation of compliance with the stipulated conditions to consider maintaining the validity of the Certificate of S&TE shall be conducted periodically every three years from the date of issuance of the Certificate of S&TE.

4. Corporate income tax incentive policies for S&TE

- A tax rate of **10% for 15 years** applies to the income of S&TE. The preferential tax rate period is calculated from the year the Certificate of S&TE is granted (under previous regulations, S&TE was not entitled to preferential tax rates).
- **Tax exemption for up to four years and a 50% reduction of payable tax for up to the following nine years.** If the enterprise is granted the Certificate of S&TE after the time income arises, the tax exemption and reduction period is calculated from the year the certificate is issued. In case in the year the Certificate of S&TE is issued, there is no income, the tax exemption and reduction period is calculated from the first year with income; if within the first three years from the year the certificate and preferential confirmation are issued the enterprise has no taxable income, the tax exemption and reduction period is calculated from the 4th year after the year the certificate is issued.
- When the enterprise has **new product** added, it continues to enjoy incentives and support **as if newly certified**, calculated from the date the new product is added to the Certificate of S&TE (under previous regulations, newly added products only enjoyed incentives for the remaining period).
- In addition, S&TE also enjoys other incentives related to research and development expenses include: (i) Deduction of up to 200% of research and development expenses; (ii) Allocation of up to 20% of annual taxable income to establish the science and technology development fund.

5. Transition clauses

- Enterprises granted the science and technology enterprise certificate under previous regulations shall continue to enjoy incentives and support for the remaining period in accordance with those regulations.
- In cases where enterprises meet the new conditions stipulated in this decree, they shall carry out procedures for amending the science and technology enterprise certificate and enjoy incentives and support under the provisions of this decree for the remaining period.

EY recommendations	EY services
<p>Step 1: Assess compliance with S&TE conditions</p> <ul style="list-style-type: none"> Identify the scientific research, technology development, and innovation results being used (including technology received through a technology transfer contract that has been registered). Evaluate activities that create science, technology and innovation products from scientific research, technology development and innovation results Review compliance with S&TE conditions: <ul style="list-style-type: none"> Determine expenses for scientific research, technology development and innovation activities Determine personnel engaged in research and development Determine revenue from science, technology and innovation products <p>Step 2: Prepare the application dossier for S&TE certification</p> <p>Step 3: Apply for tax incentive confirmation</p>	<ul style="list-style-type: none"> Support in reviewing opportunities to meet S&TE conditions Advise on adjustments to enterprise structure, projects and products to enhance the likelihood of meeting S&TE conditions and optimize incentives Assist in preparing application dossiers and carrying out the process for S&TE certification Assist in preparing and implementing the process for requesting tax incentive confirmation



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