

# UNLOCKING FINTECH GROWTH: DECREE 94 OPENS SANDBOX FOR P2P LENDING AND OPEN API DUYEN HA VO AND QUYNH ANH LE, VILAF

After years of anticipation and prolonged consultation, the Government of Vietnam has issued Decree No. 94/2025/ND-CP (**Decree 94**) on the regulatory sandbox for financial technology (**Fintech**). Taking effect from 1 July 2025, Decree 94 marks a significant milestone in Vietnam's approach to Fintech regulation by establishing a formal legal framework for the pilot testing of peer-to-peer (P2P) lending, open application programming interfaces (**Open API**), and technology-based credit scoring solutions.

Decree 94 sets out the procedures and conditions for granting sandbox licenses to eligible entities - comprising credit institutions and foreign bank branches (collectively, **Credit Institutions**), and qualified Fintech companies - to test recognized Fintech solutions in a controlled environment. Each sandbox license will be valid for up to two years, with the possibility of two extensions, each not exceeding one additional year. After successful completion and subject to the issuance of the corresponding formal legal framework, participants may be granted a certificate of sandbox completion, allowing full market rollout of the tested solution in compliance with applicable laws at the time.

The issuance of Decree 94 forms part of a broader wave of legal reforms aimed at enhancing the stability and transparency while promoting further development of Vietnam's financial sector. By creating space for innovation while enforcing clear boundaries, the Decree seeks to promote capable, compliant market participants and mitigate systemic risks by phasing out unqualified or non-compliant operators.

This Article discusses the key contents of Decree 94.

## KEY TAKEAWAYS

### Scope of Application

Decree 94 establishes a regulatory sandbox for three categories of Fintech solutions serving the banking sector:

- Credit Scoring;
- Open API Platforms; and
- P2P Lending Platforms.

Fintech companies must be lawfully established in Vietnam and may operate independently or in collaboration with Credit Institutions.

Participants in the sandbox can include Credit Institutions and Fintech companies.

### Special Conditions for P2P Lending Companies

- They must not be foreign-owned enterprises.
- Their legal representatives and general directors must be Vietnamese citizens and must not simultaneously manage other financial or credit-related entities.
- They may not provide guarantee or security for their customers' loans and may not act as customers (lenders or borrowers) of their platform.
- Pawn companies cannot be their customers.

### Sandbox License Framework

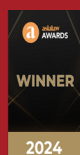
- Eligible entities wishing to participate in the sandbox must register with the SBV to obtain sandbox licenses and the licensing process may be subject to inter-ministerial consultation.
- Sandbox licenses are valid for up to 2 years, with up to 2 extensions of maximum 1 year each.
- Sandbox licenses may be revoked for non-commencement within 90 days unless due to force majeure, or for certain regulatory violations.
- After successful completion and subject to the issuance of the corresponding formal legal framework, participants may be granted a certificate of completion, allowing full market rollout of the tested solution in compliance with applicable laws at the time.

### Reporting and Credit Information Obligations

- Participants must submit periodical and ad hoc reports to the SBV.
- P2P lending companies must report borrower and lender credit data to the National Credit Information Center (CIC) as guided by the SBV Governor.

### Other Important Requirements on P2P Lending Companies

- They must establish measures to determine and control the maximum outstanding debt owed by each borrower at its P2P Lending platform, report and obtain credit information about that borrower from the CIC to ensure borrowing limit compliance. The SBV will decide the borrowing limits imposed on individual borrowers on a per-platform basis and all-platform basis.
- They must have annual financial statements audited and published on their website.
- They must provide customers with full information on their loan contracts, their rights and obligations, and applicable interests and fees prior to conclusion of the loan contracts and obtain the customers' certification of the information disclosures.



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## 1. Scope of Application

Decree 94 identifies three categories of Fintech solutions eligible for sandbox testing:

1. **Credit Scoring:** digital technology-based scoring solutions operated by Credit Institutions or *Fintech companies* to support credit assessment of Credit Institutions.
2. **Open API:** standardized API platforms allowing access by computer systems of different Credit Institutions, Fintech companies and third parties to serve the transmission of requests for services to the Credit Institutions subscribing for the platform services.
3. **P2P Lending:** digital technology-based platforms operated by a *P2P lending company* to facilitate the transmission of communications and online VND loan document execution between *customers* [of the P2P lending company], being borrowers and lenders.

A **Fintech company** is a company lawfully incorporated in Vietnam, which is not a Credit Institution, providing Fintech solutions independently or in collaboration with a Credit Institution to the market.

A **P2P lending company** is a Fintech company providing P2P lending solutions to customers.

**Customers** with respect to the Fintech solutions permitted in this Decree are those corporate entities and individuals directly using the Fintech solutions provided by the Participants.

**Participants** in the sandbox testing may include Credit Institutions and Fintech companies.

## 2. Eligibility Criteria for Fintech Company Participants

In addition to potential technical infrastructure requirements concerning the proposed Fintech solution(s), a Fintech company proposing to be a Participant under Decree 94 must meet the following criteria at the time of registration and throughout any subsequent period of sandbox operation:

- a. **Corporate Standing.** It must be a legal entity lawfully established in Vietnam and not under any demerger, merger, consolidation, conversion, dissolution or bankruptcy process.
- b. **Legal Representative, General Director Eligibility.** Its legal representative, general director must (i) have at least a university degree in economics, business management, law, or information technology, (ii) have at least two-year experience as a manager in a financial institution, and (iii) not fall onto lists of cases prohibited from taking a management position under applicable laws.

## 3. Additional Eligibility Criteria for P2P Lending Company Participants

In addition to the general eligibility criteria discussed in Section 2, a proposed Participant to provide P2P Lending solutions must meet the following criteria at the time of registration and throughout any subsequent period of sandbox operation:

- a. **Local ownership.** It must not be a foreign-owned enterprise.
- b. **Legal Representative, General Director Clean Records.** Its legal representative, general director must (i) be a Vietnamese citizen with no criminal record, not having been subject to administrative penalties in financial, banking or cybersecurity areas, and (ii) not concurrently act as the owner or a manager in any other entity or institution providing financial services, banking services, pawn services, intermediary payment services, or multi-level marketing services or the owner of any informal or community loan club (in Vietnamese, “hội, họ, biểu, phường”).

## 4. Restriction on Foreign Ownership regarding P2P Lending

It's important to note that, as discussed in Section 3 above, a P2P lending company cannot be a foreign-owned enterprise, and its legal representative and general director must be Vietnamese citizen(s).

The Decree does not define the term “foreign-owned enterprise” and the current Law on Investment had already moved away from using this term. However, the Decree is likely intended to refer to “foreign-owned economic organizations” as defined under the Investment Law, which may include (i) companies with any shareholder being a foreign investor and (ii) companies indirectly controlled by foreign investors in certain stipulated circumstances.

The exclusion of foreign-owned enterprises from eligibility raises potential questions regarding Vietnam's international commitments, particularly under the EU-Vietnam Free Trade Agreement (**EVFTA**) and the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (**CPTPP**). Both agreements require that member countries allow financial service suppliers of other member countries to provide any new financial service that is permitted to domestic suppliers under domestic law (Article 8.44 EVFTA and Article 11.7 CPTPP).

Under the above international agreements, Vietnam has entered a reservation with respect to new financial services permitting it to impose (a) a cap on the number of participants in pilot testing programs and/or (b) restrictions on the scope of pilot testing programs. Nonetheless, the above reservation does not expressly authorize nationality-based exclusions from the pilot testing programs. Moreover, with respect to the CPTPP, the reservation is explicitly subject to the obligation required in its Article 11.7 to permit foreign financial service suppliers to provide new financial services where such permission is given to domestic suppliers.

## 5. Sandbox License Requirements

**Sandbox License.** Eligible entities must register with the State Bank of Vietnam (**SBV**) to obtain a sandbox license (**Sandbox License**) by submitting an application dossier in accordance with Decree 94. Prior to issuing the Sandbox License, the SBV may consult with relevant ministries. Participants may only provide Fintech solutions within the scope approved under their respective Sandbox Licenses.

**License Revocation Triggers.** A Sandbox License may be revoked if its holder fails to commence operations within 90 days of issuance unless delayed by force majeure, or in other cases specified in Decree 94, such as for violations of the terms of the Sandbox License or failure to monitor borrower credit limits.

**License Term.** The Sandbox License is valid for up to two years. Participants may apply for an extension at least 90 days before expiry, with a maximum of two extensions, each not exceeding one year.

**Certification of Completion.** Upon the establishment of a formal legal framework - or where the SBV determines that the relevant Fintech solution is not a conditional business - and subject to its evaluation of the Participant's performance, the SBV may issue a certificate of completion, permitting the Participant to officially launch its Fintech solution in accordance with applicable laws at that time.



## 6. Sandbox Reporting and CIC Requirements

Participants must file periodical reports and extraordinary reports on its sandbox operation to the SBV according to its guidance.

The P2P lending companies must also provide credit information of their customers (lenders and borrowers) to the National Credit Information Center (**CIC**) according to the regulation of the SBV Governor.

## 7. Other Important Requirements on P2P Lending

- 1. Customers.** Lenders can include any legal entities lawfully established in Vietnam (including Credit Institutions) and Vietnamese citizens. Borrowers can include any legal entities lawfully established in Vietnam (excluding Credit Institutions) and Vietnamese citizens. Pawn companies may not be customers of P2P Lending solutions.
- 2. Restriction on other Businesses.** P2P lending company may not (i) conduct other businesses not covered in the Sandbox License, (ii) provide guarantee or security for its customers' loans, or (iii) act as customers of the platform.
- 3. Borrowing Limits.** Each P2P lending company must establish measures to determine and control the maximum outstanding debt owed by each borrower at its P2P Lending platform, report and obtain credit information about that borrower from the CIC to ensure borrowing limit compliance. The SBV will decide the borrowing limits imposed on individual borrowers on a per-platform basis and all-platform basis.
- 4. Transfer Requirements.** Disbursements and repayments concerning any loan provided via a P2P Lending platform must be made via the borrower's lawful bank accounts or e-wallets in Vietnam.
- 5. Know-your-customer Requirements.** The P2P lending company must apply measures to examine, identify and reconcile information of its customers and to prevent frauds.
- 6. Audited Financial Statements.** The P2P lending company must have its annual financial statements audited and published on its website.
- 7. Customer Protection.** The P2P lending company must provide its customers with full information on their loan contracts, their rights and obligations, and applicable interests and fees prior to conclusion of the loan contracts and obtain the customers' certification of the information disclosures.
- 8. Data localization.** The IT system and information storage system serving the P2P Lending platform must be placed in Vietnam.

## 8. Outlook for Vietnam's Alternative Lending Ecosystem

Vietnam's alternative lending sector is on track for sustained medium- to long-term growth, driven by rapid digital adoption, rising demand for flexible credit solutions, and now, the introduction of a clearer regulatory framework. According to *Research and Markets*, Vietnam's P2P lending market reached US\$355.9 million in 2023. In the absence of a dedicated legal regime, P2P platforms have operated under proxy models such as pawn services, business consultancy, or IT service structures - leaving both platform operators and lenders with limited regulatory protection.

The issuance of Decree 94 marks a pivotal shift, reflecting the Government’s strategic intent to promote innovation through structured regulatory oversight. By fostering greater transparency, customer trust, and operational scalability, the new sandbox framework offers a foundation for sustainable industry development. With the domestic P2P lending market projected to grow at a compound annual growth rate of 16.9% from 2024 to 2028, reaching US\$824.4 million by 2028 as estimated by Research and Markets, the sandbox regime is set to play a vital role in shaping a more inclusive, secure, and dynamic financial ecosystem in Vietnam.

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