

LEGAL UPDATE



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Vietnam's Crypto Shift: From Grey Area to Restrictive Regime

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Abstract

On 9 September 2025, the Government of Vietnam promulgated Resolution No. 05/2025/NQ-CP (“**Resolution 05**”), which marks the very first time establishing a formal legal framework governing crypto-assets through a five-year pilot period. Resolution 05 represents a significant regulatory development, terminating the prolonged period of legal uncertainty and initiating the transition of Vietnam’s digital asset market from an unregulated sphere into a controlled, transparent, and taxable regime.

While this launch has been widely anticipated as a pivotal milestone in Vietnam’s financial and legal landscape, Resolution 05 appears to adopt a restrictive approach to the regulation of crypto-assets, emphasizing control and compliance over liberalization in order to safeguard retail investors in the financial market.

Key Takeaways

1. Digital assets and crypto-assets:

By definition, while the digital assets, defined as an asset class under Civil Code, are represented in digital data form, created, issued, stored, transferred, and authenticated by digital technology in an electronic environment, the crypto-assets is a type of digital asset that uses cryptographic or similar technology to authenticate its creation, issuance, storage and transfer. Resolution 05 explicitly excludes securities, digital forms of fiat currency, and other financial assets from the scope of crypto-assets.

While the definition affirms that crypto-assets constitute an asset class under the Civil Code, Article 4.8 of Resolution 05 appears to confine their use to exchange and investment purposes, thereby creating ambiguity regarding other entitlements, such as employing them as collateral.

2. The two paths for the crypto-assets under Resolution 05

First of all, crypto-assets issued by Vietnamese entities must be backed by real underlying assets, a requirement that mirrors the concept of tokenization of real-world assets (RWA), with the notable exception that securities and fiat are expressly excluded. Tokenization of RWA entails representing asset rights through blockchain-based tokens, enabling fractional ownership of assets such as gold and real estate without requiring acquisition of the entire asset. While this framework facilitates broader market participation, it also raises concerns that the tokenization of gold and real estate may fuel speculative trading. Moreover, ambiguity arises as Article 3.2 of Resolution 05 excludes financial instruments from the definition of crypto-assets, whereas Article 5.2 on issuance requirements only excludes securities and fiat. Lastly, this category of crypto-assets may be issued only to foreign investors, and secondary transactions likewise appear to be restricted to dealings exclusively among foreign investors.

The second approach to crypto-assets concerns those issued and offered by foreign entities prior to the effective date of Resolution 05, which may be deposited with licensed crypto-asset service providers (the “**Service Providers**”) in Vietnam. Unlike the first category, these crypto-assets are not subject to the issuance requirement of being backed by real-world assets. In this context, mainstream crypto-assets such as Bitcoin and Ethereum may enter the Vietnamese market through this channel, facilitated by major global platforms (e.g., Binance or Upbit) operating as licensed Service Providers in Vietnam. Per Resolution 05, Service Providers may select crypto-assets for inclusion in transactions, provided that such assets satisfy the statutory definition (i.e., excluding crypto-assets classified as securities or digital forms of fiat currency or financial instrument) and that the Service Providers fulfill their reporting obligations to the relevant authorities. As an alternative, investors seeking to issue crypto-assets in the future should try issuing them abroad in accordance with the laws of other relevant jurisdictions (e.g., Singapore) and subsequently deposit them with Service Providers in Vietnam as described above, thereby circumventing the state requirement that such assets must be backed by real-world assets.

3. Qualifications of Service Providers

To be licensed as the Service Provider, entities must satisfy the following requirements:

- a. Capital and business lines: Minimum charter capital of VND 10,000 billion and registered business lines in accordance with the new Vietnamese economic classification system under Decision No. 36/2025/QĐ-TTg (effective as of 15 November 2025);
- b. Ownership structure: At least 65% institutional ownership, with a minimum of 35% collectively held by at least two qualifying institutions (banks, securities firms, fund managers, insurers, or technology companies) with the foreign ownership capped at 49%;
- c. Premises, IT systems, and personnel: adequate premises and IT infrastructure meeting Level 4 standards as appraised by the Ministry of Public Security; a General Director with a minimum of two years’ experience in a financial institution; a Chief Technology Officer with at least five years’ IT experience in financial institutions or technology companies; at least ten staff members holding cybersecurity certifications; and at least ten staff members holding securities practice certificates; and
- d. Operational procedures: established policies on risk management, custody, trading, anti-money laundering, disclosure, and internal control.

4. Payment currency and special-purpose accounts for foreign investors

The offering, issuance, trading, and settlement of crypto-assets shall be exclusively denominated in Vietnamese Dong (VND). To accommodate this requirement, the foreign investors are obligated to open a VND – denominated account in approved banking organizations in Vietnam through which they shall transact, keep and transfer the money back to foreign jurisdictions. Foreign investors may have only one payment account at one time. Protection mechanism against the forex risks therefore must be a priority in investment strategy.

5. Temporary Tax Policy

Tax policy for crypto-assets transactions during the pilot period will temporarily follow the regulations applicable to securities until specific, permanent tax regulations are enacted. However, Resolution 05 has not yet stipulated the accounting principles and methods applicable to crypto-assets, creating a significant barrier for enterprises seeking to invest in this financial market.

6. Uncertainties over investor protection

While Resolution 05 is an important step in regulating market participants, it leaves investor protection largely unaddressed. Instead of allowing investors to store their crypto-assets in private wallets—a practice consistent with the decentralized nature of blockchain—the regulation requires assets to be held on licensed Service Providers' platforms.

This shift toward centralization raises clear concerns: if a provider fails or experiences a system breakdown, are investors' assets truly segregated, and is there any safety net in the form of compensation or insurance? In the absence of such safeguards, the spirit of decentralization becomes blurred, and investors face heightened counterparty and operational risks.

Resolution 05 is a landmark policy move by the Vietnamese Government, aligning with its national vision to 2030 and combining official recognition of digital asset innovation with a clear assertion of state control. It also signals Vietnam's broader ambition to position itself as a credible player in the global digital finance ecosystem, particularly through hubs such as the Ho Chi Minh City and Da Nang International Financial Centers.

Over the five-year pilot, opportunities will likely be extremely limited. Trading activity may remain modest, and the real advantage will belong to those Service Providers capable of building strong supporting ecosystems, stable technologies, and effective investor engagement. Still, this marks the first time Vietnam has a clear legal framework—a roadmap for enterprises and investors alike. It sends a positive signal, attracting foreign capital, enhancing transparency, and strengthening confidence in the digital capital market.

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