**LEGAL FRAMEWORK FOR CRYPTOCURRENCY IN VIETNAM**

In Vietnam, alongside the development of the 4.0 Industrial Revolution, the financial market has witnessed the emergence of various new financial products such as e-wallets, online payments, and notably cryptocurrencies, also known as digital assets. According to data from the Triple-A electronic payment gateway, Vietnam currently ranks second globally with over 21 million people owning cryptocurrencies, just behind the United Arab Emirates[[1]](#footnote-1).

In this context, the lack of a legal framework for cryptocurrencies has led to significant and unpredictable consequences in Vietnam. Therefore, on February 23, 2024, Deputy Prime Minister Le Minh Khai signed Decision No. 194/QD-TTg, issuing a national action plan to implement the Vietnamese government's commitments regarding anti-money laundering, counter-terrorism financing, and the proliferation of weapons of mass destruction. This plan includes provisions for researching and developing a legal framework to prohibit or regulate virtual assets (VAs) and virtual asset service providers (VASPs), ensuring the enforcement of this legal framework by May 2025. Thus, until that time, cryptocurrencies remain a complex and challenging issue in Vietnam.

1. **Context of Cryptocurrencies in Vietnam**
2. **Lack of specific definition**

Based on Article 105 of the Civil Code 2015, property is defined as objects, money, valuable papers, and property rights. Therefore, it can be observed that cryptocurrencies do not fit into any form of property as defined by current Vietnamese law. Consequently, cryptocurrencies seem to lack a clear legal definition and are not considered property, thus cannot be legally used in buying, selling, or exchanging activities in Vietnam.

Furthermore, on July 21, 2017, the State Bank of Vietnam affirmed that cryptocurrencies in general are not considered legal tender and are not recognized as lawful means of payment according to Vietnamese law. Issuance, supply, and usage of cryptocurrencies as currency or payment methods are prohibited actions.

From current legal provisions and viewpoints, it is evident that cryptocurrencies have not yet been officially recognized in Vietnam. This creates a legal void and poses significant challenges for regulators in controlling and regulating the cryptocurrency market. Therefore, building a clear and comprehensive legal framework for cryptocurrencies in the near future is necessary to protect the rights of citizens, ensure financial security, and promote sustainable development of the digital financial market.

1. **State authorities' viewpoint on cryptocurrencies**

Despite regulations and legal texts affirming that cryptocurrencies are not recognized as assets in Vietnam, in practice, some state agencies—particularly the courts—indirectly consider cryptocurrencies like Bitcoin as assets. In case number 841/2023/HS-PT[[2]](#footnote-2) involving the misappropriation of 168 bitcoins, equivalent to over 37 billion Vietnamese Dong, the court indirectly regarded Bitcoin as an asset and adjudicated this as a "Robbery" offense, penalized under the Criminal Code 2015.

However, regarding cryptocurrencies as assets is still not a widely accepted viewpoint and remains a subject of debate to this day. The lack of consistency in the approach and assessment of cryptocurrencies among governmental agencies and current legal documents poses many challenges for handling disputes related to cryptocurrencies in Vietnam.

1. **Key Considerations When Using Cryptocurrencies in Vietnam**
2. **For cryptocurrency investment activities**

Despite the current absence of specific definitions or legal frameworks for cryptocurrencies in Vietnam, the Ministry of Justice does not prohibit digital currencies and virtual assets. However, the lack of clear regulations has created an environment where criminal organizations and cryptocurrency scams can thrive. This situation poses significant risks to investors, who may easily fall victim to exploitation and asset misappropriation without legal protection.

Consequently, cryptocurrency investors in Vietnam can still engage in activities on international exchanges. However, they must be aware of the inherent risks and equip themselves with effective preventive measures. This includes choosing reputable exchanges, securing personal information, and avoiding investments in projects of unclear origins. Additionally, investors need to stay updated on legal regulations and policies related to cryptocurrencies from regulatory authorities.

Looking ahead, with the completion and implementation of a legal framework for cryptocurrencies, it is hoped that clearer and more effective protective measures will be put in place to safeguard the rights of all market participants. However, until that time, caution and market knowledge remain crucial factors for investors to protect themselves in an evolving regulatory environment.

1. **Regarding the use of cryptocurrencies as a means of payment**

Although the state does not prohibit cryptocurrency investment activities, the use of cryptocurrencies as a means of payment remains prohibited in Vietnam. According to Articles 4 clause 6 and 7 of Decree No. 101/2012/ND-CP, non-cash payment instruments permitted for transactions include checks, payment orders, collection orders, remittance orders, bank cards, and other instruments regulated by the State Bank. Any payment instruments not specified in this list are considered illegal.

Thus, issuing, supplying, and using cryptocurrencies, including Bitcoin and Litecoin, as currencies or payment instruments is prohibited. The State Bank has repeatedly affirmed that cryptocurrencies are not legal tender and are not accepted as legitimate payment methods in Vietnam. Using cryptocurrencies as a means of payment not only violates the law but also exposes users to risks, including financial loss and lack of legal protection in disputes.

1. **Conclusion**

Given the current situation, Vietnam is in the process of recognizing and preparing a legal framework for cryptocurrencies. This is a necessary and crucial step to ensure transparency and safety in the digital financial market. Establishing a clear legal framework will help protect the rights of investors and cryptocurrency users, while fostering a conducive environment for the sustainable development of blockchain technology and related applications.

Therefore, to ensure safe and appropriate cryptocurrency investment, it is essential to regularly update information on laws and policies related to cryptocurrencies from relevant authorities. During this time, investing and trading cryptocurrencies should be conducted on reputable international exchanges, and cryptocurrencies should only be used for investment purposes, not as a means of payment to avoid legal violations.

**ADK VIETNAM LAWYERS**

1. [Vietnam ranks second globally in cryptocurrencies: https://s.net.vn/ZGEb](https://s.net.vn/ZGEb) [↑](#footnote-ref-1)
2. Case No. 841: https://congbobanan.toaan.gov.vn/2ta1369391t1cvn/chi-tiet-ban-an [↑](#footnote-ref-2)