

Vietnam: Official Introduction of Vietnam's First AI Act

Asia & Data Protection Newsletter

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1. Introduction

On June 14, 2025, the Law on Digital Technology Industry (“**DTI Law**”) was officially adopted by the National Assembly of Vietnam after approximately four years of conceptualization and preparation. The DTI Law is now the highest-level legal framework on Artificial Intelligence (AI) in Vietnam, which is believed to be the first nation to enact a specialized act governing digital industrial technologies, such as semiconductors and AI. The DTI Law is expected to be a policy tool for nationwide transformation, which will boost technology enterprise growth and contribute to the reinforcement of Vietnam’s global ranking.

On June 12, 2025, the Prime Minister of Vietnam issued a list of strategic technologies and technological products in Vietnam, which encompasses (i) cutting-edge technologies such as AI, digital twinning, virtual reality (VR), and augmented reality (AR), and (ii) technology products, such as large language models (LLM) in Vietnamese, virtual assistants (VA), and the metaverse. These strategic technologies and products are expected to be implemented across a wide range of socio-economic sectors in Vietnam, like agriculture, the environment, tourism, sports, culture, commerce, transportation, construction, health, education, banking, and finance.

This decision, together with the DTI Law, has kickstarted promising journeys for businesses engaging in the development and implementation of technology, as well as those that wish to take advantage of new technologies to optimize traditional operations.

This newsletter will share some key points to note regarding the DTI Law, with a focus on AI regulations.¹

2. Key Takeaways Related to AI

- (i) **Definition of AI Systems:** The DTI Law defines an “AI system” as a machine-based system designed to operate with varying levels of autonomy, which may exhibit adaptiveness after deployment to achieve express or implicit objectives, and that makes inferences based on the input it receives to generate predictions, content, recommendations, or decisions that can influence physical or digital environments. An AI system is a technological product that integrates hardware, software, and data. The definition in the official version of the DTI Law has changed dramatically from those in previous drafts, and is close to the definition of AI System in the EU’s AI Act. This demonstrates that the Vietnamese legislators made great efforts to harmonize the legal framework in Vietnam with those of more developed countries, and to close

¹ This newsletter was drafted before the official text of the DTI Law was made available to the public, and relied upon the draft version submitted to and adopted by the National Assembly of Vietnam, available at <https://duthaonline.quochoi.vn/dt/luat-cong-ngheiep-cong-nghe-so/227FC1CB3E20>.

the gaps between them. Notably, unlike the previous drafts, the official DTI Law does not include a standalone definition of AI. Instead, AI is considered to be included in the broader concept of “digital technology,” which enables the DTI Law to survive rapid developments in AI technology.

- (ii) **Encouragement and Prohibition**: AI is set to be a new manufacturing mean for all industries and socio-economic sectors. Vietnam promises to offer the most favorable incentives for the study, development, deployment, and use of AI. However, the DTI Law strictly prohibits any use, provision, or implementation of AI systems that infringe the interests of the nation and the people, national defense and security, social safety and order, the public interest, human rights, citizens’ rights, and the legitimate rights and interests of organizations and individuals, or that sabotages fine customs and traditions.
- (iii) **Special Treats for AI High-Quality and Talented Personnel**: Any individual, regardless of nationality, who meets the requirements to be considered as “AI High-quality personnel” or “AI-Talented personnel” as defined by the government or laws on science, technologies, and creative innovations, is eligible to enjoy the following notable incentives:
 - (a) **Immigration support**. If the individual is a foreigner, (s)he can get a temporary resident card for five years, compared with the two years normally granted to most foreign workers. In addition, the individual’s spouse and children (under the age of 18) can obtain temporary resident cards for the same length of time.
 - (b) **Tax exemption**. Five years of exemption from personal income taxes, measured from the first date of the term of a contract executed with Vietnamese agencies, organizations, and individuals for income earned from AI systems research, development, or production or AI training activities.
 - (c) **Work permit exemption**. No work permit is required.
 - (d) **Other support specifically designed for AI-talented personnel**. In addition to the benefits listed above, a person who qualifies as an “AI Talented person” will earn internationally competitive salaries and bonuses, as well as benefits relating to workplaces, accommodations, and special travel support, the further details of which will be announced by the government.
- (iv) **Incentives for Businesses Engaging in AI Activities**: The DTI Law classifies AI systems development and AI data center development projects as lines of business that are eligible for special investment incentives under investment, tax, land, customs priority, and other laws and regulations.
- (v) **Principles for AI Practices**: The development, provision, implementation, and use of AI must comply with certain fundamental principles:
 - (a) Serving human prosperity and happiness, ensuring human-centeredness, enhancing productivity and work efficiency, promoting “thông minh hóa” (*which is a new concept in Vietnamese that might be similar to “intellectualization”*), being accessible in a manner that is inclusive, flexible, and equal, without discrimination, respecting ethics, national values, human rights, citizens’ rights, and the legitimate rights and interests of organizations and individuals;
 - (b) Upholding principles of transparency, explainability, and accountability, remaining within human

- control;
- (c) Ensuring cyber safety and security;
- (d) Ensuring compliance with laws and regulations on data and personal data protection;
- (e) Ensuring the ability to control AI algorithms and models;
- (f) Controlling risks for an AI system's lifespan; and
- (g) Ensuring compliance with consumers' rights protection laws and other relevant regulations.

Ministerial leaders will issue specific guidance on these principles that fit the actual demands of the fields and industries under their management.

(vi) **AI System Classification and Administration:**

The DTI Law classifies AI systems into the following categories, which correspond to different levels of administration:

- (a) High-risk AI systems: the system, when used in certain ways, can pose serious harms or risks to human health, human rights, citizens' rights, the legitimate rights and interests of organizations and individuals, the public interest, social safety and order, except when used in certain circumstances;
- (b) Large-impact AI systems: a system that is used for multiple purposes, with numerous users, parameters, and data; and
- (c) Other types of AI systems: AI systems other than those in items (a) and (b) above, as well as high-risk AI systems specified in item (a) above that are used (1) to perform tasks with a narrow scope of impact, (2) to support humans in optimizing work results, and/or (3) to check errors in work previously completed by humans, which is not meant to replace human decisions.

The foregoing is the only classification AI systems provided in the DTI Law, meaning that any AI system, whether or not technically classified as any other type, for example, generative AI, reactive machine AI, general AI, or super AI, will be classified into one of the aforementioned categories, and subject to corresponding statutory requirements, in Vietnam. Nonetheless, other classifications based on other classifying criteria might be introduced later on by the government or relevant specialized ministries, in subordinate legal documents, so that different AI systems can be managed appropriately within specific industries.

The AI systems mentioned in items (a) and (b) above will be subject to stringent administration requirements, including technical requirements, transparency in storing and providing information, data management, supervision, and inspection, network safety and security, and other requirements. The government is tasked with establishing the details of those administration requirements. On the other hand, the AI systems in item (c) above appear not to be subject to any stringent administration requirements, although the stakeholders in those systems remain subject to the fundamental principles mentioned in item (v) and the requirements in item (vii) below, as noted in item (viii) below, as well as any additional requirements generally applicable to AI that may be issued by the government. Additionally, because the DTI Law provides for only a general legal framework for AI systems, the details of which will be developed and enacted by the government and competent ministries, some specific obligations tailored to specific types of AI (e.g., generative AI) may be announced or established by these authorities to address issues specific to those types of AI and their uses.

- (vii) **AI System Identification Marking**: If AI systems are able to interact directly with users, the users of the AI systems must be notified that they are interacting with AI systems, unless it is obvious to the users that they are interacting with AI. In addition, digital technology products created by AI systems that fall within a list to be issued by the Ministry of Science and Technology must bear identification marks so that the products can be identified by users or by other machines.
- (viii) **Key Responsibilities of Stakeholders in Development, Provision, Implementation, and Use of AI Systems**: The DTI Law provides for three types of stakeholders in AI practices, including AI system developers (*who perform research and development of AI systems*), AI system providers (*who distribute AI systems into the market under their own trademarks*), and AI system deployers (*who have the authority to administer AI systems*). Based on their roles and involvement in AI activities, they must comply with the principles for AI practices, management requirements, and identification marking requirements mentioned in items (v), (vi), and (vii) above. Notably, among the three types of stakeholders, AI system providers must comply with the most extensive set of principles and requirements. On the other hand, AI system deployers are exempt from the obligation to comply with the requirements for ensuring the ability to control AI algorithms and models and the identification marking requirements; AI system developers are only required to follow the principles for AI practices.

3. Conclusion

The DTI Law will take effect on January 1, 2026, except for certain articles relating to incentives for digital technology (including AI activities) that will come into effect earlier (on July 1, 2025). Businesses that engage in AI practices in Vietnam will have about six months to prepare for compliance. However, because the DTI Law is designed to establish only fundamental frameworks, and many detailed subordinate regulations are still under development and unknown to the public, the implementation and enforcement of this law remain somewhat difficult, as a practical matter. We believe that certain provisions of the DTI Law might not be enforced strictly by the authorities on, and shortly after, the effective date, due to lack of detailed guidance. Businesses might enjoy somewhat relaxed requirements even after January 1, 2026.

Nonetheless, given the fast, decisive moves of the Vietnamese government and the Communist Party of Vietnam, there is a high possibility that the detailed subordinate regulations will be enacted by January 1, 2026, to ensure smooth implementation of the DTI Law. For that reason, we strongly recommend that businesses start considering their individual roadmaps and plans to comply with, and take advantage of, this remarkable legislation as soon as possible, and to the greatest extent possible. In the meantime, businesses should continue monitoring the development of the subordinate regulations to ensure appropriate modification to, and implementation of, their business plans.

Our firm is committed to supporting businesses through this dynamic period, and to providing the insight and guidance necessary to navigate the complexities and capitalize on the opportunities presented by this and other emerging legislation. Please feel free to reach out to us if you have any questions or would like assistance.

Other AI newsletters from our firm can be found at the links below:

- ❖ [Vietnam: Key Updates on Artificial Intelligence \(AI\) and AI Systems | N&A Newsletters | Knowledge |](#)

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- ❖ [Law on Digital Technology Industry \(Version 4.0\) | N&A Newsletters | Knowledge | Nishimura & Asahi](#)
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