Forvis Mazars in Vietnam Alert

Thought catalysts

International Financial Center (IFC) in Vietnam: Strategy, Enacted framework and Peer comparison

International Financial Center (IFC) in Vietnam: Strategy, Enacted framework and Peer comparison

Executive summary

Vietnam has established the policy and legal foundations for an International Financial Center (IFC) regime structured as **"One center, Two destinations"** across Ho Chi Minh City and Da Nang, intended to attract international financial institutions and related service providers. The framework is anchored by a National Assembly resolution and implemented through a package of instruments, including a core decree commonly referenced as establishing the IFC entity and governance approach. Public implementation planning documents emphasize sequencing across (i) legal framework completion, (ii) infrastructure and ecosystem build out, and (iii) governance/supervision coordination.

From an investor perspective, the IFC design introduces questions that are typical for special regimes:

(a) how IFC specific rules interact with general Vietnamese law

(b) the practical operation of licensing and supervision, and

(c) the maturity of dispute resolution mechanisms envisaged for IFC users

This report summarizes Vietnam's stated positioning and hub differentiation, provides a high-level overview of the enacted legal framework, and presents a benchmark scorecard comparing Vietnam's IFC regime with leading global IFC models.

Scope and method

This paper is a high level assessment based on official texts, reputable practitioner and market summaries. It does not provide legal advice or a full article by article analysis.

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1. Policy positioning: Why an IFC, and Why two hubs?

Vietnam's IFC initiative is framed as a national effort to develop a globally competitive financial services platform under a dedicated regime and to accelerate integration into international financial markets. The "one center, two destinations" model is presented as a unified IFC with differentiated positioning for Ho Chi Minh City and Da Nang to reduce internal duplication and align product focus to each city's comparative advantages.

Ho Chi Minh City is described as oriented toward a comprehensive financial ecosystem (including capital markets, banking, fintech, and a broad set of financial services) serving Indochina and Mekong region, while Da Nang is described as more niche and tightly integrated with innovation and sustainable finance themes. Implementation planning documentation also emphasizes the development of new markets and innovation rails, suggesting that the IFC is expected to support both traditional financial intermediation and newer market platforms.

Ho Chi Minh City

Capital markets and broad financial ecosystem

Typical focus areas:

- Banking and capital markets
- Fund/ asset management services
- Fintech and payment infrastructure
- Professional services ecosystem

Da Nang

Innovation-linked finance and sustainability themes

Typical focus areas:

- Green/ sustainable finance
- Innovation and controlled testing of new models
- Digital assets and digital payment pilots
- Trade-linked finance and services

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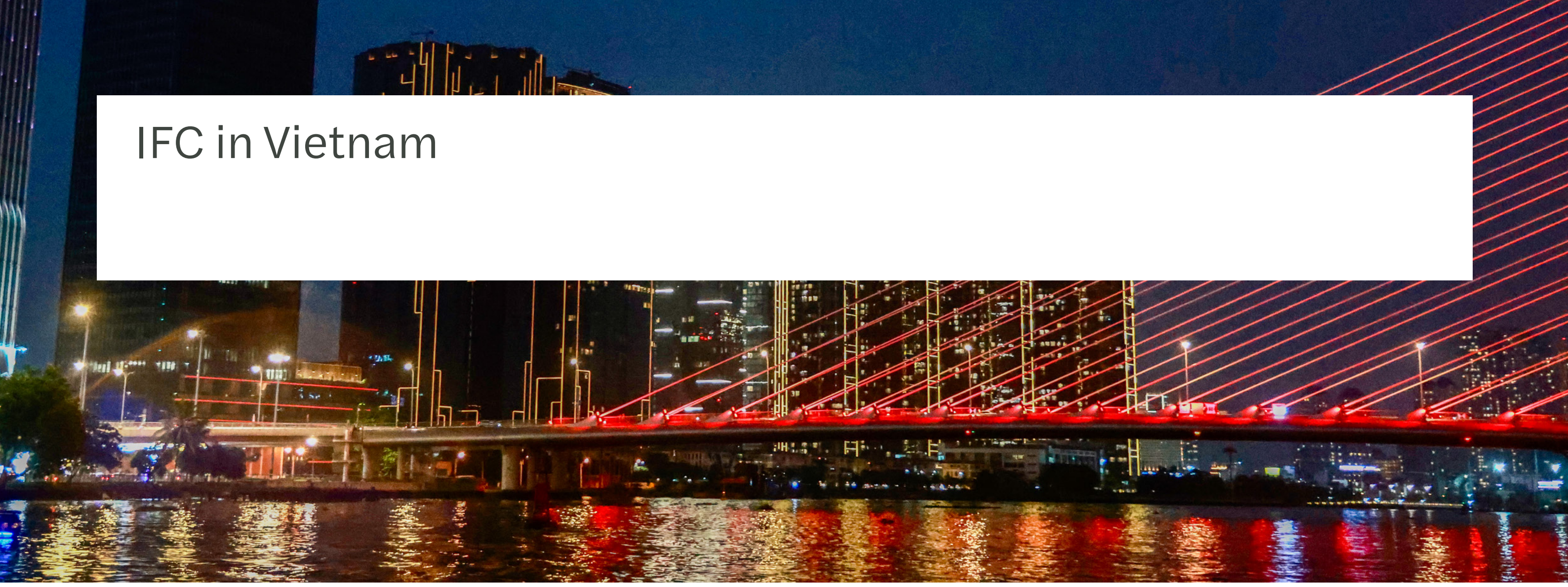
2. Enacted legal stack

Vietnam's IFC is now supported by a comprehensive and dedicated legal framework, marking a significant shift from the previous pilot-stage policy discussions to an operational regulatory regime. The cornerstone is Resolution No. 222/2025/QH15 of the National Assembly, which establishes the legal basis for the "one center – two destinations" model while introducing unprecedented mechanisms on investment, taxation, foreign exchange, financial services, labor, dispute resolution and regulatory governance. Importantly, the Resolution departs from Vietnam's conventional legal framework by allowing IFC-specific rules to prevail in certain regulated areas, thereby providing greater flexibility and legal certainty for international financial institutions.

To implement the Resolution, the Government has issued a series of implementing decrees, most notably Decree No. 323/2025/ND-CP, which establishes the governance framework for the IFC and identifies the priority sectors and services to be developed within the Centre, and Decree No. 324/2025/ND-CP detailing the financial policies applicable within the IFC, including tax incentives, capital mobility and operational mechanisms. Together with sector-specific regulations issued by competent authorities (including guidance on labor, employment and social security policies, land and environmental management, foreign exchange accounts, and other specialized financial activities), these instruments provide the foundational legal infrastructure for licensing, supervision and day-to-day operations of IFC members.

Notable documents

- Resolution No. 222/2025/QH15
- Decree No. 323/2025/ND-CP
- Decree No. 324/2025/ND-CP



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3. What activities occur in the IFC?

Vietnam IFC follows an ecosystem approach: functional zones for trading, banking, securities and related services, and supporting institutions including dispute resolution mechanisms designed to be credible to international participants. Implementation planning materials also reference development of modern financial markets and innovation approaches (including sandbox-style support), which suggests that fintech and market infrastructure may be prioritized early.

Because the detailed scope is subject to implementing instruments and licensing practice, investors typically assess “activity scope” in three (03) layers:

01

What are explicitly prioritized:

(i) IFC infrastructure development

(ii) Green finance and Environmental, Social & Governance (ESG)

(iii) Commodity markets, derivatives, and International trade finance

(iv) Fintech and innovation

(v) Investment funds and Asset management services

(vi) Professional support services

(vii) Other sectors

02

What are licensable and operationally supported:

(i) Banking and finance

(ii) Securities and investment

(iii) Fintech and digital assets

(iv) Market infrastructure

(v) Professional services

(vi) Non-financial entities

03

What are practically bankable given compliance and dispute resolution reality:

Projects that comply with high-standard Environmental, Social, and Governance (ESG) frameworks and utilize the newly established specialized dispute resolution mechanisms.

4. Incentives and Operating advantages (High level)

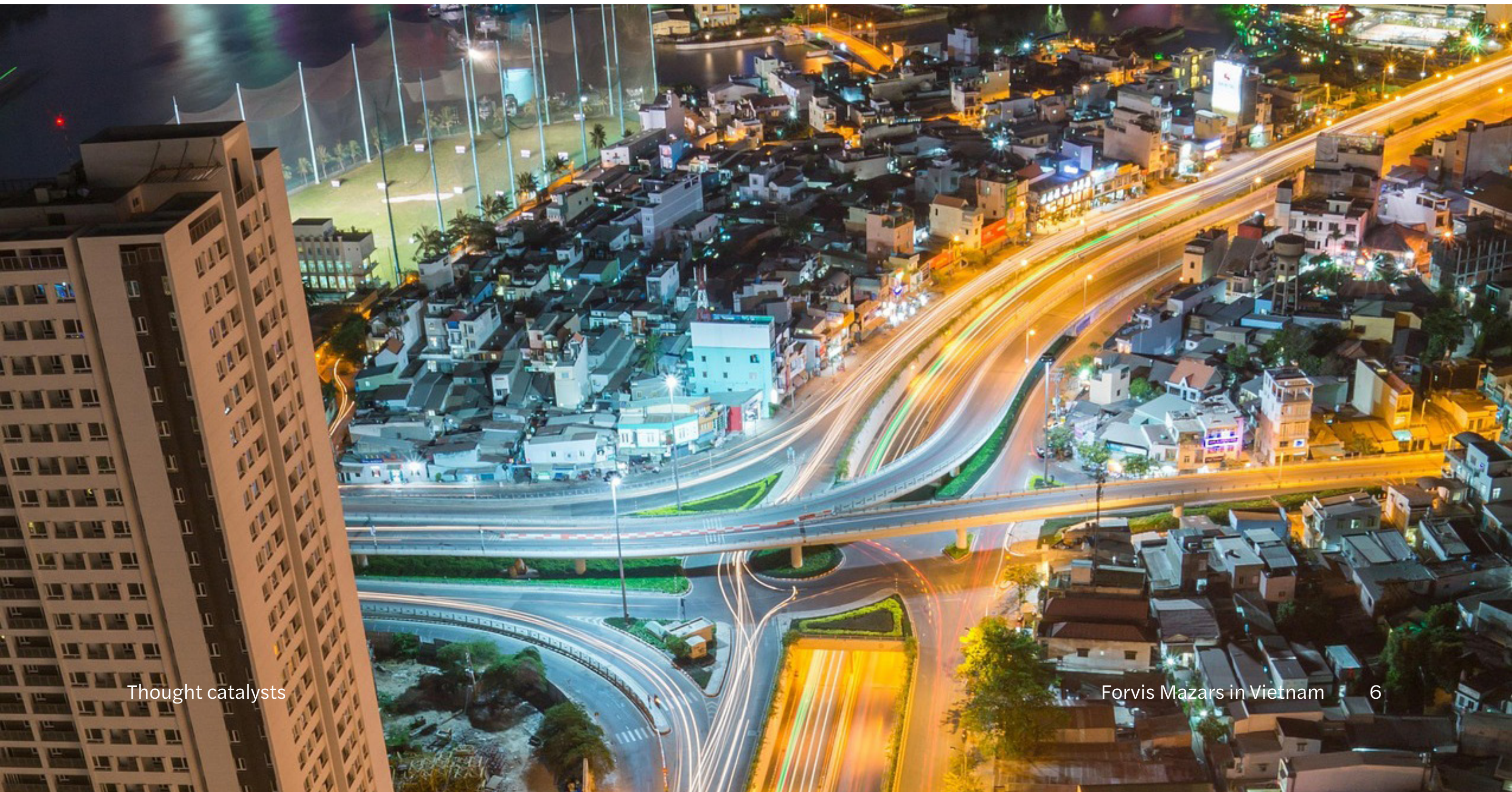
A competitive incentive package aimed at attracting global financial institutions and high-value investments is introduced. Key incentives include:

- **Corporate Income Tax (CIT) incentives:**

  (i) Eligible investment projects in priority sectors benefit from a preferential CIT rate of 10% for up to 30 years, together with a tax holiday of up to 4 years and a 50% reduction of CIT for up to the following 9 years.

  (ii) Projects outside the priority sectors may benefit from a 15% CIT rate for up to 15 years, a tax holiday of up to 2 years, and a 50% reduction of CIT for up to the following 4 years, subject to the applicable conditions.

- **Personal income tax exemption** until end-2030 for eligible experts and highly skilled professionals.
- **Import duty exemptions** are available for eligible technical equipment, software solutions and goods imported to form fixed assets of IFC investment projects, while cross-border imports and exports benefit from preferential customs procedures and applicable treaty-based tariff preferences, subject to statutory conditions.
- A **more liberal foreign exchange regime** facilitating cross-border transactions.
- Streamlined **one-stop licensing procedures**.
- **Work permits** (or work permit exemption certificates) for foreigners may be issued for up to 10 years, with a streamlined processing time of 3 working days.
- Eligible foreign investors, experts, managers and highly skilled professionals may obtain **UĐ1 visas or temporary residence cards valid for up to 10 years**, while accompanying family members are eligible for UĐ2 visas or temporary residence cards. Applications are processed within 3 working days, and long-term key personnel may be considered for permanent residence.
- **Regulatory sandbox** mechanisms to support fintech and other innovative financial services.



5. Benchmark considerations with regional peers

In September 2025, the 38th edition of the Global Financial Centers Index ("GFCI") was published with the following profile.

	Broad & Deep	Relatively Broad	Relatively Deep	Emerging
Global	**Global leaders** London New York Dubai Seoul Los Angeles Shanghai Tokyo Paris San Francisco	**Global diversified** Singapore	**Global specialists** Hong Kong Abu Dhabi Beijing	**Global contenders** Casablanca Mauritius
International	**Established players** Kuala Lumpur Boston Frankfurt Amsterdam Washington DC Zurich Chicago Sydney Busan Atlanta Melbourne Luxembourg Toronto Minneapolis / St Paul Edinburg Osaka Dublin Montreal Geneva Vancouver Miami	**Local diversified** Bangkok Madrid Brussels Warsaw Mexico City Sao Paulo Berlin Milan Munich Rome	**Local specialists** Doha Mumbai Labuan (Malaysia) Riyadh GIFT City-Gujarat Astana New Delhi Guangzhou Shenzhen Qingdao	**Evolving centers** Lagos Istanbul **Ho Chi Minh City** Johannesburg Manila Panama Taipei Jakarta Bahrain

5. Benchmark considerations with regional peers

	Broad & Deep	Relatively Broad	Relatively Deep	Emerging
	Established Players	**Local Diversified**	**Local Specialists**	**Evolving Centers**
Local	Copenhagen San Diego Stockholm Glasgow	Budapest Athens Vienna Prague Santiago Oslo Lisbon Helsinki Hamburg Calgary Stuttgart Wellington	Trinidad and Tobago St Petersburg Chengdu Gibraltar Lugano Isle of Man Jersey	Buenos Aires Baku Tehran Sofia Bogota Cyprus Riga Tallinn Rio de Janeiro Bahamas Almaty Tel Aviv Nanjing Malta Reykjavik Xi'an Dalian Hangzhou Wuhan Barbados Kuwait City Tianjin Guernsey Liechtenstein

Out of 120 centers assessed, Ho Chi Minh City was ranked #95. Compared to SEA peers, it was higher than Bangkok (#102), Manila (#104), but lower than Jakara (#91), Labuan (#60), Kuala Lumpur (#45), and Singapore (#4). Da Nang received 53 assessments in the previous 24 months, still short of hitting the 150-threshold required to be listed in the index.

Financial Centre Profiles Methodology:

Centres are profiled across three dimensions of competitiveness using clustering and correlation analysis: **Connectivity** measures global integration based on the ratio of inbound and outbound assessments (classifying centres as "Global" or "International"); **Diversity** evaluates the richness and evenness of a centre's business environment using biodiversity-style calculations; and **Speciality** measures depth across key industry sectors based on the variance between overall and sector-specific ratings. These axes combine to assign distinct competitive profiles to all 120 listed centres.

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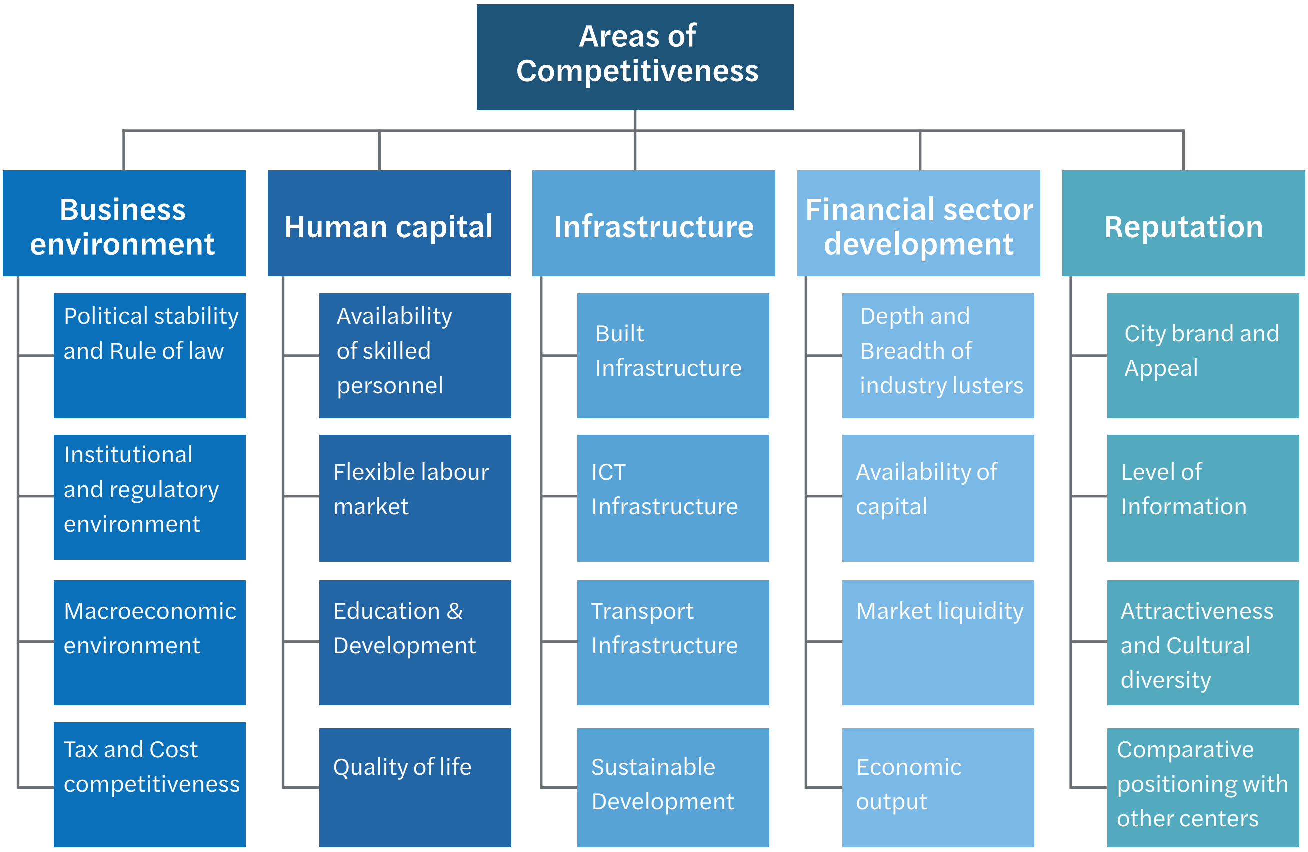
The instrumental factors used in the GFCI model are grouped into five broad areas of competitiveness: Business Environment, Human Capital, Infrastructure, Financial Sector Development, and Reputation.



Interestingly, Decision 114/QD-BCDTTTC organizes implementation of Vietnam IFC into five major task groups: (1) Legal framework, (2) Infrastructure and urban space, (3) Financial services and markets, (4) Human resources and ecosystem, and (5) Coordination and supervision. Contrasting with the five factors embedded in GFCI model demonstrates strong areas of overlap, highlighting the targeted approach of the Vietnamese government.

GFCI area of competitiveness	What the government has issued	Overlap assessment	Notes on divergence / what GFCI still "wants to see"
1. Business environment	Special, transparent legal framework; governance/supervision mechanisms; dispute resolution direction; coordination across agencies to make the regime workable.	High	GFCI "business environment" is broader than "good IFC rules": it reflects stability, predictability, regulatory quality and ease of doing business - often at country/city level too. Issued documents emphasize a superior IFC regime, but GFCI perceptions may still depend on consistency of enforcement and "whole-system" experience beyond the zone.

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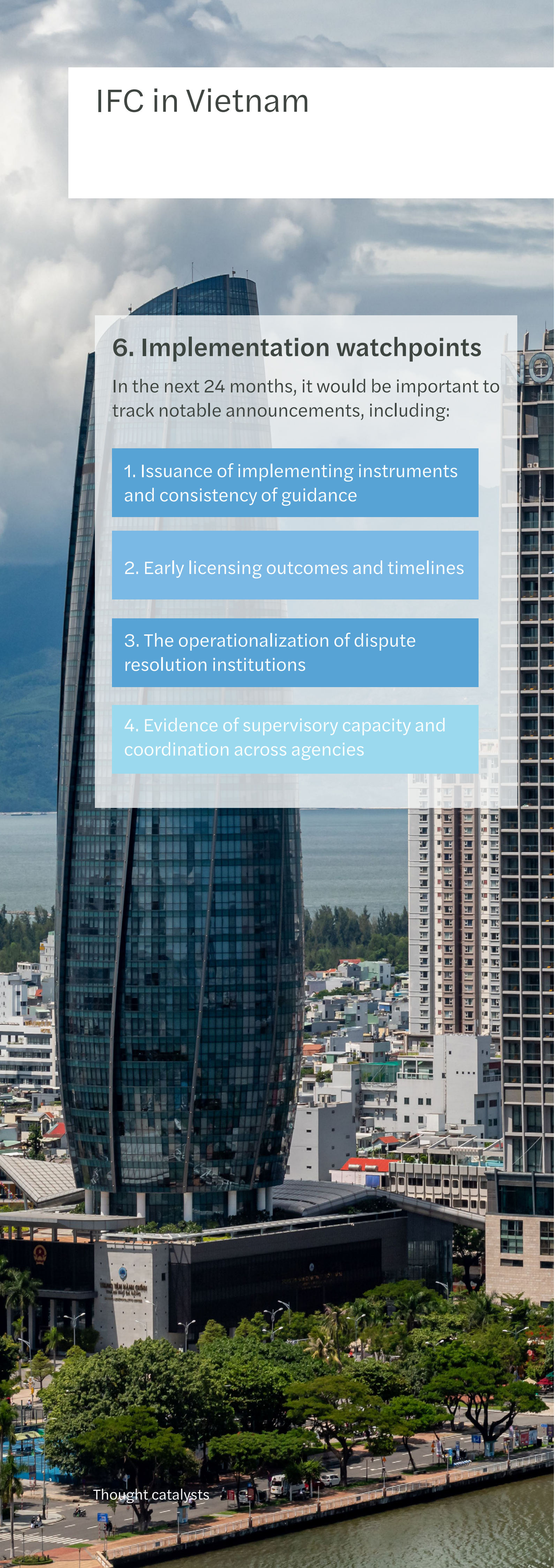
GFCI area of competitiveness	What the government has issued	Overlap assessment	Notes on divergence / what GFCI still "wants to see"
2. Financial sector development	Build a modern financial ecosystem including new markets (commodity exchanges, carbon trading), fintech/digital banking; Decree 323 also frames HCMC as comprehensive financial services hub; Da Nang as sandbox/digital assets/ digital payments & specialized exchanges, plus supply chain finance.	High	GFCI also "prices in" depth/ liquidity, breadth of institutions, product sophistication, and market connectivity. Government documents specify directions (exchanges, platforms, fintech, digital assets) but are lighter on how quickly deep liquidity and institutional clustering will be achieved (often an execution/ perception issue).
3. Infrastructure	Explicitly targeted: develop essential infrastructure - transport, telecommunications, logistics; "infrastructure and urban space" is a full task group; Decree 323 roadmap calls for key infrastructure projects and connectivity foundations.	High	GFCI infrastructure includes both physical and digital robustness that market participants "feel" (telecom resilience, office density, mobility, cost, etc.). The overlap is strong on intent; divergence is mainly whether delivery timelines and service quality meet global hub expectations.
4. Human capital	Human resources and ecosystem" is a major task group: train/attract high-quality financial professionals; build innovation/fintech ecosystem; ensure attractive living environment for international talent.	High	GFCI human capital also captures the depth of experienced global-standard practitioners and leadership pipelines. Issued plans speak to training/attraction; the gap is speed and scale - how fast Vietnam can import/retain senior talent and build specialist pools (structured finance, derivatives, risk, compliance, arbitration).
5. Reputational & general factors	Indirectly addressed: emphasis on "international standards", transparency, and (in Action Plan summaries) dispute resolution institutions and supervision, which can enhance trust.	Partial	This is where divergence is most visible. GFCI reputation is strongly perception-driven: trust in legal/ regulatory systems, international influence, brand recognition, track record. Government documents can signal intent, but reputation is earned through consistent outcomes (credible enforcement, reliable dispute resolution, stable supervision, successful market events).



6. Implementation watchpoints

In the next 24 months, it would be important to track notable announcements, including:

1. Issuance of implementing instruments and consistency of guidance

2. Early licensing outcomes and timelines

3. The operationalization of dispute resolution institutions

4. Evidence of supervisory capacity and coordination across agencies

In addition, despite having 6 centers in the world top 15, APAC has seen its fair share of cautionary tales over the years. Notable case studies are:

- Placement of UAE on FAFT's "grey list" in March 2022 due to lack of demonstration of effectiveness in AML/CFT outcomes, including supervision of DNFBPs, frequent assessments, and penalties/enforcement actions.
- Bahrain's long-standing hub status was challenged by unrest; contemporary reporting noted banks relocating staff and assets to other Gulf hubs perceived as safer (Dubai/Doha/Abu Dhabi), worsening an already competitive environment.
- GIFT City - India was conceived long before it gained momentum; coverage highlights it took more than a decade to materialize, with major inflection points tied to improved policy clarity and establishment of a unified authority (IFSCA) and clearer fund regulations.
- Labuan has long faced "tax haven" perception risks; even technical materials note Malaysia intentionally avoided the label, yet Labuan's low-tax regime created that perception and triggered treaty partner limitations.
- The collapse of Bangkok International Banking Facility to channel offshore funds through Bangkok in 1990s due to ineffective capital management mechanisms, currency and maturity mismatch, lack of sector concentration controls, data blind spots and regulatory capital lag.

In conclusion, implementation of IFC must be carried out effectively, comprehensively and with purpose to avoid regulatory integrity failures and execution foundering. Done right, it can reshape how Vietnam finances growth, manages risk, and positions itself in global capital networks - with spillovers into real economy competitiveness and institutional quality.

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