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Vietnam

I. Legal Framework for an International Financial Hub in Vietnam

ベトナム政府は、将来的にベトナムが国際金融のハブとなることを目指し、ホーチミン及びダナンにおいて国際金融センターを設立・運営することを企図しているが、これに合わせ、国際金融センターの設立や運営等に関する法的な枠組みを整備するべく、このたび国会で決議第 222/2025/QH15 号が成立した。本稿では、この決議第 222/2025/QH15 号の主要なポイントについて概説する。

Introduction

The National Assembly of Vietnam has passed Resolution 222/2025/QH15 (“Resolution 222”), which establishes the legal framework for formation, operation, management and supervision of an international financial centre in Vietnam (“IFC”). Resolution 222, effective from 1 September 2025, provides that the IFC is an area with defined geographical boundaries established by the Government of Vietnam and located in Ho Chi Minh City (“HCMC”) and Da Nang City, and will focus on a diversified ecosystem of financial services and supporting services. Resolution 222 will remain in force for 5 years and is expected to be replaced thereafter by an IFC law.

The Government is expected to issue a decision on establishment of the IFC, specifying its location, land area and organizational structure. According to the latest news, the HCMC IFC will be located across three wards¹: Sai Gon, Ben Thanh and Thu Them, with a total land area of 793 hectares and that the Da Nang IFC is expected to occupy an area of approximately 70 hectares.

The IFC is designed to operate in line with advanced international standards, connect with major markets

¹ As from 1 July 2025, Vietnam is organized under a three-tier government model (replacing the previous four-tier government model) as a result of the government restructuring. Accordingly, district-level government has been abolished, and the government of ward/commune level has been upgraded to perform some of the functions and tasks of the district-level government. The restructuring also includes the merger of most provinces (typically, two provinces merged into one) and the merger of most of wards/communes (typically, three wards/communes merged into one).

and financial hubs in the world, facilitate the connection of domestic and international exchanges, promote investment capital flows as well as develop financial services applying technology (fintech).

Products and Services at the IFC

Products and services provided at the IFC include stocks, bonds, fund certificates, financial derivatives, fund management, insurance, reinsurance, banking and foreign exchange, green finance, carbon credits, financial technology (fintech), and digital assets. Other products and services may be prescribed by the central government over time.

Trading platforms for commodities, carbon credits, cultural and art products, precious metals, green financial products, shall be permitted to establish and operate in the IFC to promote the exchange and trading of products and services.

IFC Management Structure

Under Resolution 222, the IFC shall have the following three types of agencies:

- **Executive authority**, responsible for directly managing and operating all activities at the IFC.
- **Supervision authority**, responsible for supervising, inspecting, checking, preventing and handling violations in financial activities at the IFC.
- **Dispute resolution agencies**, consisting of (i) a **specialized court** established under the Law on Organization of People's Courts, and (ii) an **international arbitration centre** established under the Law on Commercial Arbitration. These bodies will resolve disputes in the IFC in accordance with the parties' agreement.

Given that the IFC spans two provincial jurisdictions, the central government is reportedly considering several options for the structure of the Executive Authority and the Supervision Authority. These options involve determining (i) whether both agencies should be under the central government or instead operate under the respective local governments of HCMC and Da Nang, and (ii) whether the Supervision Authority should be under the central government while the Executive Authorities are placed under the relevant local governments².

Regarding the Specialized Court, a newspaper recently reported that a draft law on this type of court has been submitted to the National Assembly. Notably, the draft proposes that foreigners and Vietnamese citizens with appropriate expertise and experience may be appointed as judges of the Specialized Court so that disputes can be resolved in line with international standards and practices. This proposal would be positively received by IFC members and the broader business community given that Vietnam currently lacks sufficient number of judges with strong knowledge and experience in financial and commercial matters and common law concepts. Under current law, judges of Vietnamese courts must be Vietnamese citizens.

IFC Members

IFC members ("IFC Members") are the entities recognized as members in the form of registration or being granted with licenses to establish and operate in the IFC. These include:

- Commercial banks, foreign bank branches,
- Securities companies,
- Insurance companies and reinsurance companies,

² <https://www.hcmcpv.org.vn/tin-tuc/trung-tam-tai-chinh-quoc-te-viet-nam-tai-tphcm-san-sang-don-nha-dau-tu-1491940463>

- Investment and asset management funds,
- Market infrastructure organizations,
- Financial technology and digital asset organizations,
- Organizations providing consulting and support services,
- Non-financial organizations, and
- Other entities as may be prescribed by the Government of Vietnam.

In principle, investors must establish a legal entity which may register to be an IFC Member. An entity may be registered as an IFC Member if it meets the standards of financial capacity and reputation and operates in the fields consistent with the development orientation of the IFC. However, a branch or subsidiary of the following entities, having a presence in the IFC, (other than entities operating in the fields of banking, securities, insurance) may request the relevant authority to recognize such branch or subsidiary as an IFC Member without having to carry out the registration procedures:

- Financial institutions, investment funds or enterprises on the Fortune Global 500 list published by Fortune Magazine at the time of registration, or their direct parent companies; and
- Financial institutions included in the top ten domestic enterprises in terms of charter capital size in each respective field.

The entities operating in the fields of banking, securities and insurance must establish a presence in the form of a limited liability company (or branch of foreign bank as the case may be) to be able to become an IFC Member.

Special Rights of IFC Members

In addition to enjoying the same fundamental rights as other entities operating in Vietnam, IFC Members may raise capital from organizations and individuals outside Vietnam as well as from non-residents in Vietnam without having to undergo licensing procedures with Vietnamese authorities, although they remain subject to the reporting and declaration obligations. Non-banking IFC Members may establish a capital management company (holding company) to mobilize funds from abroad and manage their investments. Notably, IFC Members' debts to organizations and individuals outside Vietnam are excluded from Vietnam's foreign debt when assessing the national foreign debt safety indicators.

The IFC Members are likewise free to conduct investment and business activities with organizations and individuals outside Vietnam, non-residents in Vietnam, or other IFC Members, in accordance with the license or registration granted to them.

These policies demonstrate that the IFC is treated as a special zone for investment and business activities, distinct from other areas of Vietnam.

Foreign Investors

Foreign investors may establish enterprises (which may become IFC Members) in the IFC without the need to have an investment project or obtain an investment registration certificate ("IRC") or investment policy approval ("IPA"), and may own 100% of such IFC Member. However, if the IFC Member (i.e., project company) later implements an investment project, it must carry out the relevant investment procedures, including obtainment of IRC and/or IPA for that project.

Except for the banking sector, foreign investors may contribute capital to, or acquire an interest in, an IFC Member without the requirement to obtain an M&A approval. After completion of the transaction, however,

the foreign investors must register the updated corporate information with the enterprise management authority.

These exemptions substantially reduce the licensing burden for foreign investors. Nevertheless, it remains unclear whether foreign investors may through their project company (being an IFC Member) participate in real estate development for lease within the IFC and enjoy preferential treatment (e.g., land lease/allocation and preferential CIT rate).

Strategic Investors

Certain IFC Members may be recognized as **strategic investors** of the IFC. Under Resolution 222, a strategic investor is an IFC Member that satisfies criteria relating to business line, financial capacity, and reputation, and that commits to long-term investment in the IFC.

The strategic investors may be given priority in being selected to implement significant investment projects relating to infrastructure development and support services for the IFC. They may also participate in operational management and sub-lease or transfer their investment projects in the IFC.

For investment projects in the priority development sectors and industries, strategic investors may be permitted to lease land from the State without undergoing land use right auction or investor-selection bidding procedures. This represents a departure from current law, under which land must generally be leased through auction or bidding processes unless the investor acquires land directly from existing land users.

Dispute Settlement and Official Language

In principle, investment and business activities in the IFC are governed by Vietnamese law, with Resolution 222 prevailing over other laws. However, where a transaction involves a foreign party, the parties may agree for foreign law to govern the transaction, provided that the application of foreign law does not contradict the fundamental principles of Vietnamese law. If the parties do not specify the governing law, the law of the jurisdiction most closely connected to the transaction shall apply. For transactions involving real estate, the law of the country where the real estate is located must apply.

Resolution 222 further provides that the official language used in transactions and operations within the IFC is English, or English accompanied by Vietnamese translation.

Regarding dispute resolution, in addition to the dispute resolution methods provided under Vietnamese law, disputes between IFC Members or disputes between IFC Members and investors outside the IFC concerning investment and business activities in the IFC may be resolved by any of the following: foreign arbitration, international arbitration, international arbitration center under the IFC, Vietnamese arbitration, foreign court, or Vietnamese court. In this context, the Specialized Court (as discussed above) appears to be treated as Vietnamese court.

Tax Incentives

Income derived from new investment projects in the IFC in the priority development sectors or industries is subject to a corporate income tax (“CIT”) rate of 10% for a period of 30 years. Within this period, enterprises may enjoy CIT exemption for up to 4 years and a 50% CIT reduction for up to 9 subsequent years.

Income derived from new investment projects in the IFC not in the priority development sectors or industries is subject to a CIT rate of 15% for a period of 15 years, together with a CIT exemption for up to 2 years and a 50% CIT reduction for up to 4 subsequent years.

Managers, experts, scientists, and highly qualified individuals – whether Vietnamese or foreigner - working

at the IFC are exempt from personal income tax (“PIT”) on income from salaries and wages earned from performing work at the IFC until the end of 2030.

Individuals earning income from transferring shares, capital contributions, or capital contribution rights to IFC Members are exempt from PIT until the end of 2030.

Foreign Employees and Residence Permit

IFC Members may recruit foreign employees without being subject to certain caps or procedures that currently apply under Vietnamese law. Work permits for these employees may be issued through a simplified process and may be exempted for individuals who meet prescribed professional standards.

Foreigners who are key investors, experts, scientists, individuals with special talents, or senior managers working long-term for agencies or organizations headquartered in the IFC may be granted with a visa or temporary residence card with a term of up to 10 years. In addition, upon the petition of the IFC Executive Authority, such individuals may be eligible to obtain a permanent residence card.

Land Use Term and Mortgage

Investment projects in the IFC that fall within the list of priority development sectors and industries or that are categorized as large-scale may be allocated land or leased land by the State for a maximum term of 70 years. Under current law, the maximum term of land lease or allocation for an ordinary project is typically 50 years.

Economic organizations (including foreign invested enterprises) are permitted to mortgage land use rights and assets attached to land at foreign credit institutions to secure foreign loans. However, when enforcing the security, the mortgagee may only transfer land use rights and assets attached to land to recipients permitted under Vietnamese law. This constitutes a significant exemption, as foreign invested enterprises are currently only allowed to mortgage land use rights and assets attached to land at credit institutions operating in Vietnam, whereas domestic enterprises may mortgage to credit institutions operating in Vietnam as well as other domestic enterprises or individuals.

Foreign Exchange

Resolution 222 provides several relaxations on foreign exchange control applicable to IFC Members and foreign investors conducting investment in the IFC, compared to the current regulatory framework. For example, transactions between IFC Members may be denominated and settled in foreign currency. Foreign investors may remit capital in and out of the IFC through their foreign currency accounts at credit institutions or banks operating within the IFC. Additionally, IFC Members that are wholly owned by foreign investors are exempt from certain foreign exchange control procedures, although they must still comply fully with account opening and reporting regime.

Conclusion

Resolution 222 introduces several new legal concepts that lay the foundation for establishing the IFC, a designated zone operating under a special legal framework comparable to economic zones, export processing zones, industrial parks, high-tech parks and free trade zones in the country.

The IFC incorporates a number of unique and favorable policies on foreign exchange, banking, taxation, and dispute resolution mechanisms. These features appear to be aligned with global trends in the development of international financial centers.

That said, these new legal concepts may become clearer in the near future as under Decision 114/QD-

BCĐTTTC of the Steering Committee of the IFC dated 1 August 2025, alongside the decisions establishing the IFC and its executive and supervisory authorities, the central government will issue eight decrees providing detailed regulations for the implementation and operation of the IFC.

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II. Thailand's Direct PPA Pilot Project: A Paradigm Shift in Energy Procurement

タイエネルギー規制委員会（ERC）は 2025 年 10 月、電力会社による独占にかかる規制を緩和し、電力利用者が発電事業者から電力を直接購入する直接電力購入契約（ダイレクト PPA）を導入するための規制案を公表した。BOI の認可を受けて新設されるハイパースケール・データセンターを対象に、最大 2,000MW まで、民間の再エネ発電事業者との間での直接購入を認める。かかる規制緩和により、再エネ電力利用に関する方針を掲げるデータセンター事業者にとって、再エネ電力へのアクセスが可能となり、投資促進と電力市場の競争化に繋がることが期待される。

Introduction

On October 3, 2025, the Energy Regulatory Commission of Thailand (**ERC**) unveiled the draft Direct PPA regulation, marking the most significant liberalization of Thailand's energy sector in decades. Historically, Thailand's "Single Buyer" model prohibited direct private-to-private energy trading via the national grid, forcing companies to purchase pooled power from Electricity Authorities³. This structure has increasingly proven incompatible with the needs of modern foreign investors, specifically Data Centers requiring pure renewable energy traceability.

To address this structural bottleneck and accelerate foreign direct investment, the government has introduced a landmark regulatory sandbox. This new framework allows qualified users to bypass the state monopoly and sign **Direct Power Purchase Agreements (Direct PPA)** with private renewable energy developers for up to 2,000 MW, utilizing the state's transmission lines via **Third Party Access (TPA)**.

The pilot is purpose-built to support BOI-promoted Data Centers in meeting corporate sustainability commitments. By enabling direct access to verifiable renewable energy through the national grid, the initiative not only strengthens Thailand's status as a preferred investment destination but also promotes competition within the domestic energy industry.

Below is a summary of the key criteria under the draft regulation.

1. Eligible "Data Centers" Buyers

The regulation is strictly ring-fenced for hyper-scale data centers. To qualify for the pilot, a buyer must meet the following requirements:

- **BOI Promotion:** The project must have received an investment promotion certificate from the Board of Investment (BOI).
- **New Investment:** The project must **not have generated commercial income** prior to the application date (i.e., existing operational data centers are excluded).
- **Parent Company Mandate:** Renewable energy usage is mandated by the parent company and must be standardized in all countries where operations are established.
- **Electricity Authority Confirmation:** Must have a contract for purchasing electricity or a letter confirming the status of electricity user from the Electricity Authority, in accordance with the scheduled start of operation date and electricity usage plan, including a purchase of backup electricity from the Electricity Authority.
- **Minimum Capacity:** Must have an **IT Base Load of at least 50 MW** (per building).

³ "Electricity Authority" refers collectively to the Electricity Generating Authority of Thailand (EGAT), the Metropolitan Electricity Authority (MEA), or the Provincial Electricity Authority (PEA).

- **Energy Mandate:** Must certify a requirement for **100% Renewable Energy (RE)** usage to comply with parent company or headquarters’ policies.
- **Clear Investment Plan:** Must provide project details (location, commercial operation date, 10-year electricity usage plan), specifying the maximum annual electricity capacity (MW) broken down into usage from the Direct PPA, EGAT system, and total Data Center demand, including the load profile.
- **PPA with Private Party:** Must demonstrate concrete plans or agreements for direct PPA electricity procurement from private entities.

2. Eligible Sellers

Power producers (Sellers) must meet these technical specifications to participate:

- Each renewable energy power plant must be newly developed and must not be already operating or supplying to the national grid.
- Each participating plant has a total installed generating capacity (or total inverter size for solar power plants) of 1,000 kVA or more.
- Power plants must not have a binding power purchase agreement with the government or any private offtaker.
- The facility must pass the feeder capacity assessment conducted by the Electricity Authority.

3. Other Criteria

- **Mandatory Grid Agreements:** Data Centers must ensure their power producers execute grid service agreement with Electricity Authority within the specified timeframe. Any capacity not secured by a signed agreement will be immediately forfeited.
- **Code Compliance:** Both Data Centers and power producers must strictly adhere to the Electricity Authority’s Grid Code and Third-Party Access (TPA) Code.
- **Backup Power & Liability:** While sourcing from multiple producers is permitted, drawing supplemental power from the Electricity Authority (during shortages or excess demand) requires a separate Backup Power Purchase Agreement, which may include security deposits and potential penalties for non-compliance.

Strategic Progress Towards a Competitive Energy Market

The release of the Direct PPA draft regulation⁴ is a landmark development in Thailand’s energy landscape, moving the country from a rigid “Single Buyer” model to a more open, competitive, and investment-friendly electricity market. By unlocking a 2,000 MW quota specifically for hyper-scale data centers, the government is proactively addressing the renewable-energy access challenges that have previously stalled major tech investments.

The framework sets clear expectations, ensuring that only credible, well-prepared investors participate in the pilot. With a 50 MW minimum threshold, the pilot is designed to accelerate actual deployment and ensure efficient use of grid capacity.

For qualified investors, the pilot presents a rare and strategic opportunity: early movers can secure long-term renewable energy capacity, support Thailand’s clean-energy transition, and reinforce the country’s position as a regional hub for sustainable digital infrastructure.

⁴ The Direct PPA regulation is currently in draft form and subject to revision through consultation and legislative procedures. Stakeholders should closely monitor developments as specific provisions may evolve during ongoing regulatory discussions.

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