TRAN DIEU LINH

DECREE 260/2026/ND-CP: A BREAKTHROUGH IN SUPPORT POLICIES FOR HI-TECH AND STRATEGIC TECHNOLOGY START-UP ENTERPRISES

On June 30, 2026, the Government issued Decree 260/2026/ND-CP providing details and guidelines for implementation of a number of articles of the Law on High Technology No. 133/2025/QH15 (**Decree 260**), which took effect on July 1, 2026. In addition to preferential and support policies for organizations and individuals conducting scientific research and development of high technology and strategic technology, as well as the criteria for hi-tech and strategic technology enterprises, Decree 260 marks an important turning point by, for the first time, establishing criteria and incentive mechanisms specifically for start-up enterprises in these fields. It is regarded as a key legal lever to accelerate the innovation ecosystem and nurture potential hi-tech and strategic technology start-up enterprises. Below are some key points that investors and startups should pay attention to:

***Firstly*, regarding the criteria for identifying hi-tech start-up enterprises and strategic technology start-up enterprises**. Aside from 2 foundational criteria set out under the Law on High Technology 2025 (possessing technology protected by intellectual property rights or having the lawful right to use such technology, and implementing transparent corporate governance in compliance with the laws), Decree 260 supplements 3 specific groups of conditions as follows:

- Conducting research and development of high technology, strategic technology, hi-tech products, or strategic technology products falling within the Lists issued by the Prime Minister;
- Having a technological solution, product, or technology-based business model that is innovative and capable of rapid growth, and meeting one of the following criteria: (i) for an

enterprise that has been operating for 03 years or more: having an average revenue growth rate of at least 20%/year in 02 consecutive years; or (ii) having a technology or product that is ready for transfer or commercialization, with actual application, testing, or transaction results, and a feasible commercialization plan;

- Having the capacity to expand into domestic or international market based on an assessment of competitiveness, the ability to replicate the business model, the level of participation in distribution networks and value chains, the ability to meet international standards, market development strategy, and implementation organization capacity.

***Secondly*, regarding the "dual incentive" mechanism - enjoying both start-up policies and hi-tech policies concurrently**. This is the most significant breakthrough of Decree 260 for hi-tech start-up enterprises and strategic technology start-up enterprises. In particular, besides the incentive for start-up enterprises prescribed in Decree 20/2026/ND-CP and the mechanism for accessing national/local venture capital funds under Decree 264/2025/ND-CP, hi-tech and strategic technology startups shall also be entitled to the following incentives and subsidies:

- Being entitled to the incentives and subsidies prescribed in Articles 4 and 5 of Decree 260 when participating in the performance of hi-tech tasks or strategic technology development tasks, most notably: receive subsidies **up to 100% of funding for hi-tech tasks commissioned by the State**, funded by the National Foundation for Science and Technology Development Fund, the Science, Technology and Innovation Development Funds of ministries, ministerial-level agencies, other central agencies, and provincial People's Committees; **be exempt from import tax on specialized machinery, equipment** used directly for hi-tech research and development; **be exempt from personal income tax** on the portion of salaries and wages arising from the performance of hi-tech tasks for individuals who directly conduct hi-tech research and development; **receive subsidies up to 100%** of consultancy costs for **preparing intellectual property registration dossiers**; and, remarkablely, **receive interest rate support equal to 70%** (not exceeding 8% per year for high technology) **or 100%** (not exceeding 10% per year for strategic technology) of the loan interest rate under credit contracts between credit institutions and enterprises, for a support period of up to 5 years;
- **Being exempt from 100%** of costs for **the first 3 years** and entitled to a **reduction of 50% of costs in subsequent years when using national key research centers, testing centers, laboratories** invested by the State;
- Being permitted to participate in sandboxes in accordance with laws on science, technology, and innovation;
- Being given priority consideration for co-investment, investment, guarantees, technical support, or support in preparation to raise capital from the National Venture Capital Fund, local venture capital funds, and other lawful funds.

This "dual incentive" mechanism enables hi-tech start-up enterprises and strategic technology start-up enterprises to access two policy systems at the same time – start-up support and hi-tech support. As a result, it significantly eases the financial pressure in the early stage, which demands substantial research and development costs while carrying high commercialization risk.

Overall, Decree 260/2026/ND-CP has established a dedicated and highly encouraging legal framework for hi-tech and strategic technology start-up enterprises - the group of enterprises characterized by large capital needs, long research cycles, and high market risks. For any further inquiry or information from Clients and readers relative to the regulations applicable to these start-up enterprises, or accessibility to the incentives under Decree 260/2026/ND-CP, NHQuang&Associates is willing to provide support.