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## VIETNAM'S NEW TECHNOLOGY TRANSFER FRAMEWORK AND ITS IMPLICATIONS FOR FOREIGN INVESTORS

### OVERVIEW

Vietnam's technology and investment landscape is evolving rapidly as digitalisation, advanced manufacturing and technology-driven business models become increasingly important to the country's economic development. Against this background, the amended Law on Technology Transfer, effective from April 01, 2026, represents an important development in the legal framework governing the transfer and commercialisation of technology in Vietnam.

The new framework takes a broader approach to transferable technology and creates stronger links between technology transfer, foreign investment and domestic technological development. At the same time, it introduces important regulatory considerations concerning restricted technologies, technology appraisal and cross-border transfers. For foreign investors and foreign-invested enterprises, technology transfer is therefore becoming an increasingly important consideration when structuring investments and commercial arrangements in Vietnam.



## A BROADER SCOPE OF TRANSFERABLE TECHNOLOGY

One of the most significant developments is the broader recognition of the types of assets and technical resources that may form part of a technology transfer. Modern technology transactions increasingly involve intangible assets such as software, technical data, algorithms, formulas, know-how and digital solutions rather than traditional manufacturing processes alone. The revised framework reflects this development by expressly recognising a wider range of technological objects that may be transferred. This is particularly relevant to businesses operating in technology-intensive sectors where multiple forms of technology may be provided as part of the same commercial arrangement.

Accordingly, foreign businesses should identify the technological components of a transaction at an early stage and determine how each component should be treated under the applicable legal framework. Technology-transfer agreements should clearly describe the technology being transferred and distinguish it, where appropriate, from intellectual property rights, technical services, equipment and other commercial elements. In addition, clear contractual allocation of ownership, permitted use, confidentiality obligations and restrictions on further transfer can help businesses manage both regulatory and commercial risks.

## TECHNOLOGY TRANSFER AS AN INVESTMENT STRATEGY

The amended framework also reflects Vietnam's policy objective of encouraging foreign investment that contributes to domestic technological capabilities. Foreign investment projects involving technology transfer, workforce training, research and development, design or manufacturing activities may benefit from a more favourable policy environment. As a result, technology transfer should not necessarily be treated as a separate contractual issue to be addressed only after an investment has been established. Instead, it may form part of the investment strategy from the beginning, particularly for technology-intensive projects.

Against this background, foreign investors may wish to consider how technology, technical know-how, employee training and R&D activities can be incorporated into the overall structure of an investment project. For example, businesses establishing manufacturing, engineering or software-development operations in Vietnam should assess how proprietary technologies and technical information will be made available to their Vietnamese operations. By integrating these matters into investment planning at an early stage, businesses may be better positioned to identify potential incentives while ensuring that their project structure is consistent with the applicable technology-transfer framework.

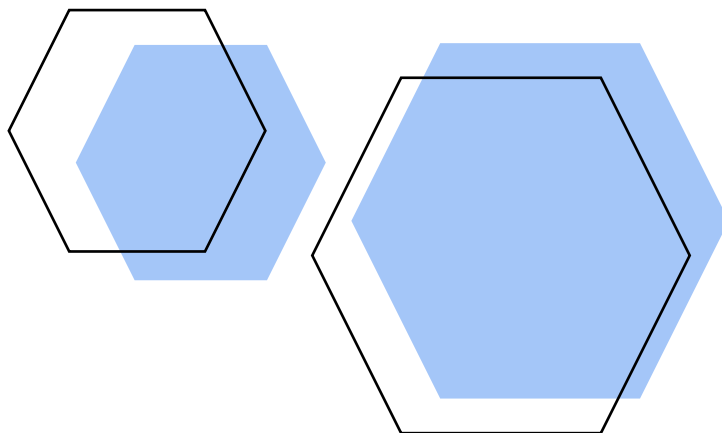
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## REGULATORY REQUIREMENTS FOR TECHNOLOGY TRANSFERS

While the amended law creates greater opportunities for technology commercialisation, Vietnam continues to maintain regulatory oversight over certain categories of technology. Technologies may fall within encouraged, restricted or prohibited categories, and this classification can significantly affect the structure and timing of a transaction. In particular, restricted technologies may be subject to technology-transfer licensing requirements, while prohibited technologies cannot be transferred. Cross-border transactions may also require additional consideration where technology is transferred into or out of Vietnam through licensing, technical cooperation or intra-group arrangements.

Therefore, technology classification should be considered before transaction documents are finalised. Foreign licensors and investors should identify the relevant regulatory requirements, competent authorities and potential cross-border restrictions at an early stage. In addition, multinational groups that routinely share software, technical documentation, know-how or other technology among affiliated companies should review whether such intra-group arrangements fall within the applicable technology-transfer regime. Early assessment can help avoid unexpected licensing requirements or delays after the commercial terms of a transaction have already been agreed.





## TECHNOLOGY APPRAISAL AND INVESTMENT APPROVAL

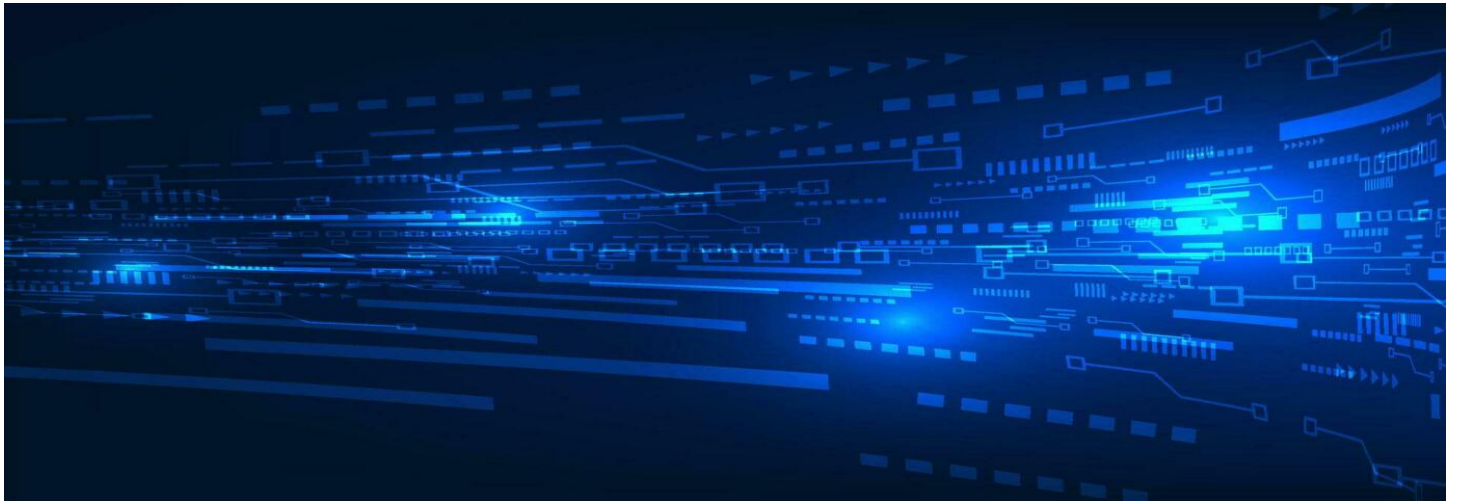
Technology regulation may also interact directly with Vietnam's investment approval framework. Certain investment projects involving restricted-transfer technology or technologies that may adversely affect the environment may be subject to technology appraisal or technology-related opinions. Importantly, these requirements may arise during the investment-policy approval or investment-decision process rather than after the project has already been approved. Technology-related regulatory issues can therefore affect not only compliance obligations but also the overall timetable for establishing and implementing an investment project.

Accordingly, foreign investors should determine at the project-development stage whether the proposed technology may trigger appraisal requirements and prepare the necessary technical documentation in parallel with the relevant investment procedures. At the same time, close coordination between legal, technical and investment teams can be important because the characteristics of the technology may directly influence the applicable approval process. Addressing these issues early can reduce the risk of technology-related requirements delaying investment approval or project implementation.

## MANAGING EXISTING AND FUTURE ARRANGEMENTS

The amended framework also highlights the importance of effective internal management of technology deployed or transferred in Vietnam. Foreign businesses should maintain appropriate records identifying the relevant technologies, the entities entitled to use them and the contractual basis for such use. Moreover, technology-transfer arrangements should be coordinated with related intellectual property, confidentiality, data and commercial agreements, particularly where a transaction involves proprietary software, technical information or confidential know-how.

At the same time, businesses should review existing technology-transfer arrangements when they are amended, renewed or expanded. Transitional provisions may preserve the continuity of agreements or pending dossiers established under the previous legal framework, but subsequent changes may raise new regulatory considerations. Therefore, maintaining clear records and periodically reviewing existing arrangements can help businesses identify whether additional licensing, appraisal or contractual measures may become necessary.



## CONCLUSION

Vietnam's amended technology-transfer regime reflects a broader shift in the role of technology within foreign investment. Technology is increasingly viewed not merely as an asset transferred under a commercial contract but also as an important element of investment policy, industrial development and domestic innovation. For foreign investors, this creates opportunities to integrate technology transfer, R&D, workforce development and localisation into their long-term investment strategies.

At the same time, these opportunities should be considered alongside the regulatory classification of technology, licensing requirements, technology appraisal and cross-border restrictions. Accordingly, businesses planning technology-intensive investments in Vietnam should assess the relevant technology and regulatory requirements before finalising their transaction structures. By incorporating technology-transfer considerations into investment planning from the outset, foreign businesses can better manage regulatory risks while taking advantage of the opportunities presented by Vietnam's evolving technology and investment framework.

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#### CONTACT

## DAITIN & ASSOCIATES

Lawyers and Consultants

*Please contact Daitin & Associates if you require any further information or guidance in the procedures of acquiring, protecting intellectual property rights in Vietnam | Cambodia | Laos | Myanmar | Thailand | Philippines | Brunei | Indonesia.*

[info@daitin.com.vn](mailto:info@daitin.com.vn) | [www.daitin.com.vn](http://www.daitin.com.vn)

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