

NEWSLETTER

THE DIGITAL TECHNOLOGY INDUSTRY LAW: A STRATEGIC OPPORTUNITY FOR SMES

Approved by the National Assembly on June 14, 2025, the Law on Digital Technology Industry (DTI Law) lays the essential foundation for a comprehensive digital economy ecosystem: encompassing technical infrastructure, human resources, market access, and governance. The act recognizes digital technology as a spearhead industry, mandating that all sectors and administrative levels integrate Digital Transformation (DX) into their development strategies. It simultaneously advocates for the socialization of resources dedicated to research, training, and innovation incubation.

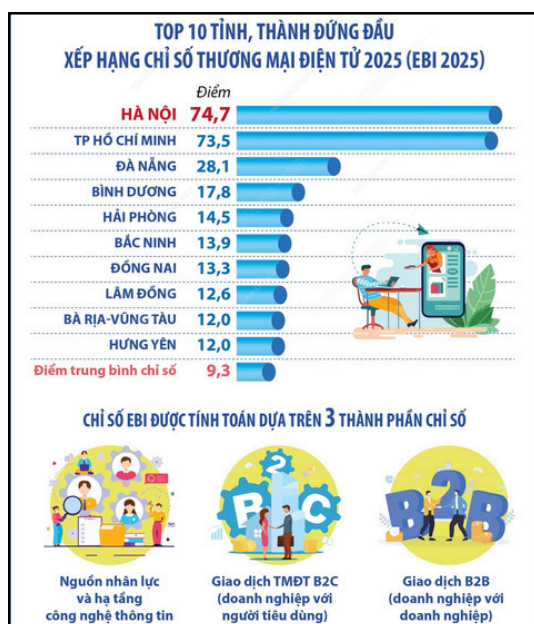


With a vision of "technology reaching every enterprise," this legislation encourages SMEs to proactively digitize processes, strategically exploit data, and expand online channels. This preparation is key to readily accessing the capital incentives, public procurement opportunities, and cross-border markets that the DTI Law is designed to initiate.

Strategic Opportunities for SMEs & E-Commerce

The Digital Technology Industry Law presents strategic opportunities, particularly for e-commerce-focused Small and Medium-sized Enterprises:

- **Fostering Innovative Business Models:** SMEs are facilitated to develop and deploy new, more sophisticated business models where technology serves as the core driver for robust, sustainable growth.
- **R&D Leverage:** Tax incentives and supportive policies are provided to promote investment in research and development activities within the technology sector.
- **Sandbox & Stable Testing Corridor:** A clear legal environment helps businesses and consumers confidently experience new technology, shortening the cycle of testing – deployment – commercialization.
- **Capital and "Make in Vietnam" Market:** Small enterprises are prioritized for access to low-interest credit, innovation funds, and public procurement packages dedicated to domestic products, expanding domestic market share while strengthening the Vietnamese brand.
- **Goal of 150,000 Digital Enterprises:** This national milestone creates positive pressure, encouraging SMEs to rapidly digitize to leverage the booming e-commerce ecosystem and reach regional scale.



Orthian's Technology Solutions

Orthian offers a comprehensive solution ecosystem for SMEs:

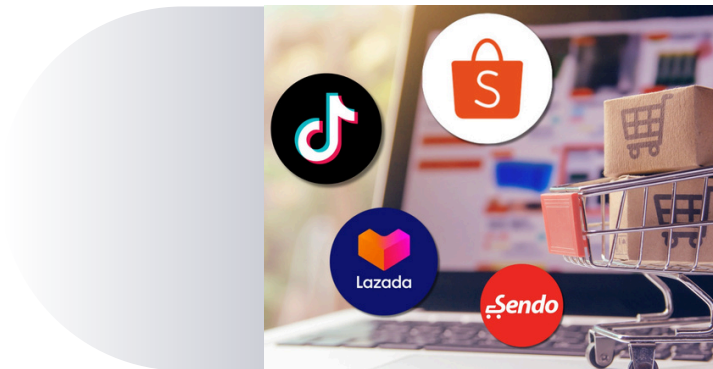
- **App Studio:** Beyond custom mobile/web application design, App Studio centers on the client's business model to create strategic technology products and supports real-world operational implementation.
- **Custom Software:** Developing customized software to meet specific needs and concrete business goals. We design and build software solutions for particular business objectives or digital transformation of specific internal processes/steps, optimizing operations and enhancing efficiency.
- **UI/UX Design:** Researching user behavior, designing intuitive interfaces, optimizing the purchasing journey and internal management, reducing cart abandonment, and enhancing experience..
- **Website Maintenance:** Regular maintenance services: content updates, security patches, plugin upgrades, performance monitoring, and troubleshooting, ensuring 99.9% uptime and protecting digital assets from risk.

Orthian is confident in being a strategic partner, accompanying SMEs in rapid and sustainable digital transformation.

Q3/2025 marks a favorable time for SMEs to gradually implement DX, given the newly enacted Digital Technology Industry Law, which creates a clear legal framework and many new opportunities. As a technology partner, Orthian is ready to support the systematic and flexible realization of digital strategies.

SMES ACCELERATING GROWTH WITH E-COMMERCE

In 2025, E-commerce (EC) continues to be the main driver boosting growth for the Small and Medium-sized Enterprise (SME) sector. In Vietnam, SMEs are accelerating the application of technologies like AI, live stream selling, and digital platforms to expand markets and optimize operations. Notably, the trend of shopping via social media and mobile devices dominates, with TikTok Shop standing out for its growth rate, recording a sales increase of **113.8% in Q1/2025** (according to a report from Metric.vn).



Furthermore, starting from April 1, 2025, e-commerce platforms began submitting tax on behalf of business households and individuals. Simultaneously, from June 1st, SMEs with annual revenue of **1 billion VND** or more are mandated to use **e-invoices integrated with cash registers**. The Government and the Ministry of Industry and Trade are enhancing support for SME digital transformation, expanding exports through cross-border e-commerce channels like Amazon and Shopee Global. Given the global trend, Vietnamese SMEs need to proactively enhance their **digital governance capacity** and **comply with new regulations** to maintain a competitive advantage.

SMES AND THE COMPLIANCE CHALLENGE IN THE NEW CONTEXT

Vietnamese SMEs are grappling with the burden of compliance arising from a series of new regulations issued and effective almost immediately during 2024-2025. The Revised VAT Law (Effective 01/7/2024) tightens the conditions for deducting input tax, and changes to the list of sectors eligible for the 2% VAT reduction policy (from 10% to 8%) have led many SMEs to declare incorrectly and incur tax arrears. **Decree 70/2025/ND-CP (Effective 01/6/2025)** tightens the e-invoice process: F&B SMEs must issue invoices immediately upon transaction completion; exporters must issue invoices no later than the next working day after customs clearance. The requirement for **detailed description of each goods/service type** (e.g., "Pork Rib Broken Rice" instead of "Food") requires technical changes beyond the capability of manual accounting systems. **Circular 32/2025 (Effective 01/6/2025)** adds criteria for identifying high-risk enterprises: SMEs with "virtual" addresses (unlicensed business apartments, PO Box) or those whose legal representatives were involved with absconded enterprises will face **temporary suspension of e-invoice issuance**, restricted bank accounts, and unexpected tax inspections. The regulatory goal of **business transparency** inadvertently increases system update costs (accounting software, data security) beyond SME financial capacity. A lack of legal expertise leads to technical errors like incorrect tax category declaration or insufficiently detailed invoice descriptions. This complexity and continuous updating deplete the limited resources of SMEs, putting them at risk of administrative penalties, tax arrears, and even operational suspension.



A SOLID START: STANDARDIZED FINANCIAL MANAGEMENT WITH GHC

Global Hedge Consulting (GHC) is a consulting firm specializing in operational processes and optimization, with a particular focus on **tax, accounting, and finance**. GHC is committed to supporting clients, from individuals to enterprises, continuously learning and seeking innovative solutions to provide comprehensive consulting and support.

In the accounting and tax sector, GHC delivers superior professionalism and efficiency. Services include: recording, posting, and preparing tax declarations on a monthly, quarterly, and annual cycle. GHC conducts **accounting book reviews** to promptly identify weaknesses and potential tax-related risks. Furthermore, GHC supports the assessment and review of accounting records and tax obligations, aiming to help businesses complete tax reports accurately, cost-effectively, and with the highest efficiency.