

Resolution 198: What It Means for Vietnam's Private Sector

The National Assembly has passed Resolution 198/2025/QH15. The goal is to cut red tape, ease business conditions, and create a level playing field for private companies. Here are the main changes that businesses should know.

Business Inspections Will Be Less Burdensome



Fewer inspections

Each business will face no more than one inspection per year, unless there's clear evidence of wrongdoing.



Remote checks preferred

Authorities are encouraged to inspect remotely. On-site visits will be limited. Businesses with good compliance records may be exempt.



No misuse of power

Officials cannot use inspections to pressure or disrupt businesses. Sharing false or damaging information is also banned.



Shift to self-declaration

Instead of asking for approvals in advance, businesses will self-declare their compliance. Authorities will check later if needed.

Businesses Get More Protection in Legal Matters



Focus on civil remedies first

Legal and administrative solutions come before criminal charges.



Encourage fixing mistakes:

If a business fixes the damage it caused, it may be given lighter penalties.



Presumption of innocence

Authorities must assume a business is not guilty unless proven otherwise. If there's any doubt, they must give a clear answer quickly.



No retroactive rules

New laws can't be used to punish past actions.



Separate assets

Legal assets must be kept separate from illegal ones. Personal and business assets will also be treated differently.

Easier Access to Land

Support from local governments

Cities and provinces can use their budgets to build infrastructure for industrial areas.

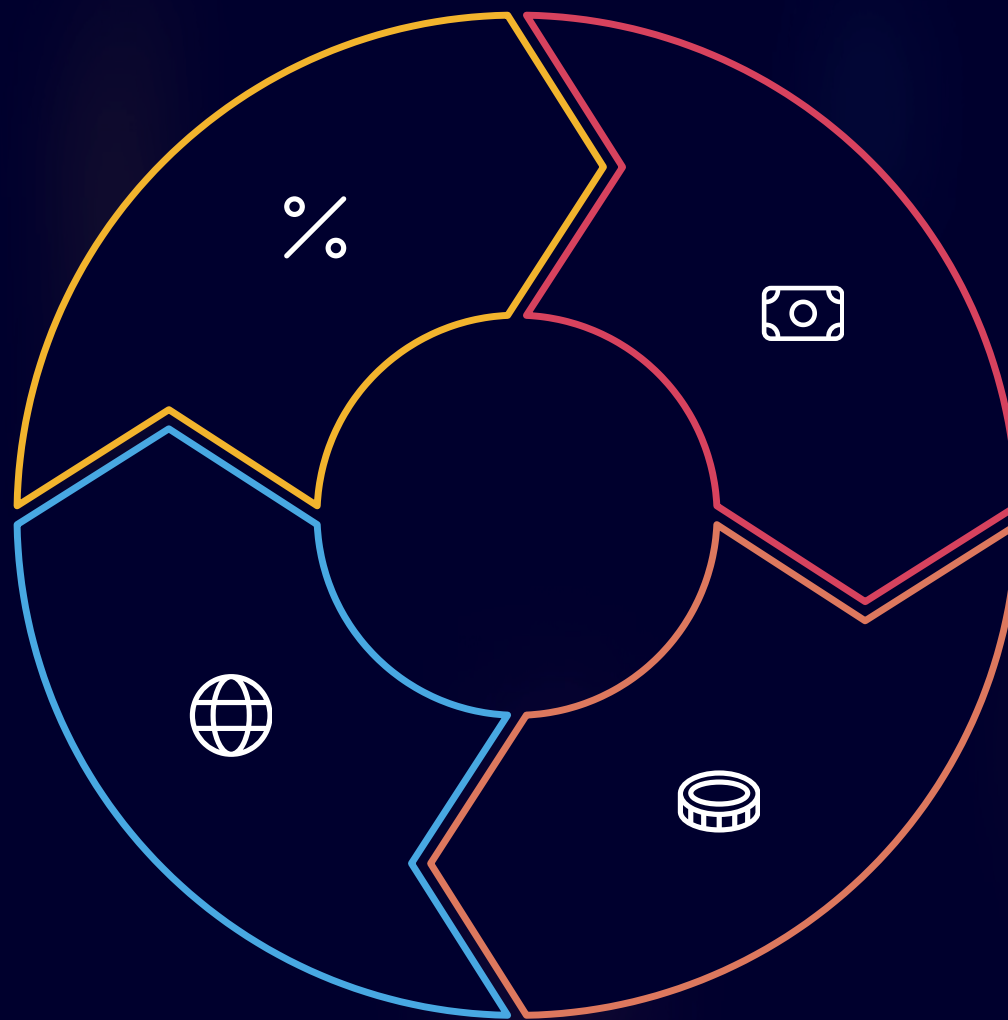
Land set aside for innovation

At least 20 hectares or 5% of land in new industrial zones will be reserved for high-tech firms, startups, and small businesses.

Lower land rent:

Qualified businesses will receive at least a 30% discount on land rent for the first five years.

Financial Support for Growth



Lower loan interest

Projects that are eco-friendly or follow ESG standards can get loans with a 2% annual interest rate reduction.

Startup funding

The SME Development Fund will offer direct loans and seed capital for startups.

More investment options

The fund can invest in private or local funds to expand financing options.

Access to international funds

The fund will also be able to receive and manage overseas loans or grants to support local businesses.

Better Tax Support



For startups

- No corporate income tax for 2 years, then a 50% cut for the next 4.
- No personal income tax on share transfers or for experts and scientists during their first 2 years, then a 50% cut for the next 4.



For small and medium businesses

- No corporate tax for 3 years from the date of registration.
- Training costs covered by other firms can be deducted from taxable income.



Ending flat-rate tax

The flat-tax system for household businesses will be scrapped, and the business license tax will end on January 1, 2026.

Support for R&D and Digital Tools

- Businesses can set aside up to 20% of their taxable income to fund science, technology, and innovation.
- They can deduct double the actual cost of R&D from their taxes.
- The government will provide free digital tools and accounting software to micro and small businesses.

Know a business
that could benefit?

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they don't miss out!

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