

Time, Structure, and Opportunity

Resolution 198/2025: A Strategic Window for Those Who Align in Time

Vietnam's Resolution 198/2025 quietly reshapes the business landscape.

For those who understand its timing and structure, it opens the door to multi-year incentives, operational clarity, and competitive advantage.



Resolution 198/2025/QH15: Quietly Recrafting Vietnam's Private Economy

In May 2025, Vietnam's National Assembly adopted Resolution 198/2025/QH15, formalising a reform agenda with profound implications for the private sector. Though understated in public debate, its significance for enterprise leaders is considerable.

A Legislative Response to Strategic Direction

Earlier that month, Resolution 68-NQ/TW was issued by the Politburo, reasserting the central role of the private economy in Vietnam's long-term development. The document marked a philosophical and political shift: from cautious support to active empowerment. With Resolution 198, this vision took legal form.



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The resolution provides a combination of tax incentives, financial support, and procedural simplifications: from corporate income tax exemptions for new businesses, to reduced personal income tax for talent in innovative sectors, to interest subsidies for environmentally aligned projects. A core component is regulatory relief – moving away from excessive inspections and punitive enforcement towards supportive supervision and simplified licensing processes.

To fully benefit from this transition, businesses must understand more than the general intent. They need precise implementation guidance. It is in this space that firms like **VIET Transformation Advisors** have become quietly indispensable – assisting senior management teams in adjusting business timelines, organisational structures, and regulatory strategies to meet

the new eligibility requirements. J – k



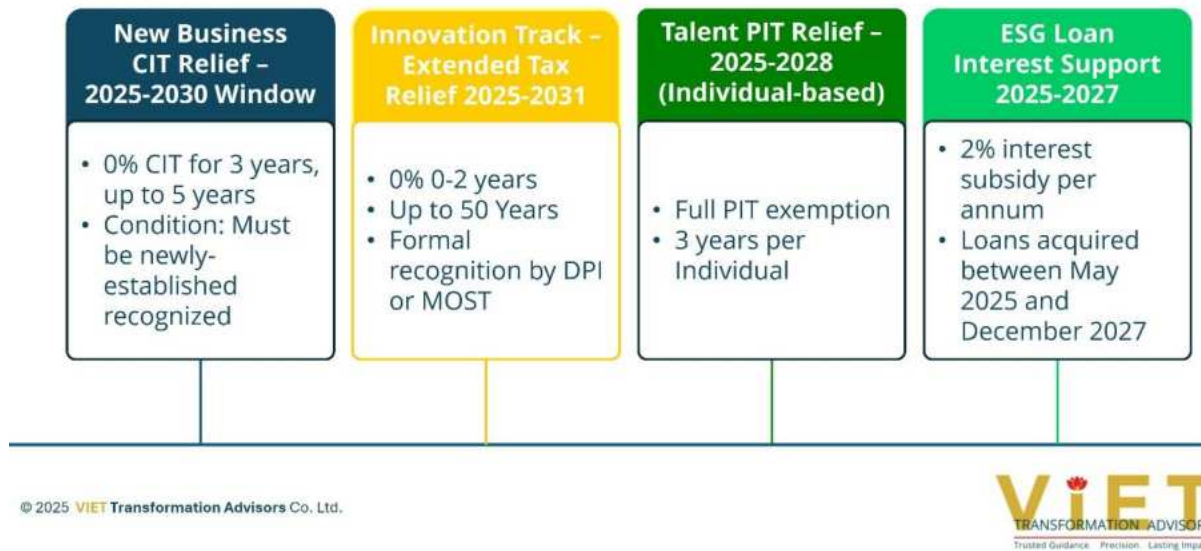
Why This Resolution Deserves Attention at Executive Level

Beyond its legislative structure, Resolution 198 conveys something deeper: a shift in the relationship between the state and the entrepreneur. Tax relief alone – such as three

years of full CIT exemption for newly incorporated SMEs – presents tangible benefit. But the broader context reveals a move to foster innovation ecosystems, reward risk-taking, and attract global-class talent.

Tax Incentive Timeline under Resolution 198/2025/QH15

Effective from May 17, 2025 – phased tax-relief for qualifying enterprises



The strategic logic is clear. Businesses that align their incorporation or transformation efforts with the resolution’s effective date stand to gain meaningful cost advantages. Similarly, firms that position themselves within innovation frameworks – by registering intellectual property, securing venture capital, or investing in R&D-gain eligibility for extended relief measures.

This alignment, however, requires preparation. Several Vietnamese firms have already engaged VIET Transformation Advisors to adjust timing of incorporation or restructuring, ensuring that tax incentives can be lawfully and sustainably leveraged. In these cases, success depends not on interpretation alone, but on execution – where paperwork precision, correct certifications, and strategic sequencing are decisive.



Implications for Operational Leadership

For boards and executive committees, the resolution invites operational review. Timing of registration now carries financial consequence. Legal form and certification status may determine access to multi-year tax exemptions. Talent acquisition policies – particularly in tech or research-heavy firms – may benefit from adjusted compensation models that take personal tax breaks into account.



Pic by Luke Hayden: <https://www.pexels.com/de-de/foto/low-angle-view-eines-wolkenkratzers-14593228/>

Even the way businesses handle governance and compliance is shifting. With only one inspection per year now permitted by default, companies must prepare for more structured, data-driven interactions with authorities. These will rely less on routine visits and more on post-licensing reports, self-declarations, and targeted evaluations.

Several international clients supported by VIET Transformation Advisors have chosen this moment to redesign internal controls, audit calendars, and compliance functions. In doing so, they not only align with the spirit of Resolution 198 but reduce regulatory friction – an often-underestimated cost factor.



Connecting to Resolution 68: One Strategic Movement

What makes Resolution 198 particularly consequential is its direct continuity with the ideological framework of Resolution 68. While 68 outlines the ambition – redefining the private sector's role, fostering entrepreneurship, simplifying administrative procedures – Resolution 198 provides the legislative mechanism. Together, they form a rare alignment of political vision and practical regulation.



This coherence is not just symbolic. It creates reliability. Executives can plan three, five, even ten years ahead knowing that institutional intent is consistent and actionable. The shift is systemic, not opportunistic. And within this policy synchrony lies the confidence needed for expansion, foreign investment, or relocation decisions.

Firms currently working with VIET Transformation Advisors are, in many cases, engaging in precisely such long-term planning. Scenarios are being modelled, business cases adjusted, and comparative tax forecasts updated – based not only on today's policy, but on anticipated continuity across electoral cycles.

What Lies Ahead

Leadership in this new phase of private sector development will be measured by clarity of action. Success depends on timely registration, accurate certification, ESG-ready planning, and effective integration of innovation incentives into business models.



Pic by Tima Miroshnichenko: <https://www.pexels.com/de-de/foto/person-hand-vintage-wanduhr-8327575/>

This is not about speed alone. It is about sequencing. A company that rushes into a startup label without the corresponding structure may be left outside the incentive perimeter. A firm that rebrands itself green without documentation or environmental compliance may miss financing support.

It is here that external support becomes more than a convenience – it becomes a critical safeguard. Teams at **VIET Transformation Advisors** work directly with CFOs, COOs, and General Counsel to model these paths, adapt reporting structures, and align corporate behaviour with the resolution's parameters.

In this context, agility means more than changing fast – it means preparing deeply.

In Closing: The Quiet Force of Change

Resolution 198/2025/QH15 does not carry the high visibility of major investment laws or national strategy announcements. Yet its power lies in what it enables: a legal framework for meaningful transformation of Vietnam's enterprise sector.

It is unlikely that a single article can capture the full depth of implications this law entails. But for executive decision-makers, the call to act is now clear.

Your next moves matter.

If your organisation seeks clarity on when and how to respond, if you require discreet support in aligning with this policy environment, **VIET Transformation Advisors** stands ready – as we have done with other executive teams – to assist in mapping, structuring, and executing your transition into this new business landscape.

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