



LEGAL UPDATE

VIETNAM'S NEW LAW ON DIGITAL TRANSFORMATION

1. Background

On 11 December 2025, the National Assembly promulgated the Law on Digital Transformation No. 148/2025/QH15 (“LODT”), which will take effect on 1 July 2026. The LODT replaces the 2006 Law on Information Technology and its related amendments.

The LODT does not operate in isolation, but functions as a framework law governing digital transformation activities. It applies to domestic and foreign agencies, organisations, and individuals participating in or involved in digital transformation activities in Vietnam. Its provisions are intended to interact with and complement existing legislation in key areas such as data, electronic transactions, cybersecurity, telecommunications, artificial intelligence, and other sector-specific fields, thereby creating a unified national legal framework for digital transformation.

Accordingly, enterprises implementing digital transformation initiatives are required to ensure concurrent compliance across multiple regulatory regimes, rather than relying solely on compliance with the LODT.

2. Controlled Pilot Programs

The LODT permits enterprises to implement controlled pilot programs for digital transformation processes, solutions, products, services, and business models, in accordance with legislation on science, technology and innovation, digital technology industries, data, and other relevant regulations¹.

Under the 2025 Law on Science, Technology and Innovation, activities conducted within approved controlled pilot programs may benefit from a liability exemption and limitation mechanism, whereby participating enterprises may be exempted from or have excluded from civil liability for damage caused to the State, as well as administrative and criminal liability for risks arising during the pilot phase, provided that such activities are carried out in compliance with applicable regulations and that the enterprise has

promptly notified the competent state authorities of any arising risks and implemented appropriate risk prevention and mitigation measures².

3. Financial Support for Small and Medium-Sized Enterprises (“SMEs”)

The State provides financial and other forms of support to SMEs, cooperatives, and household businesses participating in the development of the digital economy, particularly those that³:

- Operate in ethnic minority areas or regions with difficult or extremely difficult socio-economic conditions; or
- Operate in sectors and industries prioritised for digital transformation under the National Digital Transformation Strategy and the National Digital Transformation Program.

4. Other Support Policies

The LODT provides State support for enterprises participating in initiatives to narrow the digital divide, including prioritised allocation of financial resources for projects implemented in border areas, islands, ethnic minority and mountainous regions, and areas with difficult or extremely difficult socio-economic conditions.

The State also supports enterprises in providing free public digital signature certificates to citizens in accordance with national digital transformation strategies and programs⁴.

The law also encourages enterprises to research, develop, and apply digital twins, while ensuring intellectual property protection for related models, algorithms, and solutions⁵.

5. Legal Obligations of Enterprises

a. General Obligations

Enterprises participating in digital transformation are responsible for selecting and applying appropriate

¹ Article 28 of the LODT

² Article 22 of the 2025 Law on Science, Technology and Innovation

³ Article 37 of the LODT

⁴ Article 12 and Article 42 of the LODT

⁵ Article 29.1 of the LODT



standards and technical regulations, ensuring compliance with national technical standards⁶.

Employers are required to provide employees with basic digital skills training, as well as to support reskilling and career transition for workers at risk of job displacement due to digital transformation⁷.

All entities involved in digital transformation must comply with laws on cybersecurity, data governance, personal data protection, state secrets, and other relevant regulations⁸.

Enterprises are also required to provide and report data for digital economy statistics upon request by competent state authorities⁹.

For enterprises assigned to provide public services, minimum digital system requirements are mandatory. For other enterprises, adoption is encouraged based on needs and capacity, including requirements relating to cybersecurity, data connectivity and sharing, data storage and recovery, traceability, operational resilience, and accessibility for users, particularly vulnerable groups¹⁰.

b. Specific Obligations by Relevant Entity Category

- **Telecommunications enterprises:** to provide universal telecommunications services in accordance with sector-specific legislation¹¹;
- **Digital twin operators:** to ensure accuracy, timeliness, and transparency, and to bear responsibility for consequences arising from the use of digital twins¹²;
- **Data controllers:** to establish procedures and measures for data protection and to meet data subject requirements under applicable law¹³; and
- **Operators of digital infrastructure, systems, and platforms:** to protect users from harmful or illegal content; to publicly disclose terms of use and complaint-handling mechanisms; to prevent and remove unlawful content; to ensure fair competition; and to comply with regulations on electronic transactions, e-commerce, cybersecurity, and personal data protection¹⁴.

6. Conclusion and Recommendations

Although the LODT will take effect on 1 July 2026, its implementation is expected to be further detailed through guiding decrees and circulars issued by competent authorities. These implementing regulations are likely to clarify specific compliance requirements, technical standards, and sector-specific obligations. Enterprises should therefore closely monitor forthcoming implementing legislation to assess their compliance roadmap and adjust internal policies and systems in a timely manner.

In this context, enterprises should proactively plan and phase their digital transformation strategies to ensure not only technological effectiveness but also legal safety and sustainability, including:

- **Short term (03-06 months):** to review existing IT systems and digital platforms against the LODT's minimum requirements; to review contracts with technology vendors, particularly regarding data, cybersecurity, and legal liability; to assess compliance with data and personal data protection regulations; and/or
- **Medium to long term (over 06 months):** to update corporate charters, internal regulations, and policies on data governance and digital transformation; to develop a digital transformation roadmap aligned with the enterprise's business model and the new legal framework.

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⁶ Article 14.4 of the LODT

⁷ Article 17.5 of the LODT

⁸ Article 27.1 of the LODT

⁹ Article 39.3 of the LODT

¹⁰ Article 8 of the LODT

¹¹ Article 42.4 of the LODT

¹² Article 29.2 of the LODT

¹³ Article 27.1 of the LODT

¹⁴ Article 27.2 and Article 38 of the LODT