



From ambition to institution for IFC



On January 3, the government issued eight decrees detailing the country's new financial ecosystem governance, tax, labour, arbitration, and banking framework. **Sven David**, CEO of VIET Transformation Advisors, notes how these measures strengthen the institutional framework rather than adding new thematic layers.

Vietnam has never lacked ambition. What sets it apart is a rarer ability: to pursue ambition patiently, institution by institution, often under conditions that reward caution over speed, navigating complex political landscapes, fragmented markets, and evolving expectations.

Over four decades of reform, Vietnam has learned to translate long-term intent into incremental progress that is rarely spectacular, but persistent. The official launch of Vietnam's international financial centre (IFC) fits this pattern. It marks a transition from concept to institution, not a decisive breakthrough nor the end of a journey, but a deliberate, methodical step forward.

The inauguration followed Resolution No.222/2025/QH15 and Decree No.323/2025/ND-CP, establishing the IFC's governance: an executive council at cabinet level, a coordinating unit in Ho Chi Minh City, and a reporting line to the central administration.

These launches capped years of preparatory work under national strategies on financial sector modernisation and capital market development, much conducted quietly.

Vietnam has moved beyond debating conditions; implementation has begun. Financial centres emerge through credibility, consistency, and institutional learning, not declarations or ceremonies. The IFC's launch reflects pragmatism: operational credibility first, symbolism second.

Governance and design

The IFC has entered its operational phase under strong political stewardship. The executive council brings together key economic and financial authorities alongside the leadership of Ho Chi Minh City and Danang, signalling a nationally anchored initiative rather than a mu-



Authorities got to work early on establishing a legal framework for massive financial hub ambitions

tract returning professionals and upgrade domestic skills, facilitated by Decrees 325 and 327. Partnerships between universities and training institutions aim to supply a new generation of supervisors and analysts. Work is underway on professional standards frameworks, addressing gaps between transactional competence and mature judgement.

Vietnam enters a competitive regional field with advantages shaped by its development. Ho Chi Minh City's rise into the top 60 of the Global Financial Centres Index in 2025 shows credibility can compound when reforms are consistent. Macro stability reinforces confidence: GDP growth remains around 5.5-6 per cent, inflation is contained, and foreign investment is robust. Manufacturing depth and political stability position the IFC as connective tissue between production and finance.

Vietnam need not compete head-on with Singapore or Hong Kong. The IFC can position itself as a venue for transactions linked to Southeast Asia's industrial transformation, combining project finance, equity participation, and performance-linked returns.

Challenges remain: regulatory fragmentation, shallow secondary markets, and personnel depth. Yet Vietnam's gradualist approach mitigates reputational risk through dual-hub design, sandbox-based experimentation, and sequenced reforms.

Beyond formal structures, credibility will depend on supervisory practice and institutional learning. Resolution 222 defines not only rules but expectations regarding supervisory behaviour, escalation thresholds, and enforcement consistency. Early supervisory cycles are therefore critical.

This approach reflects experience gained in banking reform and capital market supervision over the past decade. Cooperation agreements with international regulators support peer learning and benchmarking. Over time, iterative supervision is expected to narrow gaps between formal compliance and substantive risk management, reinforcing confidence.

Vietnam has reached this point at its own rhythm. The IFC's launch reflects continuity, not sudden transformation. The test lies ahead: transparent rules, consistent enforcement, and respect for process. If this balance holds, the IFC will express a distinctly Vietnamese calibration of ambition: persistent, patient, and credible. Its success depends less on competing with established hubs than on serving as the institutional architecture through which Vietnam's productive economy and international capital converge.

Ultimately, the IFC will be judged by behavioural change: whether firms adjust disclosure discipline, capital structures, and governance practices in anticipation of scrutiny. This remains the defining test of international maturity. ■

nicipal project. In Vietnam's system, coordination across government levels is often as decisive as policy intent, particularly where financial supervision, land administration, and investment licensing intersect. Decree 323 and Decree No.326/2025/ND-CP clarify coordination mechanisms between ministries, local authorities, and supervisory bodies. They address execution issues including land use, infrastructure allocation, and environmental compliance within the IFC perimeter. Rather than altering strategy, they operationalise reporting lines and approval thresholds, strengthening predictability where policy meets administration.

The technical secretariat began work in late 2025, translating strategic directives into daily oversight and inter-agency coordination. This institutional layer anchors the IFC firmly in governance routines and accountability structures, not branding or promotion.

Vietnam's dual-hub model is significant. Under Decree 323, Ho Chi Minh City and Danang operate as complementary centres. Ho Chi Minh City focuses on capital markets, asset management, and international intermediation, while Danang develops technology-driven financial services, digital infrastructure, and experimental market platforms.

Ho Chi Minh City benefits from proximity to industrial and corporate clusters, enabling investors to engage directly with enterprises undergoing transformation. It channels capital into corporate restructuring, particularly among mid-sized manufacturers facing supply chain reconfiguration and technology upgrading.

Danang cultivates fintech and digital financial services without diluting Ho Chi Minh City's focus, reducing fragmentation risk while allowing functional specialisation. Early interest from regional asset managers, including pilot funds targeting supply chain upgrades, signals cautious momentum. Danang's fintech pilots, including blockchain-based trade and finance applications, illustrate complementary innovation under national supervision.

Authorities in both cities are aligning incentives and administrative procedures. Regulatory co-

hesion is rarely linear and often underestimated. As Vietnamese enterprises restructure balance sheets and expand regionally, the IFC serves as a vital institutional bridge linking corporate transformation with international capital.

Vietnam established a legal framework from the outset. The IFC regime defines the regulatory perimeter, permissible activities, investor access, and supervisory authority. Within months, initial approvals were granted, their significance lying less in scale than in what they reveal about supervisory discipline under real conditions.

Subsequent decrees have deepened this framework. Decree No.324/2025/ND-CP specifies tax incentives calibrated to sectoral priorities. Decree No.325/2025/ND-CP introduces an open labour regime with recruitment of foreign professionals. Decree No.327/2025/ND-CP defines entry, residence, and long-term stay arrangements for investors and experts. Together, these instruments reduce administrative friction while preserving supervisory control.

Vietnam has strengthened legal predictability through dispute resolution. Decree No.328/2025/ND-CP establishes the International Arbitration Centre within the IFC, enabling dispute resolution under internationally recognised standards – an acknowledgement that legal certainty underpins cross-border capital confidence during regulatory transition.

Financial market operations are governed by Decree No.329/2025/ND-CP, regulating banking activity, foreign exchange management, and financial integrity. Dedicated foreign currency account regimes align capital mobility with supervisory traceability. Commodity trading is addressed under Decree No.330/2025/ND-CP, defining conditions for commodity exchanges, including ownership thresholds, capital requirements,

and technological safeguards.

Building credibility

Recent reforms under the Law on Investment and amendments to the Securities Law continue to streamline disclosure and ownership rules. Liberalisation is bounded by rules, not slogans; openness is sequenced, not improvised.

The IFC's external connections underline Vietnam's selective openness. Cooperation with international exchanges provides exposure to surveillance systems and compliance routines. Digital asset and fintech players participate in regulatory sandboxes authorised under Decree 323, piloting products in controlled environments.

Including digital assets within the IFC perimeter acknowledges global experimentation while insisting on governance. The sandbox obliges authorities to assess pilots for feasibility and systemic safety, reinforcing supervisory learning alongside innovation.

Fintech can accelerate enterprise restructuring by improving working capital management, enabling supply-chain finance, and generating performance data that attracts patient capital. The IFC sandbox allows experimentation with instruments such as dynamic discounting and receivables financing linked to sustainability metrics.

By late 2025, Vietnam had advanced national data centre projects supporting real-time financial supervision and market oversight.

These facilities underpin transaction monitoring, cybersecurity coordination, and market integrity analytics. Infrastructure investment in central Vietnam supports digital financial services, data resilience, and connectivity, embedding transparency and operational resilience.

Talent is equally critical. Vietnam has launched initiatives to at-



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