

WHAT INCENTIVES APPLY TO ENTERPRISES OPERATING AT THE VIETNAM NATIONAL INNOVATION CENTER?

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On May 5, 2025, the Government issued Decree 97/2025/ND-CP stipulating incentives and policies for the Vietnam National Innovation Center (NIC) (**Decree 97**). The Decree was issued when several regulations on incentives and policies for the NIC, organizations, and individuals operating at the NIC needed a breakthrough to promote creative startup and innovation activities. Decree 97 takes effect from the date of issuance and replaces Decree 94/2020/ND-CP, which stipulates the same content.

Regarding the incentives and policies for enterprises operating at the NIC, Decree 97 generally **inherits** the provisions of Decree 94/2020/ND-CP while **removing** certain unnecessary clauses already stipulated in other decrees, such as the provisions on bidding incentives for creative startups. Below are some outstanding preferential policies and support mechanisms applied for creative startups and innovative enterprises operating at the NIC:

- **Investment credit incentives:** Investment projects subject to the list of projects eligible for State investment credit loans may access such loans if they fully meet the loan conditions. They are also eligible to receive funding, support, loans, and loan guarantees from non-budgetary state financial funds and financial institutions (applicable to creative startups).
- **Support from the NIC:** They may receive supports from the NIC in several activities such as carrying out administrative procedures in the process of research, investment, business and commercialization of their products and services; conducting procedures on entry visas, work permits, residence permits; advertising, promoting investment and connecting with the innovation and

startup ecosystem; setting up offices, research and production areas, technology display areas and using laboratories, testing facilities, inspection facilities, other facilities and utilities of the NIC.

- **Business registration and establishment of industrial property rights:** When registering to establish a business, the enterprises are granted the business registration within one working day from the date when the business registration authority receives the valid business registration dossier; they are given priority to carry out procedures for establishing industrial property rights ahead of schedule upon request.
- **Some other incentives and policies:** The enterprises are allowed to mobilize and receive funding from research and innovation funding programs of the State, domestic and foreign enterprises, organizations, and individuals under the law to implement ideas based on the utilization of intellectual property assets, technologies, and new business models with high growth potential. They may also enjoy incentives, policies and favorable administrative procedures under the law to carry out innovation and startup activities.

In addition to the provisions on incentives and policies, Decree 97 also **replaces/supplements some terms** that have not been defined in relevant legal documents or have been defined but are not clear or consistent, thereby creating a basis for determining subjects



entitled to policies and incentives. Specifically, instead of only stating the definition of “creative startups” as in the previous decree, Decree 97 has replaced it with the definition of creative startups operating at the NIC to further emphasize the subjects applied with the policies and incentives related to the NIC. Decree 97 also supplements the definition of an innovative enterprise operating at the NIC, which is “*an enterprise operating at the NIC with new or improved products, services or production and business processes [...]*”, thereby clearly separating the subjects entitled to particular incentives and policies. Furthermore, Decree 97 **supplements several new incentives and policies for the NIC** as compared to the previous regulations, for example: (i) Foreigners working at the NIC are exempt from obtaining a work permit in some specific cases; (ii) The NIC is allowed to utilize public assets to provide services for incubation, consulting, training, investment networking, startup support, etc. according to its assigned functions and tasks.

It can be seen that Decree 97 has continued to improve the incentives and policies to encourage startup and innovation activities in Decree 94/2020/ND-CP, creating a more favorable legal basis for the NIC's operations, promoting the formation and development of startups in Viet Nam. To ensure their rights and interests, individuals and organizations operating at the NIC, especially creative startups and innovative enterprises, should study the provisions of Decree 97, work and discuss further with the NIC as well as relevant agencies and units (if necessary) to enjoy the most available incentives and policies in the process of implementing their creative startup and innovation activities.