



PwC Vietnam Newsbrief

New regulations enhancing private sector incentives and support

February 2026





At a glance

On 15 January, the Government released Decree 20 providing guidance on certain provisions in Resolution 198/2025/QH15. Decree 20 took effect on 15 January 2026, except for certain clauses which are applicable for 2025 tax year or which took effect from the effective date of Resolution 198, i.e. 17 May 2025.

Highlights



Decree 20 provides guidance on the tax incentives & support for private sector and innovative enterprises included in Resolution 198.

01

Land rental support

A 30% reduction in land rental fees for high-tech enterprises, SMEs, and innovative startups operating in industrial parks, clusters, and technology incubators for their first five years.

Implementing guidance under Decree 20:

- Land rental reductions that developers grant to eligible tenants will be reimbursed by the State budget or offset against the land rental payable by the developers.
- Companies that have benefited from land rental reductions are required to reimburse the State Budget in certain cases, such as violations of investment laws, land laws or unqualified land use right transfers.
- If subsequent inspections or audits indicate that a company was not eligible, it must reimburse the principal amount plus interest.

02

Tax incentives

2.1. Innovative startups, investment fund management companies for innovative startups, intermediary organization supporting innovative startups enjoy a 2-year corporate income tax (“CIT”) exemption followed by a 4-year 50% reduction.

Implementing guidance under Decree 20:

- The incentive period starts in the 1st year a company generates taxable profits from qualified activities. If the company does not generate qualified taxable profits within the first 3 years (counting from the year revenue is first generated), the tax exemption/reduction period will commence from the 4th year.
- Companies must maintain separate accounting records for profits derived from qualified activities. If such separation is not feasible, the incentivised profits should be apportioned based on the ratio of revenue or expenses related to the qualified activities over the company’s total revenue or expenses.

Highlights



2.2. Newly registered SMEs enjoy a 3-year CIT exemption.

Implementing guidance under Decree 20:

- CIT incentives shall commence from the date of the initial Enterprise Registration Certificate.
- This incentive does not apply to companies formed through mergers, acquisitions, divisions, separations, or conversion of legal forms or new enterprises where the owner or legal representative previously held a similar position in a dissolved entity within the last 12 months.

2.3. PIT and CIT exemptions for income from transfers of shares or capital related to innovative startups.

Implementing guidance:

- These incentives do not apply to the transfer of shares in public or listed companies.
- In the event of the sale of a one member LLC or private company associated with real estate, tax shall be calculated based on the rules for real estate transfer activities.

2.4. Experts and scientists working for innovative startups, research and development centers, innovation centers, intermediary organization supporting innovative startups enjoy a 2-year PIT exemption plus 4-year 50% PIT reduction.

Implementing guidance: If an individual has multiple sources of income, the tax exemption/reduction shall be calculated based on the ratio of eligible incentive income to total taxable income.



Highlights



03

Large enterprises can deduct training expenses for SMEs in their supply chains.

Implementing guidance: Decree 20 defines “large enterprise”, “training expense” and “SMEs in the supply chain”.

- Large enterprises are those which are not considered as micro, small or medium enterprises as defined in the Law supporting small and medium enterprises
- Training expenses are determined based on the Labour Code and its implementing guidance
- SMEs in the supply chain are those who have contracts signed with Large enterprises.

04

Supporting research, development, and application of science, technology, innovation, and digital transformation:

Companies can establish relevant funds up to 20% of taxable profits. Companies can claim a double tax deduction for expenses incurred for R&D activities.

Implementing guidance: The fund for the development of science, technology, innovation, and digital transformation is the company’s science and technology development fund as prescribed by the Law on Science, Technology, and Innovation and its guiding legal documents. The establishment of the fund is in accordance with the CIT regulations.

Highlights



05

Support for small, micro, and individual businesses:

Free digital platforms, accounting software, and consulting services on legal, accounting, tax, and human resource matters.

Implementing guidance:

- Free accounting software and digital platforms will be provided:
 - Applicable to micro-enterprises, small enterprises, business households and individuals.
 - Free digital platforms include accounting software with integrated electronic invoicing and digital signatures.
- Free training support for management
 - Applicable to micro-enterprises, small enterprises, business households and individuals.
 - The State budget funds corporate governance training courses (including accounting, tax, human resources).

Decree 20 brings a range of enhanced tax incentives and support measures designed to help innovative startups, SMEs, and private sector businesses. To take full advantage of these opportunities, it is important to understand the eligibility criteria, compliance requirements, and how to properly account for the incentives. Please reach out to your PwC contact to learn how we can assist you in leveraging the opportunities under Decree 20.

Contact us

This publication has been prepared for general guidance on matters of interest only, and does not constitute professional advice. For further information, please reach out to us.



Nguyen Huong Giang

Partner

n.huong.giang@pwc.com



Giang Bao Chau

Partner

giang.bao.chau@pwc.com



www.pwc.com/vn