Nonprofit Law in Vietnam

Current as of June 2026

This section describes the legal framework of nonprofit organizations (also known as non-governmental organizations or NGOs) in Vietnam, along with translations of legislative provisions relevant for a foundation or advisor undertaking an equivalency determination of a foreign grantee under IRS Revenue Procedure 92-94.

These reports have been prepared by the International Center for Not-for-Profit Law (ICNL). Please direct corrections and comments to Lily Liu.

We include hyperlinks to the following information, to the extent available:

- Longer country reports analyzing various aspects of local legislation; and
- Texts of local laws that affect the decision whether or not to qualify a grantee (generally in translation, although ICNL and the Council cannot warrant the accuracy of any translation; in addition, legislative excerpts were selected by in-country contacts, and ICNL and the Council cannot warrant that all relevant provisions have been translated).

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I. Summary

A. Types of Organizations

Under Vietnamese law, a non-profit organization ("NPO") means an organization operating not-for-profit purposes, including an association, social fund, charitable fund, religious organization, or an international non-governmental organization established and operating under Vietnamese laws. Based on the regulations for the establishment and operation of organizations with not-for-profit purposes (enumerated in Section II), it is possible to conclude that Vietnamese law recognizes seven types of NPOs:

- **Social relief establishments** ("SREs"), including state-owned and privately-owned establishments. The purpose of an SRE is to assist individuals who are experiencing social and other difficulties, including orphans, abandoned children, HIV/AIDS-infected children, HIV/AIDS-infected persons in poor households, elderly persons, seriously disabled persons, victims of domestic violence, victims of sexual abuse, victims of human trafficking, victims of forced labor, and other groups in difficult circumstances that may qualify for such assistance.

- **Social funds**. A social fund is a fund established for not-for-profit purposes to support and encourage the development of culture, education, health, sports, science, and agriculture, rural development, and protection of natural resources and environment and community purposes.
- **Charitable funds**. A charitable fund is a fund established and operating on a not-for-profit basis to remedy difficulties caused by acts of natural diseases, fire, epidemics, accidents, and to support other persons in need of social assistance.
- **Associations**. An association is a voluntary organization of Vietnamese citizens or organizations conducting the same business, having the same interests, or united by a common goal. An association operates to protect and advance the lawful rights and interests of the association itself, its members and the community. Associations may exist for various reasons (e.g., animal or environmental protection, cultural activities, educational activities, professional activities, or sports activities).
- **Scientific and technological organizations** ("STOs"). An STO is an organization engaged in scientific or technological research, development, or scientific or technological service activities, and innovation. Because the other categories of NPOs are narrower and the definition of STO is relatively broad, in Vietnam, domestic NPOs with a general purpose are often established as STOs by default, even if such NPOs do not have a purely scientific or technological research purpose in practice. STOs are classified as public STOs, non-public STOs, or foreign-invested STOs based on their source of capital contribution (Decree 262 implementing the Law on Science, Technology, and Innovation).

- **International non-governmental organizations** (“INGOs”). An INGO is a non-governmental, not-for-profit organization, social fund, private fund, or other form of NPO established in accordance with foreign law and carrying out not-for-profit operations in Vietnam in the areas of developmental assistance provision or humanitarian aid provision.
- **Religious organizations**. A religious organization is an entity recognized by the government to carry out religious activities.

The seven forms listed above comprise the primary NPO forms specifically contemplated by Vietnamese law. However, in practice, there are several informal types of NPOs in Vietnam which also perform charitable and not-for-profit functions, including voluntary groups, clubs, and political organizations. Although not necessarily recognized by law, these NPOs gather contributions from their members and give direct support to beneficiaries, which may include SREs, funds, associations, STOs, INGOs and religious organizations that are duly established. However, Vietnamese law is generally silent on specific provisions applicable to these informal NPOs. Additionally, although Vietnamese law recognizes religious organizations as legal entities, it does not provide much guidance on permissible activities for these organizations. Thus, this Note will focus on the other six forms of NPOs noted.

In addition to the NPO types presented above, the social enterprise (“SE”) is a new type of hybrid organization combining a not-for-profit structure with an enterprise having profit-earning purposes. The SE was established to address social and environmental issues for the public benefit. It must reinvest at least 51 percent of its total annual net profit in the implementation of its registered social or environmental objectives.

B. Tax Laws

Both the Enterprise Income Tax Law (2025) and the Individual Income Tax Law (2025), along with their subsidiary implementing regulations and documents, provide tax preferences to income derived from or applied to various kinds of charitable and social purposes. NPOs are also afforded tax incentives and preferences detailed in provisions scattered in different tax documents, including legislation and regulations dealing with value added tax (VAT). It is assumed that not-for-profit revenues are not derived from the business or commercial activities of an NPO.

II. Applicable Laws

A. General

- Constitution of the Socialist Republic of Vietnam of the National Assembly of November 28, 2013
- Civil Code No. 91/2015/QH13 of the National Assembly of November 24, 2015
- Law on Elderly Persons No. 39/2009/QH12 of the National Assembly of November 23, 2009, as amended
- Decree No. 06/2011/ND-CP of the Government of January 14, 2011 implementing the Law on Elderly Persons, as amended
- Law on Disabled Persons No. 51/2010/QH12 of the National Assembly of June 17, 2010, as amended
- Decree No. 28/2012/ND-CP of the Government of April 10, 2012 implementing the Law on Disabled Persons, as amended
- Decree No. 103/2009/ND-CP of the Government of November 6, 2009 issuing regulations on cultural activities and trading in public cultural services, as amended

B. SREs

- Decree No. 20/2021/ND-CP of the Government of March 15, 2021 on policies to support social relief subjects, as amended

- Decree No. 103/2017/ND-CP of the Government of September 12, 2017 on establishment, operation, dissolution, and management of SREs, as amended

C. Social Funds and Charitable Funds

- Decree No. 03/2026/ND-CP of the Government on January 9, 2026 prescribing the organization and operation of social funds and charitable funds (“Decree 03 (2026)”)
- Decree No. 93/2021/ND-CP of the Government of October 27, 2021 on mobilizing, receiving, distributing, and using voluntary contributions to help people overcome difficulties due to acts of God, fire, serious incidents, and serious diseases

D. Associations

- Decree No. 126/2024/ND-CP of the Government of October 8, 2024 on the establishment, operation, and management of associations, as amended

E. STOs

- Law on Science, Technology, and Innovation No. 93/2025/QH15 of the National Assembly of June 27, 2025, as amended (“Law on Science, Technology, and Innovation”)
- Decree No. 267/2025/ND-CP of the Government of October 14, 2025, on the implementation certain provisions of the Law on Science, Technology and Innovation
- Decree No. 268/2025/ND-CP of the Government of October 14, 2025, on the implementation of certain provisions of the Law on Science, Technology, and Innovation
- Decree No. 262/2025/ND-CP of the Government of October 14, 2025 on the implementation certain provisions of the Law on Science, Technology, and Innovation

- Circular No. 119/2025/TT-BTC of the Ministry of Finance of December 15, 2025 on enterprise registration of science and technology organizations
- Decree No. 249/2025/ND-CP of the Government of September 19, 2025 on providing mechanisms and policies to attract experts in science, technology, innovation, and digital transformation.
- Decision No. 97/2009/QD-TTg of the Prime Minister on July 24, 2009 promulgating the list of domains in which individuals are allowed to establish science and technology organizations.

F. INGOs

- Decree No. 58/2022/ND-CP of the Government of August 31, 2022, on registration and management of operation of INGOs in Vietnam
- Decree No. 313/2025/ND-CP of the Government of December 8, 2025, issuing regulations on management and use of foreign non-official development assistance grants

G. SEs

- Law on Enterprises No. 59/2020/QH14 of the National Assembly of June 17, 2020, as amended ("Enterprise Law")
- Decree No. 47/2021/ND-CP of the Government of April 1, 2021, providing detailed regulations for implementation of the Enterprise Law, as amended

H. Tax

- Law on Enterprise Income Tax No. 67/2025/QH15 of the National Assembly of June 14, 2025
- Decree No. 320/2025/ND-CP of the Government of December 15, 2025, guiding the implementation of the Law on Enterprise Income Tax ("Decree 320")

- Circular No. 20/2026/TT-BTC of the Ministry of Finance of March 12, 2026 providing detail on certain provisions of the Law on Enterprise Income Tax and Decree 320
- Law on Value Added Tax No. 48/2024/QH15 of the National Assembly of November 26, 2024, as amended
- Decree No. 181/2025/ND-CP of the Government of July 1, 2025 detailing and guiding the implementation of certain provisions of the Law on Value Added Tax, as amended
- Decree No. 91/2014/ND-CP of the Government of October 1, 2014 on amendments to decrees on taxes, as amended
- Individual Income Tax Law No. 109/2025/QH15 of the National Assembly, taking effect on July 1, 2026
- Law on Special Consumer Tax No. 66/2025/QH15 of the National Assembly of June 14, 2025, as amended

III. Relevant Legal Forms

A. General

The six legal forms of NPOs relevant to this Note are are: (i) social relief establishments (SREs), (ii) social funds, (iii) charitable funds (funds), (iv) associations, (v) scientific and technological organizations (STOs), and (vi) international non-governmental organizations (INGOs). In addition, as mentioned above, there is now a hybrid form known as a social enterprise (SE).

Five government decrees form important components of the legislative framework for NPOs in Vietnam:

1. Decree 103 (2017) on Establishment, Operation, Dissolution, and Management of Social Relief Establishments provides the primary framework for SREs.

2. Decree 03 (2026) on the organization and operation of social and charitable funds provides regulatory guidance on funds. This Decree spells out details concerning funds' establishment, structure, organization, and governance, and sets out form templates applicable to funds and relevant individuals and organizations. The Decree refers to property assigned or contributed to the funds within a particular period of time.

3. Decree 126 (2024) on the Organization, Activities and Management of Associations regulates the formation, operation, activities, and state management of associations (hội). It constitutes the legal basis for registering and operating most Vietnamese associational entities, including "special purpose" associations that receive governmental support and which are mostly state-affiliated umbrella groups.

4. The Law on Science, Technology, and Innovation and its implementing decree (Decree 262) governs the registration and activities of STOs, particularly the cooperation between STOs and other organizations that perform scientific and technological tasks. The activities of STOs are likely carried out by umbrella groups such as the Vietnam Union of Science and Technology Associations ("VUSTA"). These organizations are an important component of the Vietnamese not-for-profit sector.[1]

5. Decree 313 (2025) governs the management and the use of foreign non-official development assistance grants. The Decree maintains and enhances state control over non-governmental aid provided by donors to Vietnam, and includes provisions on, among others, approval processes, the use of funds, and devolution of decision-making to provincial and other sub-national levels. An NPO's establishment and operations are closely regulated and monitored by the government. The decrees described above are supplemented by an increasing array of regulatory agency decisions and other subordinate legal documents

(including tax regulations) that govern many specific aspects of NPO activities in Vietnam.

It is difficult to estimate the number of NPOs in Vietnam, as government sources are not consistent on such statistics. At the national and provincial levels, there are several thousand associations and well over a thousand funds and foundations of various kinds. There are also tens of thousands of regulated and non-regulated NPOs in various forms at the local level, including cooperatives, clubs, local community-based groups, and associations.

In addition to the five legal forms of NPOs noted above, a hybrid form (i.e. an SE) is regulated by Vietnamese law. Specifically, Decree 47 (2021) sets forth detailed regulations implementing the provisions of the Enterprise Law regarding SEs, including the receipt of aid and assistance, undertakings made by the SEs, structural modifications, and the responsibilities of owners, members, and shareholders.

B. Public Benefit Status

Vietnamese law does not directly link the "public benefit status" of an NPO or an SE to its establishment. The law does, however, provide a list of certain enumerated purposes and activities for which an NPO or an SE may be established and operate. The inherent public benefit status of different NPO forms may be discerned from this list. Furthermore, because of the interest of NPOs in securing financial support from the state in the form of preferential tax treatment, it is common for many NPOs to carry out specific operations with public benefit purposes tied to the state's development objectives. [2] Tax rules, such as the Individual Income Tax Law (2025), provide that NPOs must operate for charity, humanitarian, or not-for-profit purposes to receive preferential tax treatment from the state.

NPO forms including SREs, funds, associations, INGOs, and SEs must benefit the public by providing support to certain communities or working to address certain social issues. STOs must benefit the public by carrying out permissible scientific or technological activities for charitable purposes. The following is a discussion of how each form of NPO benefits the public:

SREs. The purpose of an SRE is to assist (i) individuals who are experiencing social difficulties, such as orphans, abandoned children, HIV/AIDS-infected children in poor households, elderly persons, seriously disabled persons, and HIV/AIDS-infected persons in poor households; (ii) persons who need immediate protection, such as victims of domestic violence, victims of sexual abuse, victims of human trafficking, and victims of forced labor; and (iii) other groups in difficult circumstances that may qualify for such assistance. Accordingly, the SRE must be established with the purpose of providing benefits to these discrete groups.

Social funds. A social fund is a fund established and operated on a not-for-profit basis for purposes of supporting and encouraging the development of culture, education, health, sports, science, innovation, creativity, digital transformation, agriculture, rural areas, natural resources and environmental protection, social security, and community development.

Charitable funds. A charitable fund is a fund established and operated for a not-for-profit basis with charitable and humanitarian purposes, to remedy difficulties caused by acts of God, fire, and other adverse problems, as well as to help patients with terminal illnesses and other persons in difficulty.

Associations. An association operates to protect and advance the lawful rights and interests of its members and the community. Associations may exist to protect and advance the lawful rights and interests of the association itself, its members, and the community.

STOs. An STO is an organization engaged in scientific or technological research and development, or scientific, technological and innovation service activities. It is understood that by carrying out their permissible activities for charitable purposes, STOs operate for the public benefit.

INGOs. An INGO is a non-governmental, not-for-profit organization, social fund, private fund, or other form of NPO established in accordance with foreign law and carrying out not-for-profit operations in Vietnam in the areas of developmental assistance provision or humanitarian aid provision. By law, an INGO can only carry out its activities in Vietnam in accordance with the Operation Permit granted by the People's Aid Coordination Committee ("PACCOM"), or on the basis of specific approvals granted on a case-by-case basis. Given that the law specifically defines INGOs as operating in developmental assistance and humanitarian aid, it is understood that INGOs operate with the purpose of providing a public benefit.

SEs. An SE is an enterprise committed to addressing social or environmental issues for the public benefit within a number of years or over an indefinite term. It reinvests at least 51 percent of its total annual net profit in the implementation of its registered social or environmental objectives. Most SEs in Vietnam aim to support disadvantaged people by creating jobs and providing opportunities for leadership roles. [3] It is thus understood that SEs operate with the principal purpose of providing public benefit.

IV. Specific Questions Regarding Local Law

Generally, all NPOs and SEs are limited subjects of statutory law, and as such are only permitted to carry out activities that the law specifically allows. In some circumstances, the law explicitly prohibits certain activities.

A. Inurement

Vietnamese associations and funds are generally not permitted to distribute or share profits with members or individuals. Although Decree 126 (2024) on the Organization, Activities and Management of Associations does not specifically prohibit private inurement, it does require associations to operate on a not-for-profit basis. Decree 03 (2026) strictly prohibits funds from dividing their assets during operation.

Vietnamese law is silent on whether an SRE is permitted to distribute or share profits with its members. However, by only allowing an SRE to use their profits for operation fees, it is understood that an SRE is not permitted to distribute or share profits with members or individuals.

It is unclear whether STOs have the right to distribute or share profits with members. An STO is permitted to engage in joint ventures, take part in affiliations to make capital contributions, and execute business cooperation contracts with domestic and foreign individuals. To the extent that an STO is permitted to engage in joint ventures and related activities, it seems logical that an STO would at least be permitted to receive distributions from such entities.

According to the Enterprise Law and Decree 47, SEs must reinvest at least 51 percent of their annual net profits in the implementation of their registered social and environmental objectives. As discussed above and because SEs are hybrid structures, it can be inferred that SEs are permitted to distribute their residual annual net profits (49 percent or less) to their members, shareholders, and owners.

B. Proprietary Interest

For associations, the Civil Code (Article 76) and relevant regulations on associations (especially Decree 126 (2024)) generally do not permit members to have proprietary interests in the association's assets.

For funds, the Civil Code provides that funds and their organizers "may not divide up the profit of the fund to its members" (Civil Code Article 76). As indicated above, Decree 03 (2026) strictly prohibits funds from dividing their assets during operation.

Vietnamese law is silent on whether INGO members are permitted to have any proprietary interest in the organization's assets.

For SEs, owners, members, or shareholders have a right to assign their shares or capital contribution to other organizations and individuals, provided that such organizations and individuals undertake to continue to conduct the SE's activities to implement the registered social or environmental objectives (Enterprise Law Article 10.2(c)).

C. Dissolution

An association must settle its debts and liquidate its assets before dissolving (Decree 126 (2024) Articles 34 and 35).

For funds, the Civil Code (Article 76) provides that the property of [a foundation] shall not be divided among its founding members. Decree 03 (2026) specifies two ways a fund may be dissolved: (1) it may be dissolved at its own will if it terminates operations under its charter and its operational objectives have been fulfilled or if it has no assets or finances for operation (Decree 03 (2026) Article 43.1); (2) it may be dissolved by the state if it fails to comply with its reporting obligations in two consecutive years, or if it falsifies financial information such as its registered account number (Decree 03 (2026) Article 43.4). The handling of a fund's assets, finances, and staff upon dissolution will be subject to the plan approved by the fund management council (Decree 03 (2026) Article 43.2).

For STOs and SREs, generally the competent authority that has the right to establish the STO or SRE also has the right to dissolve it (Decree 262 Article 21; Decree 103 (2017) Article 22.1).

When an SE faces dissolution, the residual assets that the SE has received must be returned to the aid provider or transferred to another SE or organization with similar social objectives or to the State under relevant provisions of Civil Code (Decree 47 Article 6.2).

D. Activities

1. General Activities

a. Social Relief Establishment (SRE)

An SRE is entitled to carry out the following activities:

1. Mobilize and receive funds and in-kind donations provided by domestic and foreign individuals and organizations for raising and caring for individuals being assisted by the SRE. The SRE is required to manage and use the funds in accordance with the law;
2. Advise and assist the beneficiaries of social assistance policies;
3. Coordinate with other competent agencies and organizations in protecting and assisting the beneficiaries of social assistance policies;
4. Search for and arrange relevant forms of care for the beneficiaries of social assistance policies; and
5. Provide services, healthcare, education to the beneficiaries of social assistance policies.

Vietnamese law does not specify impermissible activities for SREs.

b. Social Funds and Charitable Funds

Both social and charitable funds are entitled to carry out the following activities:

1. Mobilize financial contributions and aid for the fund;
2. Receive assets – donated, sponsored, or otherwise – from domestic and foreign organizations and individuals in accordance with the fund's objectives and provisions of law;
3. Mobilize and receive foreign organizations and individuals' development assistance grants; and
4. Call for and mobilize organizations and individuals to contribute cash or goods to support people affected by acts of God, fire or serious incidents.

The operation of a social or charitable fund must be in compliance with the following principles: (a) its operations and establishment are conducted for not-for-profit purposes; (b) it is voluntary and self-financed; (c) it is responsible for its undertakings; (d) it operates under a charter that has been recognized by the agency that licenses it; (e) it makes public its operations, including its revenues and expenditures, and is financially transparent; and (f) its assets must not be divided during its operation. Vietnamese law strictly prohibits funds from engaging in any of the following:

1. Acting contrary to the principles and purposes of the fund; adversely affecting the prestige of the State or the community; or causing harm to national interests, security, national defense, the great national unity bloc, and the lawful rights and interests of organizations and individuals.
2. Money-laundering, supporting terrorist and unlawful activities;
3. Infringing on the social ethics, national habits, customs, traditions, religious beliefs, and the character of the Vietnamese people

4. Infringing on the legitimate rights and benefits of individuals, organizations and the community, and causing an adverse impact on the interests of the nation, national defense or national unity;
5. Committing financial fraud during the establishment and operation of the fund;
6. Falsifying, erasing, transferring, leasing, lending, mortgaging or pledging the fund establishment license in any form; and
7. Using funding from or derived from the state to make an asset contribution to the fund.

c. Associations

An association is entitled to carry out the following activities:

1. Collect membership fees and revenues from its business and services in accordance with the law to cover its operational expenses; and
2. Receive, manage and use the aid and funding sources from domestic and foreign individuals and organizations.

It should be noted that unlike SREs or funds, associations are not specifically authorized by law to mobilize funds domestically from individuals and organizations other than their members. However, an association may receive aid and funding from both domestic and foreign individuals and organizations. Consequently, it is reasonable to conclude that an association is permitted to carry out fundraising activities in Vietnam, albeit in a more limited form than other types of NPOs. An association is specifically not allowed to distribute the funds it has raised or mobilized to its members.

d. Scientific and Technological Organizations (STOs)

An STO is entitled to carry out the following activities:

1. Receive contributions for science, technology, and innovation activities as well as production and business activities in accordance with the law; and
2. Undertake a joint venture, affiliate, make capital contributions, and execute business cooperation contracts with domestic and foreign individuals to implement science, technology, and innovation activities as well as production and business activities.

It is unclear under Vietnamese law if an STO can fundraise from domestic individuals and organizations. Although the law specifically allows an STO to "receive sponsorships" from domestic individuals and organizations, the law does not specifically allow an STO to "mobilize" funds from such sources.

e. International Non-Governmental Organizations (INGO)

Under Vietnamese law, an INGO is not allowed to carry out fundraising activities in Vietnam, including making financial donations, mobilizing or raising funds from domestic individuals and organizations. Regulations on management and usage of foreign non-governmental aid state clearly that only organizations established in Vietnam can receive foreign non-governmental aid, though the regulations also include a broad provision permitting "other organizations as decided by the Prime Minister" to receive donations from domestic individuals and organizations. This discretionary mechanism may give INGOs a legal basis to receive foreign non-governmental aid. However, an INGO, as a strictly construed subject of statutory law, can only carry out such activities if an Operation Permit from the People's Aid Coordinating Committee (PACCOM), or a specific approval on a case-by-case basis, grants the INGO the operational power of engaging in such fundraising activities.

f. Social Enterprises (SEs)

Along with the regular activities associated with enterprises, SEs are entitled to carry out activities to raise and receive funding in various forms from individuals, enterprises, non-governmental organizations, and other Vietnamese or foreign organizations. Specifically, SEs are entitled to:

1. Receive foreign non-governmental aid to implement their objectives of resolving social or environmental issues; and
2. Receive aid and assistance in the form of assets, finance, or technical assistance from domestic or foreign individuals, agencies, and organizations, and from foreign organizations registered for operation in Vietnam to implement their objectives to resolve social or environmental issues.

SEs are obliged to fulfill the following:

1. Reinvest at least 51 percent of their total annual net profits to implement their registered social or environmental objectives within certain years or over an indefinite term;
2. Strictly use funding raised for purposes of covering managerial and operational expenses to implement their registered social or environmental objectives;
3. Comply with the reporting regime applicable to SEs; and
4. Meet the other obligations of normal enterprises.

2. Public Benefit Activities

Please refer to Section III.B on "Public Benefit Status" for details.

3. Economic Activities

Generally, in addition to the direct receipt of fundraising resources from members and organizations, and upon the obtainment of appropriate permits and approvals, some NPOs may organize cultural activities including art performances, fashion shows and festivals for charitable purposes. Such events, undertaken in Vietnam by any organization or individual, even when undertaken by an NPO for not-for-profit and humanitarian purposes, are subject to regulations. For instance, the contents of such cultural programming cannot: (a) tend to incite people to oppose the State of the Socialist Republic of Vietnam; (b) undermine the unity of the Vietnamese people, incite violence, propagandize wars of aggression, sow hatred between nations and peoples; or (c) disseminate reactionary ideas and cultures, depraved lifestyles, criminal acts, social evils, superstitions, acts against fine customs and habits, harming the health and deteriorating the eco-environment.

For associations, Decree 126 (2024) provides that an association will collect membership fees, as well as revenues from its business and services under law to cover its operational expenses. Associations may also receive, manage, and use lawful funding from domestic and overseas organizations and individuals, and from the state if the activities are assigned by the Communist Party of Vietnam or the State (Decree 126 Articles 23.12 and 23.13). Many Vietnamese associations do indeed partly cover their operational expenses through business and service revenues.

For funds, Decree 03 (2026) arguably permits such groups to engage in economic activities through a general provision enabling them to have income from "the provision of services and other activities in accordance with the law" (Decree 03 (2026) Article 37.2).

Based on the permissible and impermissible activities in Vietnam for each type of NPO, it is likely that only STOs are explicitly given the right to directly engage in economic activities. In particular, the regulations provide that an STO has the right to engage in joint ventures and affiliations, make capital contributions, execute business cooperation contracts with domestic and foreign individuals in accordance with the law, and organize the manufacture of business products resulting from the research results of the STO.

The Enterprise Law provides that SEs have the same rights as normal enterprises. SEs may engage in economic activities much like normal enterprises do (i.e., conducting business not prohibited by the law), provided that they reinvest at least 51 percent of their total annual net profit in the implementation of their registered social or environmental objectives.

E. Political Activities

Vietnamese law does not specifically address the permissible political activities or public advocacy for any type of NPOs or SEs. However, scattered regulations on the legitimate rights and obligations of an NPO may be understood as allowing an NPO or a SE to engage in certain political activities or public advocacy. [4]

For associations, Decree 126 (2024) permits an association to "propagate its goals"; "represent its members in internal and external relations related to its functions and tasks"; "protect its legitimate rights and interests and its members in line with its guiding principles and goals"; "organize and coordinate activities of its members for its common interests"; "participate in programs, projects, studies and counseling and critical comment and examination at the request of state agencies…"; and "comment on formulation of laws and policies directly related to its functions, tasks, powers, and area of operation [and] propose to competent state agencies matters related to its development and domain." Despite these provisions, commentators note that the scope of permissible political activities and public advocacy has narrowed somewhat from earlier regulations.

For funds, Decree 03 (2026) provides that they have the right to "file complaints and denunciations in accordance with law" (Article 9.1(d)).

For STOs, Decision 97 (2009) limits the areas in which individuals can establish STOs and the advocacy such entities may undertake. Under

Decision 97, STOs established by individuals are prohibited from operating in fields such as economic policy, public policy, political issues, and a range of other areas considered sensitive. They are also not permitted to engage in the public distribution of policy advocacy positions.

Officially, if not in practice, Article 25 of the Constitution would appear to permit associations and other organizations as well as individuals to "hold demonstrations in accordance with the law."

F. Discrimination

Article 16 of the Constitution provides that "all people are equal before the law" and "no one is subject to discriminatory treatment in political, civil, economic, cultural or social life." The Vietnamese regulatory documents governing NPOs do not generally deal further with non-discrimination.

With respect to SEs, the Enterprise Law stipulates that the state must ensure the equality of all enterprises before the law, irrespective of their form of ownership and sector.

G. Control of Organization

In general, a competent authority may retain control over an NPO by issuing specific operational permits or requiring approval for an NPO's activities, operations, and dissolution. However, there are certain restrictions over foreign control of the different NPO types.

Founders of a fund must be Vietnamese citizens or Vietnamese organizations (Decree 03 (2026) Article 13.1). Foreign members may only comprise up to 49% of the management council administering the fund. A foreign member may not act as chairman of the management council, only as an honorary chairman (Decree 03 (2026) Articles 28.1 and 29.7).

While foreign entities may make contributions to an association, they are not granted the right to vote nor the right to stand for election for a decision-making position in an association (Decree 126 (2024) Article 17.4).

Vietnamese law does not place any restrictions on control of SREs, STOs, INGOs, or SEs.

Additionally, the Government of Vietnam exercises considerable control over NPOs established based on the state budget.

V. Tax Laws

A. Income or Profits Tax

Most NPOs and SEs enjoy special income tax treatment and do not pay tax on income received from the government or from local or foreign contributions that is “used for educational, scientific research, cultural, artistic, charitable, humanitarian and other social activities in Vietnam”, income received from enterprises that are unrelated to the NPO, as well as from both domestic and international organizations and individuals “for the purpose of scientific research, technology development, innovation, and digital transformation” (Enterprise Income Tax Law (2025) Article 4.8). NPOs and SEs also benefit from deductible expenses when calculating taxable income, including allowable deductions on:

(i) Expenses for educational sponsorships (including sponsorships for vocational education):

- Sponsorships for public and private schools providing “national education,” provided that such sponsorships are not made in the form of contributing capital or shares bought in the school in question;
- Sponsorships for infrastructure and equipment used for teaching and learning;

- Sponsorships for the regular operation of schools;
- Sponsorships for students in compulsory educational institutions, vocational educational institutions, and higher education institutions;
- Sponsorships for competitions on school subjects; and
- Sponsorships for the establishment of scholarship funds.
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(ii) Expenses for health sponsorships: Sponsorships for medical facilities, provided that the sponsorships are not made in the form of contributing capital or shares bought in the medical facility in question; Sponsorships for medical equipment and medicine; Sponsorships for the regular operation of hospitals and medical centers; and Monetary sponsorships for patients via organizations permitted to raise such.

(iii) Expenses for cultural sponsorships: Sponsorships for museums and libraries, provided that the sponsorships are not made in the form of contributing capital or shares bought in the museum or library in question; Sponsorships for the regular operation of cultural heritage preservation funds; and sponsorships for museums, libraries, and cultural heritage preservation funds through organizations permitted to raise sponsorships.

(iv) Expenses for natural disaster management and recovery; epidemic prevention and control

(v) Expenses for the construction of houses for the poor and eligible beneficiaries;

(vi) Expenses for the sponsorship of scientific research, technological development, innovation and digital transformation; and

(vii) Expenses for the sponsorship of extremely disadvantaged areas and relevant state programs (including, for example, sponsorships for building new bridges in extremely disadvantaged residential areas).

Special tax rates apply to non-exempt enterprises engaged in educational training, vocational training, health care, culture, sports, and the environment, and for agricultural cooperatives and individuals' credit funds (Enterprise Income Tax Law Article 13.2).

The Individual Income Tax Law (2025) exempts from personal income tax income received from charitable funds that the government permits to be established, or has recognized, and which is for charitable or humanitarian purposes and not for profit-making purposes. It also exempts from personal income tax income received from governmental or non-governmental foreign aid sources for charitable or humanitarian purposes approved by state authorities.

However, Vietnamese regulations do not grant tax exemptions for income originating from activities carried out by an NPO or SE for charitable, social purposes and other not-for-profit purposes.

B. Value Added Tax

Goods imported as humanitarian aid and non-refundable aid that NPOs and SEs receive from foreign donors, are generally exempted from VAT and other indirect taxes at the import stage. Monetary aid from foreign donors to buy goods for use in humanitarian activities is also generally not subject to VAT.

C. Double Tax Treaty

The United States and Vietnam signed a double tax treaty on July 7, 2015. Though signed, the double tax treaty will not come into effect until both countries exchange instruments of ratification; to the knowledge of the author, this has not yet occurred.

VI. Knowledgeable Contact

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Footnotes

[1] The Law on Science, Technology and Innovation, and its implementing regulations (Decree 262) distinguish between types of STOs based on the source of capital contribution—including public STOs, non-public STOs, and foreign-invested STOs—and provide different procedures for the establishment of each type. The Law and its regulations also provide a legal basis for the establishment of representative offices and branches of foreign STOs, which have been operated in Vietnam for years.

[2] See, e.g., Kerkvliet, Quang A, and Sinh, Forms of Engagement Between State Agencies and Civil Society Organizations in Vietnam: Study Report (December 2008). The Government of Vietnam seeks to promote the growth of a development-oriented NPO sector in Vietnam that cooperates with and does not oppose Party and government policy. The Tenth National Assembly resolved to "expand and diversify forms of assembling people to join unions, social organizations, professional, cultural and friendship associations, as well as those working in the charity and humanitarian fields" (Resolution No. 51/2001/QH10 of December 25, 2001 of the 10th session of the 10th Legislature of the National Assembly). In addition, the Socio-Economic Development Plan 2006-2010, for the first time, encouraged "all non-governmental organizations, social associations and unions to develop social security networks and provide effective assistance to the

vulnerable” and “to engage in managing and monitoring some public fields” (Social Economic Development Plan of Vietnam 2006-2010, pp. 91, 140). The Social Economic Development Plan also set out national policy targets that overlapped closely with the work of many domestic and foreign NPOs working in Vietnam.

[3] For more information on SEs, see Social Enterprise in Vietnam, published by the British Council in March 2019.

[4] For example, the right to “participate in programs, projects, studies and counseling and critical comment and examination at the request of state agencies” (Decree 126, Article 23(7)) adds the provision “at the request of state agencies” and, accordingly, arguably limits the scope of advocacy by associational entities. Similarly, the provision on “commenting on formulation of mechanisms and policies directly related to its functions, tasks, powers and area of operation” is also limited by organizational role and status.