

# LEGAL FRAMEWORK FOR DIGITAL ASSETS AND TOKENIZED ASSETS IN VIETNAM

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## ABSTRACT

*This article will provide an in-depth analysis of the concepts of digital assets and crypto-assets, the current legal status in Vietnam, prominent challenges and future prospects, thereby proposing solutions to improve the legal system to keep pace with global trends.*

**Keyword:** Digital assets, tokenized assets, legal framework, Vietnam

## 1. INTRODUCTION

The Fourth Industrial Revolution has ushered in a new era for the global economy, where digital technology, artificial intelligence (AI), the Internet of Things (IoT), and especially blockchain are reshaping how people transact, store value, and manage assets. In this context, digital assets and tokenized assets have become indispensable concepts, acting as drivers for innovation in finance, real estate, e-commerce, and beyond. From cryptocurrencies like Bitcoin and Ethereum to tokens representing real-world assets such as stocks or real estate, these innovations not only bring opportunities but also pose significant legal and regulatory challenges.

In Vietnam, the popularity of digital assets and tokenized assets is rapidly increasing, especially among the youth and the tech community. Cryptocurrency trading platforms like Binance, Remitano, or domestic blockchain projects have attracted millions of users. However, the legal framework regulating these assets still has many gaps, creating uncertainty for both regulators and market participants

## 2. CONTENT

**2.1. Concept of Digital Assets** Digital assets are an emerging concept in the digital age. Although there is no unified legal definition globally, digital assets can be understood as follows: Digital assets are any assets that exist in the form of digital data, stored and managed through technological

platforms, often blockchain. <sup>1</sup>Various types of digital assets, referred to as virtual assets, electronic money, or tokenized assets, have attracted attention in technology and business fields, while posing many legal challenges for lawyers worldwide, particularly in determining their nature. Digital assets include:

**Cryptocurrencies:** This is the most common type of digital asset, functioning as a decentralized medium of exchange, not controlled by central banks. Notable examples are Bitcoin (launched in 2009 by Satoshi Nakamoto) and Ethereum (prominent for supporting smart contracts)<sup>2</sup>[footnoteRef:3]. Tokenization is the process of converting traditional assets (real-world assets) into tokens on the blockchain. A house worth 5 billion VND can be tokenized into 5,000 tokens, each representing a portion of ownership. Company stocks can be tokenized for trading on decentralized exchanges without intermediaries like traditional stock exchanges. Bonds, commodities (gold, oil), or even intellectual property rights can also be tokenized.

Blockchain technology ensures that these tokens are recorded in an immutable ledger, enhancing transparency, reducing transaction costs, and expanding access for small investors. Worldwide, countries like Switzerland, Singapore, or the US have begun applying tokenized assets in various fields, from real estate to finance. **Digital Tokens:** Digital assets are information existing in the form of computer code (data messages) within a

<sup>1</sup> Satoshi Nakamoto (2008), "Bitcoin: A Peer-to-Peer Electronic Cash System", <https://bitcoin.org/bitcoin.pdf>, accessed on 18/3/2025 at 10:45 AM

<sup>2</sup> Bitcoin History, <https://trustmachines.co/bitcoin-history/>, accessed on 18/3/2025 at 11:00 AM

specialized information system that is recognized and used by a certain community to confirm the rights or benefits of an entity, meaning digital assets do not exist in physical form but only within information systems.<sup>3</sup>

This includes utility tokens used to access services in a blockchain ecosystem, governance tokens that allow holders to participate in decisions in decentralized projects (DAO), and non-fungible tokens (NFTs) representing unique assets like artworks, music, or in-game items.<sup>4</sup>

Other forms of data such as digital reward points or personal data can also be considered digital assets in certain contexts. Among them, digital reward points are value units that users accumulate through activities like shopping, participating in loyalty programs, or gaming. For example, points from supermarket membership cards or tokens in apps or online games. They have usable value, such as exchanging for products, services, or discounts. In some cases, they can even be traded or converted into money. However, the value of reward points depends on the specific context (such as the provider's policies), so they are not always absolutely recognized as digital assets. Personal data includes information like names, addresses, phone numbers, or financial information of an individual. This is a more complex case. Companies may use personal data for marketing, market analysis, or selling to third parties, making it a valuable digital asset. However, viewing personal data as a digital asset is controversial because it involves privacy and data security rights. Users often do not directly profit from their data; instead, organizations exploit its value. Therefore, in commercial or marketing contexts, personal data can be considered a digital asset, but this does not apply in all cases. The prominent characteristics of digital assets are decentralization, transparency (thanks to blockchain), and the ability to transact instantly globally. However, they are also highly volatile in value and pose security risks such as theft through cyberattacks. In Vietnam, digital assets are infiltrating economic and social life. In

2024, Vietnam ranked 5th worldwide in interest in digital assets, 3rd globally in using international trading platforms, with 17 million Vietnamese owning digital assets and the total market value exceeding 100 billion USD; informal digital asset transactions are creating a massive underground economy.<sup>5</sup> Vietnam consistently ranks among the top countries with the highest cryptocurrency adoption rates. People use Bitcoin, Ethereum, or other altcoins for investment, trading, or international remittances.

Projects like Axie Infinity (developed by Sky Mavis, a Vietnamese company) have demonstrated the potential of blockchain in gaming, attracting millions of global players and generating hundreds of millions of USD in revenue. Axie Infinity is one of the world's most famous blockchain games, developed by Sky Mavis, a technology company headquartered in Ho Chi Minh City, Vietnam. Founded in 2018, Sky Mavis quickly made its mark on the global tech map thanks to its breakthrough vision in combining blockchain and electronic gaming. The Axie Infinity project is not only a phenomenon in the gaming industry but also pioneered the "play-to-earn" trend, attracting millions of players worldwide.<sup>6</sup> Although still in its infancy, some businesses have experimented with tokenizing real estate or business assets to raise capital via blockchain, but no projects have been widely implemented due to the lack of a legal framework.

Current Vietnamese law does not recognize digital assets and tokenized assets as "assets" under the 2015 Civil Code, which only lists assets as "objects, money, valuable papers, and property rights." This creates a significant gap in managing and protecting these new types of assets.

## 2.2. Current Legal Framework in Vietnam

As of March 2025, the legal framework related to digital assets in Vietnam mainly relies on indirect regulations, with the primary goal of controlling risks rather than promoting development. Decree 118/2018/ND-CP issued on September 12, 2018, amends and supplements some regulations on

<sup>3</sup> Digital assets in the context of the fourth industrial revolution, international integration, and Vietnamese law, Cogent Social Sciences, Volume 09, 2023, Issue 1, <https://www.tandfonline.com/journals/oass20>, accessed on 18/3/2025 at 11:12 AM

<sup>4</sup> Nakamoto, S. (2008). "Bitcoin: A Peer-to-Peer Electronic Cash System

<sup>5</sup> <https://diendandoanhnghep.vn/gap-rut-xay-dung-khung-phap-ly-cho-tai-san-so-10150915.html>, accessed on 23/3/2025 at 3:35 PM

<sup>6</sup> <https://forbes.vn/axie-infinity-be-phong-tu-dam-me>, accessed on 23/5/2025 at 3:48 PM

investment and business conditions in the financial sector. The State Bank of Vietnam (SBV) has clearly stated that cryptocurrencies like Bitcoin are not legal tender in Vietnam. Credit institutions are prohibited from using, issuing, or supporting cryptocurrency transactions. Subsequently, the Prime Minister issued Decision 1813/QĐ-TTg on October 28, 2021, approving the Digital Economy Development Project until 2025, with orientation to 2030; this document emphasizes the role of blockchain technology in digital transformation. The Government assigned tasks to ministries and sectors to research and pilot blockchain, but no specific regulations on digital assets or tokenized assets have been issued. The 2022 Law on Prevention and Combat of Money Laundering, effective from March 1, 2023, requires financial institutions and related businesses to closely monitor digital asset transactions to prevent money laundering and terrorist financing. However, the law does not recognize the legality of digital assets but only treats them as objects needing control. In addition, some circulars and guidelines from the Ministry of Finance and Ministry of Public Security related to tax management and combating high-tech crimes also mention cryptocurrencies, but mainly in the context of handling illegal activities. Decree 52/2024/ND-CP dated May 15, 2024, regulating non-cash payments is the first legal document to recognize electronic money, in which the concept of electronic money is recorded in Clause 12, Article 3 of Decree 52/ND-CP, the forms of use such as electronic wallets and prepaid cards are stipulated in Article 6, along with providers including banks, foreign bank branches, and payment intermediaries. These regulations help transparently operate electronic money, protect users, reduce risks of opaque transactions, support prevention of legal violations, and promote blockchain technology innovation, helping Vietnam catch up with global digitalization trends. However, Decree 52/2024/ND-CP only considers electronic money as a non-physical value storage tool corresponding to prepaid money, not recognizing digital currencies like Bitcoin or Ethereum as payment methods. The draft Law on Digital Technology Industry defines digital assets as blockchain products with ownership rights under

civil law (Clause 1, Article 8), but it is unclear whether electronic money falls into this group, lacking features like intangibility and decentralization. The draft implicitly recognizes cryptocurrencies as digital assets, but legal details remain open. The lack of specific regulations makes electronic money transactions lack control and protection for participants' rights. In 2023, UNIDROIT defined digital assets as "electronic data capable of control"<sup>7</sup>, providing valuable reference for Vietnam to perfect its legal framework.

Although laying the foundation for digital financial technology, Vietnam still lacks a comprehensive legal framework on virtual money and digital money, unclear on legal nature or regulations on creation, trading, and supervision. This makes Vietnam lag behind the world, difficult to manage finance, tax, anti-money laundering, and miss illegal activities. The Government is promoting the completion of the legal framework. Compared to the 2015 Civil Code, the nature of digital assets remains vague, causing practical difficulties. Legally, digital assets are not clearly recognized as assets by Vietnam's 2015 Civil Code (CC), making it difficult to determine their legal nature in transactions. The 2015 CC defines assets as objects, money, valuable papers, and property rights, including movable or immovable property, present or future, but this approach does not change much from previous versions. This leads to digital assets not being tangible objects because they exist only as electronic data, dependent on server systems; others view the computer code of digital assets as objects, similar to intellectual property rights – intangible but recognized. Recognizing digital assets as assets will help protect owners' rights and resolve disputes related to network resources. Law on Enterprises No. 59/2020/QH14, issued on June 17, 2020, stipulates that contributed assets may include Vietnamese Dong, freely convertible foreign currencies, gold, land use rights, intellectual property rights, technology, technical know-how, and other assets as long as they can be valued in Vietnamese Dong. In theory, if digital assets are considered a type of asset, they can also be valued in Vietnamese Dong and used to contribute capital to enterprises. However, the reality is more

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<sup>7</sup> UNIDROIT Principles on Digital Assets (2023), [https://www.unidroit.org/wp-](https://www.unidroit.org/wp-content/uploads/2024/01/Principles-on-Digital-Assets-and-Private-Law-linked-1.pdf)

[content/uploads/2024/01/Principles-on-Digital-Assets-and-Private-Law-linked-1.pdf](https://www.unidroit.org/wp-content/uploads/2024/01/Principles-on-Digital-Assets-and-Private-Law-linked-1.pdf), accessed on 24/3/2025 at 9:22 PM

complex. Although the 2015 Civil Code does not explicitly mention digital assets, transactions involving this type of asset still occur commonly. Participants often have to use fiat money (such as Vietnamese Dong or foreign currency) to purchase digital assets, such as data messages or encoded segments. Therefore, digital assets are actually valued in Vietnamese Dong on the market, but using them as contributed assets is difficult to accept because current law lacks specific guidance. This lack of clarity creates a legal gap that needs to be addressed. This not only affects the promotion of innovative startups, intellectual property, commerce, investment, business but also hinders the national digital transformation process. Vietnam is aiming to develop new products, services, and economic models based on digital technology, the Internet, and cyberspace. This legal gap also contradicts the spirit of Resolution 52-NQ/TW dated September 27, 2019, of the Politburo, which emphasizes proactive participation in the Fourth Industrial Revolution and creating conditions for innovation. Simply put, the ambiguity in legal regulations has inadvertently overlooked an important financial source from the people. They are willing to exchange "real money" to own digital assets, with the hope of gaining greater profits than holding Vietnamese Dong. After all, ownership rights to digital assets are formed from labor, production, legal business, or from ownership transfer according to agreements, as stipulated in Clauses 1 and 2, Article 221 of the 2015 Civil Code. Vietnam's current approach to digital assets can be described as "cautious and defensive." One of the biggest issues is that Vietnamese law does not have an official definition of digital assets and tokenized assets. According to Article 105 of the 2015 Civil Code, assets include objects, money, valuable papers, and property rights, but digital assets do not fully fit into any of these categories. If a person loses a cryptocurrency wallet due to hacking or fraud, they cannot request legal authorities for protection because the asset is not legally recognized. Lawsuits involving digital assets (e.g., disputes over asset division in divorce including cryptocurrencies) lack legal basis for resolution. Currently, there are no specific regulations on income tax from cryptocurrency transactions or profits from tokenized assets, making it difficult for tax authorities to manage.

### 2.3. Solutions to Build the Legal Framework for Digital Assets in Vietnam

Worldwide, the legality of electronic money remains controversial. Countries are divided into three groups: accommodating (not encouraging but not prohibiting), rejecting (considering transactions illegal), and outright banning (not recognizing to protect national currency) like China, Algeria, Morocco. Some countries have recognized and built legal frameworks to manage electronic money like the United States, Japan, Switzerland, Germany. The United States regulates virtual money strictly. Agencies like the Securities and Exchange Commission (SEC) and the Commodity Futures Trading Commission (CFTC) oversee related activities. Virtual money is considered assets, subject to tax and anti-money laundering regulations. The US is cautious with electronic money. The FIT21 bill was passed by the House but not yet considered by the Senate, while Biden's Executive Order 14067 emphasizes user protection, financial stability, and preventing illicit finance. Exchanges need to register and meet strict requirements. Japan is one of the pioneering countries in recognizing virtual money. Since 2017, Bitcoin has been considered a legal payment method. Switzerland has a friendly legal environment for virtual money and blockchain, famous for "Crypto Valley" in Zug. Virtual money companies must obtain licenses from the Financial Market Supervisory Authority (FINMA) and comply with anti-money laundering regulations. The above countries have recognized virtual money in various forms, from considering it a legal payment method to viewing it as regulated assets. Each country applies separate legal regulations to balance promoting financial innovation and protecting users as well as the financial system from potential risks. The Markets in Crypto-Assets (MiCA) Regulation, adopted by the European Parliament (EP) and the Council of the European Union (EUC), is considered one of the most comprehensive and complete legal frameworks currently on electronic money. Some key points of MiCA include: (i) Regulations on issuers and issuance conditions for electronic money MiCA, effective from December 2024, requires issuers and providers of crypto-assets to third parties to comply with certain obligations. These obligations include disclosing a whitepaper as prescribed when publicly offering, obtaining permission to issue electronic money from competent authorities, and complying with rules on marketing electronic money to the public (Articles 9, 12 MiCA). (ii) Risk management for issuers MiCA sets requirements for risk management for



electronic money issuers, including prohibiting deposit mobilization and requiring measures to ensure obligations such as escrow or bank guarantees. These regulations aim to protect the rights of electronic money investors. (iii) Anti-money laundering and prevention of illicit transactions MiCA applies supervisory measures similar to traditional money transfers to prevent money laundering, market manipulation, and financial crimes. Information on asset origins and beneficiaries must be retained in transactions. MiCA regulates transactions over 1,000 Euros between self-hosted electronic wallets and electronic wallets managed by crypto-asset service providers. Crypto-asset service providers must detect and prevent criminal electronic money flows, while complying with anti-money laundering regulations under MiCA and EU Directive 2015/849 (Chapter 1, Section 5 MiCA). (iv) Protection of consumer/investor rights MiCA introduces regulations to protect investor rights through managing issuers and electronic money service providers. Electronic money service providers may be liable for losses due to cyberattacks or malfunctions. Platforms must notify users of risks related to public offerings. The European Securities and Markets Authority (ESMA) can intervene and ban or restrict violating electronic money platforms (Articles 4, 68 MiCA). MiCA is a comprehensive legal framework aimed at creating a safe and transparent electronic money market in the European Union. To perfect policies and laws on electronic money and digital assets, Vietnam can refer to experiences from countries that have developed legal frameworks for this field. Currently, countries recognizing digital assets often apply management measures such as: (1) tax policies; (2) anti-money laundering (AML) and counter-terrorist financing (CFT) standards; (3) consumer rights protection; (4) licensing and supervision of digital asset service providers. Vietnam needs to study legal frameworks from the US (SEC manages security tokens), EU (MiCA - regulates crypto-asset markets), or Japan (has recognized Bitcoin as a payment method). Sign bilateral or multilateral agreements on digital asset management, especially in tracing cross-border transactions. Create conditions for international blockchain investment funds to enter Vietnam by building a

transparent legal environment. Specifically: First, determine the legal nature of digital assets and electronic money To build a legal basis for managing digital assets and electronic money, they need to be recognized as a legal type of asset under the Civil Code and specialized legal documents. Given the rapid development of technology, listing each type of digital asset in detail is impractical. Instead, the law should provide a general definition of digital assets based on basic characteristics, along with regulations on classification, ownership rights, and transactions. Issue decrees and circulars detailing ownership rights, transfers, taxes, and dispute resolution related to digital assets. Reference international principles, such as the 2023 UNIDROIT Principles, to ensure consistency and suitability. Clearly determining this legal nature will be the foundation for tax regulations related to digital asset transactions. Issuing a separate law on digital assets is necessary to establish general principles for identifying and managing digital assets in various legal fields, such as digital financial assets and ordinary financial assets. Types of digital assets include: Social media accounts, online photo albums, other platforms, devices, and stored data. In addition, content like digital images, photos, documents, audio and video files also need to be recognized as "assets." The reason is that they not only exist in reality but also have monetary value (can be bought, sold, exchanged) and personal value (spiritual significance, memories) clearly, as mentioned in the study by Toygar et al (2013).<sup>8</sup>

A separate law on digital assets is an important step to manage and protect assets that are increasingly popular in the technology era. Although bringing many benefits in establishing general principles, this approach needs careful consideration before challenges in time, cost, and the constant change of technology. Second, prevent money laundering and terrorist financing According to recommendations from the Financial Action Task Force (FATF), Vietnam needs to build a legal framework on anti-money laundering (AML) and counter-terrorist financing (CFT) in the virtual asset field. Specifically, digital asset service providers must comply with customer identification verification processes (KYC) and be

<sup>8</sup> Viên Thế Giang & Võ Thị Mỹ Hương (2023), Digital assets in the context of the fourth industrial revolution, international integration, and Vietnamese law, Cogent

Social Sciences, Volume 09, 2023, Issue 1, <https://www.tandfonline.com/journals/oass20>, accessed on 18/3/2025 at 11:12 AM

supervised for suspicious transactions. The legal system needs to clearly stipulate the responsibilities of these organizations in reporting, while establishing international cooperation mechanisms to prevent cross-border money laundering activities. Third, protect consumers To ensure consumer rights, the law needs to issue specific regulations on safety and security in digital asset transactions. Technical requirements for devices issuing and storing digital assets must be standardized. Users need to be guaranteed access to transaction history, along with clear dispute resolution procedures, including the authority of handling agencies. In addition, strict sanctions need to be established for violations, such as using digital assets for illegal purposes, to enhance deterrence and protect participants. Fourth, manage and license digital asset service providers Referencing experiences from countries like the US, Japan, and Singapore, Vietnam should build regulations on licensing operations for exchanges and digital asset service providers. These organizations need to strictly comply with AML, KYC requirements, and customer asset protection. The law also needs to institutionalize businesses' responsibilities in financial transparency and personal data protection, while clearly stipulating the separation between customer assets and business assets to avoid legal risks. The above proposals aim to build a tight, clear, and feasible legal framework, in line with international practices. Implementing these measures synchronously will help Vietnam effectively manage digital assets and electronic money, while minimizing legal and financial risks in the context of strong technological development. The "regulatory sandbox" model is an optimal solution to test blockchain products in a controlled environment. Allow blockchain businesses to operate in a temporary legal framework, under the supervision of the SBV, Ministry of Finance, and Ministry of Information and Communications. Help the Government evaluate the real impact of digital assets without immediately changing the law, while encouraging innovation. Singapore has applied the sandbox since 2016, allowing fintech companies to test products for 6-12 months before official licensing.

### 3. CONCLUSION

Digital assets and tokenized assets are not only technological trends but also opportunities for Vietnam to promote the digital economy, enhance

innovation, and integrate globally. However, to maximize this potential, building a clear, flexible, and synchronous legal framework is an urgent task. In the context of the Fourth Industrial Revolution, Vietnam cannot stand outside the game but needs to act quickly to both ensure legal safety and create conditions for the sustainable development of the blockchain sector. With increasing attention from the Government, businesses, and the community, it is hoped that in the near future, Vietnam will achieve breakthrough steps in managing and exploiting digital assets, affirming its position in the global digital economy.

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