



Newsletter

On Taxation, Accounting and Business

December 2025

UPDATING ON TAX LAW

- Law No. 109/2025/QH15 on Personal Income Tax, officially passed by the National Assembly on 10 December 2025, effective from 1 July 2026.
- Law No. 149/2025/QH15, passed by the National Assembly on 11 December 2025, amending and supplementing the 2025 Law on Value Added Tax.
- Circular No. 121/2025/TT-BTC dated 18 December 2025 of the Ministry of Finance, amending and supplementing a number of provisions of the Circulars governing customs procedures, customs inspection and supervision, export duties, import duties, and tax administration for exported and imported goods.
- Decree No. 320/2025/NĐ-CP dated 12 December 2025 of the Government, detailing a number of articles of the Law on Corporate Income Tax and providing measures for its implementation and guidance.
- Official Letter No. 4447/CT-CS dated 15 October 2025 of the General Department of Taxation, on value added tax policies applicable to real estate business activities, infrastructure construction, construction of houses for sale, and transfer of real estate.
- Official Letter No. 4500/CT-CS dated 17 October 2025 of the General Department of Taxation, on value added tax policies applicable to income not related to the sale of goods or the provision of services.
- Official Letter No. 4512/CT-CS dated 20 October 2025 of the General Department of Taxation, on value added tax policies applicable to business activities conducted in international quarantine areas.
- Official Letter No. 5487/CT-CS dated 25 November 2025 of the General Department of Taxation, on value added tax policies applicable to deferred payment and installment payment arrangements.
- Official Letter No. 1539/CT-CS dated 2 December 2025 of the Vinh Long Provincial Tax Department, on the payment of loan interest to shareholders.

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Law No. 109/2025/QH15 on Personal Income Tax, officially passed by the National Assembly on 10 December 2025, takes effect from 1 July 2026.

Officially, household businesses with annual revenue below VND 500 million will be exempt from tax from 2026.

On 10 December 2025, the National Assembly passed the 2025 Law on Personal Income Tax, comprising 4 Chapters and 30 Articles.

Under the 2025 Law on Personal Income Tax, the National Assembly finalized the taxable revenue threshold for household businesses and individual business owners at VND 500 million per year. This amount is deductible before applying tax rates based on revenue. At the same time, the non-taxable value added tax (VAT) revenue threshold is correspondingly increased to VND 500 million. Accordingly, household businesses and individuals with revenue below this threshold will not be subject to tax.

Previously, the draft amended Law on Personal Income Tax proposed a non-taxable revenue threshold of VND 200 million per year, consistent with the provisions of the 2024 Law on Value Added Tax.

However, this threshold was considered too low in comparison with actual business practices and did not ensure fairness when compared to salaried

employees who are entitled to personal and dependent deductions.

Therefore, the Government proposed increasing the threshold from VND 200 million per year to VND 500 million per year. At the same time, the VND 500 million per year threshold is also treated as a deductible amount before tax calculation (i.e. household businesses are not taxed on their entire revenue).

As a result, the tax burden on household businesses and individual business owners will be significantly reduced. According to estimates by the tax authorities, the total annual tax reduction for household businesses and individuals is approximately VND 11.8 trillion per year.



Taxation based on profits

Another notable point of the 2025 Law on Personal Income Tax is the introduction of a method allowing tax to be calculated on net income (revenue minus expenses), which means taxation

based on profits, for household businesses and individual business owners with annual revenue exceeding VND 500 million and up to VND 3 billion. A tax rate of 15% applies, equivalent to the corporate income tax rate applicable to enterprises with annual revenue below VND 3 billion. In addition, these individuals are permitted to choose between taxation based on a percentage of revenue or taxation based on net income.

In case household businesses or individual business owners are unable to determine input costs, they may continue to pay tax based on a percentage of revenue after deducting the VND 500 million threshold prior to tax calculation.

Law No. 149/2025/QH15, passed by the National Assembly on 11 December 2025, amending and supplementing Law No. 48/2024/QH15 on Value Added Tax (VAT)

1. Increase in the VAT non-taxable revenue threshold to VND 500 million for household businesses and individual business owners

Previously, under Clause 25, Article 5 of the 2024 Law on Value Added Tax, goods and services of household businesses and individual producers and traders with annual revenue of VND 200 million or less were not subject to VAT. This also applied to

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assets sold by non-business organizations and individuals who are not VAT taxpayers, national reserve goods sold by national reserve authorities, and fees and charges collected in accordance with the law on fees and charges.

Under the new provision in Point b, Clause 1, Article 1 of the Law amending and supplementing a number of articles of the 2025 Law on Value Added Tax, the provision is revised as follows:

"Goods and services of household businesses and individual producers and traders with annual revenue of VND 500 million or less; assets sold by non-business organizations and individuals who are not VAT taxpayers; national reserve goods sold by national reserve authorities; and fees and charges collected in accordance with the law on fees and charges."

Accordingly, the amended 2025 Law on Value Added Tax increases the VAT non-taxable revenue threshold for household businesses and individual business owners from VND 200 million to VND 500 million per year.



TAX EXEMPT

2. Additional cases not required to declare or pay VAT but eligible for input VAT deduction

Previously, Clause 1, Article 5 of the 2024 Law on Value Added Tax provided that unprocessed agricultural, forestry, livestock, and aquaculture products, or those that have only undergone ordinary preliminary processing, produced or caught by organizations and individuals and sold domestically or at the import stage, were not subject to VAT.

Under the new provision in Point a, Clause 1, Article 1 of the Law amending and supplementing a number of articles of the 2025 Law on Value Added Tax, the provision is revised as follows:

"Unprocessed agricultural, forestry, livestock, and aquaculture products, or those that have only undergone ordinary preliminary processing, produced or caught by organizations and individuals and sold domestically or at the import stage."

Accordingly, enterprises, cooperatives, and cooperative unions purchasing such unprocessed or preliminarily processed agricultural, forestry, livestock, and aquaculture products and reselling them to other enterprises, cooperatives, or cooperative unions are not required to declare or pay VAT, but are entitled to deduct input VAT.

3. Revision of VAT rates applicable to scrap, by-products, and waste materials

Previously, under Clause 5, Article 9 of the 2024 Law on Value Added Tax, unprocessed or preliminarily processed agricultural, forestry, livestock, and aquaculture products used as animal feed or medicinal materials were subject to VAT

rates applicable to the corresponding agricultural, forestry, livestock, or aquaculture products.

Recovered scrap, by-products, and waste materials sold for recycling or reuse were subject to VAT at the rate applicable to the specific scrap, by-product, or waste material sold.



Under the new provision in Clause 2, Article 1 of the Law amending and supplementing a number of articles of the 2025 Law on Value Added Tax, which amends Clause 5, Article 9 of the 2024 Law on Value Added Tax, it is revised as follows:

"Scrap, by-products, and waste materials recovered during the production process shall be subject to the VAT rate applicable to such scrap, by-products, or waste materials."

4. Repeal of certain provisions

Pursuant to Clause 3, Article 1 of the Law amending and supplementing a number of articles of the 2025 Law on Value Added Tax, the following provisions of the 2024 Law on Value Added Tax are repealed:

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Clause 3, Article 12, which provided for the direct VAT calculation method applicable to household businesses and individual business owners who are subject to or fail to fully comply with accounting, invoicing, and documentation requirements, whereby VAT was paid under the presumptive tax method in accordance with the 2019 Law on Tax Administration.

Point c, Clause 9, Article 15 of the Law on Value-Added Tax 2024, which previously stipulated that, as a condition for a business establishment to be eligible for a VAT refund under Article 15, the seller must have declared and paid VAT in accordance with regulations for the invoices issued to the business applying for the refund, has been abolished.

Circular No. 121/2025/TT-BTC dated 18 December 2025, amending and supplementing a number of articles of the Circulars governing customs procedures, customs inspection and supervision, export duties, import duties, and tax administration for exported and imported goods.

1. Organizations and individuals participating in customs declarations via the System must satisfy the following conditions:

(1) Registration for system connectivity in order to be granted an access account and connection information. Organizations and individuals may use their VNeID account to register for connection to the System.

(2) Adequate technical infrastructure for electronic transactions must be in place to ensure the declaration, transmission, receipt, and storage of information when accessing and exchanging information with the System. Declarants must use electronic customs declaration software provided by the customs authority (if any) or electronic customs declaration software that has been examined and certified by the Customs Department as compliant with professional requirements and compatible with the System. After completion of the examination, the Customs Department shall publicly disclose the examination results on its official electronic information portal.

2. Amendments to provisions on submission, certification, and use of documents in customs and tax dossiers

- Customs declarants and taxpayers are not required to submit a customs declaration when requesting the customs authority to carry out procedures for tax exemption, tax reduction, tax refund, etc., except where customs declarations are made using paper-based customs declaration forms.
- When carrying out customs procedures, customs declarants shall declare, submit, and present documents included in the customs

dossier; supplementary declaration dossiers; dossiers for advance rulings on tariff classification, origin, and customs valuation; consultation and customs valuation determination dossiers; notifications of tax-exempt goods lists; reports on the use of tax-exempt goods; dossiers for tax exemption, tax reduction, tax refund, non-collection of tax, etc., through the electronic customs data processing system, on the principle that customs declarants bear full responsibility for the accuracy, truthfulness, and legality of the declared information and submitted documents, and for the consistency of information between records retained by enterprises and those retained by customs authorities.



- In case documents are issued in the form of data messages or converted from paper documents into electronic data, they must fully

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comply with the requirements of the Law on Electronic Transactions.

- In case documents have been issued on the National Single Window Portal, the online public service portal, or electronically transmitted by competent authorities of the exporting country via the ASEAN Single Window or other information exchange portals in accordance with international treaties to which the Socialist Republic of Viet Nam is a party, customs declarants are not required to resubmit such documents.
- In cases where customs declarations are made using paper-based customs declaration forms, customs declarants and taxpayers must submit or present documents included in the customs dossier to the customs authority when carrying out customs procedures. Where the law requires submission of original paper documents, such originals must be submitted directly or sent by post to the customs authority.
- In case specialized laws require submission of copies or do not specify whether originals or copies are required, customs declarants may submit copies. Where copies or documents issued by foreign parties are in electronic form, email, fax, or telex, or documents issued by the customs declarant or taxpayer themselves, the customs declarant or taxpayer must certify, sign, and affix their seal and bear legal responsibility for the accuracy, truthfulness, and legality of such documents.

- Where copied documents consist of multiple pages, certification, signature, and seal must be affixed to the first page, and a cross-page seal must be affixed to the entire document.
- In case documents are not in Vietnamese or English, customs declarants and taxpayers must translate them into Vietnamese or English and bear responsibility for the contents of the translation. For cases specified in Clause 3, Article 1 of Circular No. 121/2025/TT-BTC (amending Article 3 of Circular No. 38/2015/TT-BTC), customs declarants must sign and affix their seal to the translated version.

3. Introduction of indirect customs valuation consultation via the electronic system

The Circular introduces a form of indirect customs valuation consultation conducted via the electronic system of the customs authority. This new form applies only to enterprises assessed by the customs authority as having a high level of compliance.

4. Tightening of cases allowing export processing enterprises (EPEs) to opt out of customs procedures

The cases in which export processing enterprises (EPEs) may choose to perform or not perform customs procedures have been further tightened. For example, goods purchased, sold, leased, or borrowed between EPEs are no longer eligible for the option of not performing customs procedures.

5. Amendment and supplementation of

Clause 2, Article 35 of Circular No. 38/2015/TT-BTC on exchange rates for tax calculation

a) The Customs Department, in coordination with the Joint Stock Commercial Bank for Foreign Trade of Vietnam (Vietcombank), shall update the telegraphic transfer buying exchange rates published by Vietcombank's Head Office at the end of the day on Thursday of the preceding week, or at the end of the immediately preceding working day where Thursday falls on a public holiday or weekend; these exchange rates shall be published on the electronic information portal of the Customs Department and updated in the electronic customs data processing system for application in determining exchange rates for tax calculation applicable to customs declarations registered during the week.

Decree No. 320/2025/NĐ-CP dated 12 December 2025, detailing a number of articles of and measures for the organization and implementation of the Law on Corporate Income Tax (CIT).

1. Regulations on taxpayers

1.1 Clarification of foreign enterprise taxpayers

Clause 1, Article 2 of Decree No. 320/2025/NĐ-CP provides a detailed explanation of foreign



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enterprises as follows:

- Foreign enterprises having a permanent establishment in Vietnam are subject to CIT on taxable income arising in Vietnam and taxable income arising outside Vietnam that is related to the activities of such permanent establishment.
- Foreign enterprises having a permanent establishment in Vietnam are subject to CIT on taxable income arising in Vietnam where such income is not related to the activities of the permanent establishment.
- Foreign enterprises having a permanent establishment in Vietnam (other than the cases mentioned above) that supply goods or services in Vietnam through e-commerce or digital platform-based business models are subject to CIT on taxable income arising in Vietnam.
- Foreign enterprises without a permanent establishment in Vietnam are subject to CIT on taxable income arising in Vietnam.



1.2 Expansion of withholding tax agents (tax payment on behalf)

Entities acting as taxpayers in cases of tax payment on behalf include:

- Organizations established and operating (or registered to operate) under Vietnamese law: where they conduct e-commerce, digital platform-based business activities, or receive capital transfers under contracts with foreign enterprises.

This includes organizations managing e-commerce marketplaces and digital platforms.

- Securities investment fund management companies: such companies act as withholding taxpayers on behalf of investors when securities investment funds distribute profits to investors, and are taxpayers with respect to income from the transfer or leasing of real estate of real estate investment funds.
- In cases the transferee of capital from a foreign enterprise is a foreign organization or individual, the taxpayer shall be the enterprise established under Vietnamese law in which the foreign organizations have invested capital.

2. Addition of other taxable income items subject to CIT

2.1 Income excluded from income from capital transfer

Other taxable income from capital transfer, securities transfer, or transfer of capital contribution rights does not include:

- Income directly related to the issuance of

shares and dividends from shares (except dividends from shares classified as liabilities), sale of treasury shares, or repurchased own shares;

- Other income directly related to increases or decreases in the owners' equity of the enterprise.

2.2 Income from business cooperation contracts (BCCs)

Taxable income from production and business activities of goods and services is supplemented to include income arising from business cooperation contracts (BCCs).

Such income is determined as total revenue under the BCC minus total expenses incurred to generate revenue under the BCC.



3. Addition of CIT-exempt income

Pursuant to Clause 3, Article 4 of Decree No. 320/2025/ND-CP on tax-exempt income, the Government adds certain types of income derived

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from technical services directly serving agricultural activities to the list of CIT-exempt income, including income from: flood drainage, flood prevention, tidal surge prevention, salinity prevention, salinity washing, acid sulfate soil washing, freshwater retention.

The Decree further provides that the above technical services are determined based on Level-1 economic sector codes of the agricultural sector under the Vietnamese Standard Industrial Classification system.

4. Corporate income tax rates

- Determination of total revenue for application of 15% and 17% CIT rates

Total revenue used to determine eligibility for the 15% and 17% CIT rates is the total revenue from sales of goods and provision of services (excluding revenue deductions), financial income, and other income as stated in the Appendix on business performance results attached to the CIT finalization return of the immediately preceding tax year.

- Exclusion from application of 15% and 17% CIT rates

The 15% and 17% CIT rates do not apply to enterprises established under Vietnamese law that are subsidiaries or affiliated enterprises, where enterprises within the affiliated relationship do not meet the conditions for applying the CIT rates specified in Clauses 2 and 3, Article 11 of Decree No. 320/2025/NĐ-

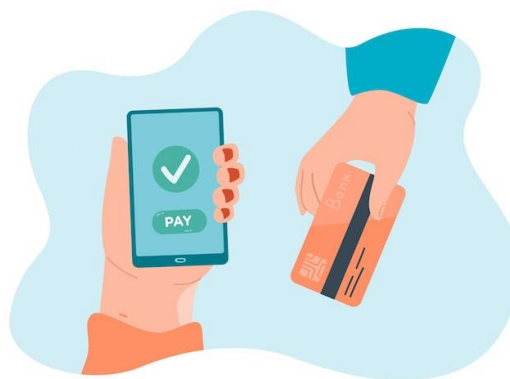
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5. Tax exemption period for sales of new-technology products reduced to three years

This provision applies to income derived from the sale of new-technology products. Income from the sale of products manufactured using new technology applied for the first time in Viet Nam is exempt from CIT for three (3) years from the time income is generated from product sales.

In addition, Decree No. 320/2025/NĐ-CP introduces an additional condition that, in order to qualify for tax exemption, the new technology applied for the first time in Viet Nam must be certified by a competent authority.

6. Non-cash payment documentation



Expenses for the purchase of goods and services and other payments supported by non-cash payment documents with a value of VND 5 million or more per transaction are deductible for CIT

purposes.

Non-cash payment documents shall be implemented in accordance with the regulations of the legal documents on value added tax.

- Where goods or services are purchased from the same seller with a value of less than VND 5 million per transaction, but multiple purchases are made on the same day with a total value of VND 5 million or more, such expenses are deductible provided that non-cash payment documents are available.
- Where enterprises authorize or assign employees to directly purchase goods or services for production and business activities with a value of VND 5 million or more, and such payments are made by employees via non-cash payment methods, the expenses are deductible provided that:
 - Proper invoices and accounting documents are available in accordance with accounting and invoicing regulations; or the enterprise has financial regulations, internal regulations, or decisions authorizing employees to make such purchases for business purposes.
 - These expenses must subsequently be reimbursed by the enterprise to the employees.
- Where goods or services with a value of VND 5 million or more per transaction have been recognized as expenses but payment has not

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yet been made at the time of expense recognition, the enterprise may still treat such expenses as deductible when determining taxable income.

If, upon payment, the enterprise does not have non-cash payment documents, it must declare and adjust to reduce deductible expenses corresponding to the value of goods or services paid in cash in the tax period in which the cash payment occurs.

Official Letter No. 4447/CT-CS dated 15 October 2025 of the General Department of Taxation, regarding value added tax (VAT) policies applicable to real estate business activities, infrastructure construction, construction of houses for sale, and transfer of real estate.

Where enterprises engaged in real estate business, infrastructure construction, construction of houses for sale, or transfer enter into capital mobilization agreements with contributing investors to invest in the development of a tourism project, which are not in compliance with the provisions of Article 68 and Article 69 of the Law on Housing and Article 19 of Decree No. 99/2015/NĐ-CP dated 20 October 2015 of the Government, and therefore not recognized by law, the Tax Department of An Giang Province is requested to, based on the

relevant dossiers, documents, and actual circumstances (or in coordination with competent authorities), clarify the legality of the investor's activities involving the transfer of residential products in the form of villas under capital contribution or business cooperation arrangements, in accordance with the Law on Housing and its implementing and guiding regulations.

In cases where a company engaged in real estate business, infrastructure construction, construction of houses for sale, or transfer collects money from customers prior to the time of invoice issuance as prescribed, the invoice issuance date shall be the date of collection of such payment. Based on the amount collected, the company shall declare output VAT arising in the relevant tax period.



Official Letter No. 4500/CT-CS dated 17 October 2025 of the General Department of Taxation, regarding value added tax (VAT) policies applicable to income not related to the sale of goods or the provision of services.

Pursuant to Clause 1, Article 9 and Clause 1, Article 14 of Decree No. 181/2025/NĐ-CP dated 1 July 2025 of the Government, and Point a, Clause 3, Article 1 of Decree No. 70/2025/NĐ-CP dated 20 March 2025 of the Government, which amends and supplements Clauses 1, 2, 3, 6, and 7 and adds Clause 9 to Article 4 of Decree No. 123/2020/NĐ-CP dated 19 October 2020.

Based on the above provisions, in principle, VAT law provides that amounts received (including bonuses or rewards) which are not related to the sale of goods or the provision of services by business entities are not included in the VAT taxable price. Accordingly, where a bonus or reward is determined to be unrelated to the sale of goods or the provision of services, such amount does not fall within the scope of VAT, and no VAT invoice is required to be issued.

Official Letter No. 4512/CT-CS dated 20 October 2025 of the General

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Department of Taxation, regarding value added tax (VAT) policies applicable to business activities conducted in international isolation areas.

Prior to 1 July 2025, where Taseco Da Nang Aviation Services Joint Stock Company conducted business activities in the international isolation area of Da Nang International Airport, such activities were subject to the 0% VAT rate in accordance with Article 2 of Circular No. 149/2010/TT-BTC, and customs procedures were carried out in accordance with Article 3 of Circular No. 149/2010/TT-BTC.

In cases where the Company did not fully satisfy the required documentation for VAT deduction or refund, or failed to meet bank payment conditions for goods and services with a value of VND 20 million or more, the Company was not required to charge output VAT, but was not entitled to deduct input VAT.

From 1 July 2025 onwards, the Company is required to comply with the provisions of Law No. 48/2024/QH15 on Value Added Tax and Decree No. 181/2025/NĐ-CP dated 1 July 2025 of the Government.

Official Letter No. 5487/CT-CS dated 25 November 2025 of the General

Department of Taxation, regarding VAT policies applicable to installment or deferred payment transactions where non-cash payment documents are not available at the time payment becomes due.



For installment or deferred payment of goods and services with a value of VND 5 million or more, where at the payment due date as stipulated in the contract or contract appendices, the business entity does not possess non-cash payment documents, the business entity is required to declare and adjust to reduce the amount of deductible input VAT corresponding to the value of goods and services lacking non-cash payment documentation in the tax period in which the payment obligation arises under the contract or

contract appendices.

In cases where, after having declared and adjusted to reduce the deductible input VAT, the enterprise subsequently obtains non-cash payment documents, the enterprise may redeclare and deduct input VAT corresponding to the value of goods and services for which non-cash payment documentation is available, in accordance with prevailing regulations.

Official Letter No. 1539/CT-CS dated 2 December 2025 of the Vinh Long Provincial Tax Department, regarding interest payments on loans granted by shareholders.

SAIGON BEER – BEN TRE JOINT STOCK COMPANY raised questions concerning tax policies applicable to the case where the Company entered into a loan agreement with an individual shareholder at an interest rate of 0% for the purpose of releasing mortgaged assets at a bank.

The Vinh Long Provincial Tax Department responds based on the following principles:

Where SAIGON BEER – BEN TRE JOINT STOCK COMPANY borrows funds from a shareholder who is an individual involved in the management or control of the enterprise, or an individual having a relationship as prescribed in Point g, Clause 2, Article 5 of Decree No. 132/2020/NĐ-CP dated 5 November 2020 of the Government, and where the

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loan amount is at least 10% of the owner's contributed capital at the time the transaction arises during the tax period, such parties are deemed to have a related-party relationship. Accordingly, a 0% interest loan transaction between the Company and the shareholder constitutes a related-party transaction in accordance with Clause 2, Article 1 of Decree No. 132/2020/NĐ-CP. The total deductible interest expense for corporate income tax purposes applicable to Saigon Beer – Ben Tre Joint Stock Company in the presence of related-party transactions shall comply with the provisions set out in Clause 3, Article 16 of Decree No. 132/2020/NĐ-CP.



In cases where the Company borrows funds from an individual shareholder at an interest rate of 0%, such lending activity does not reflect arm's length market transaction values and therefore falls within the scope of tax assessment (tax imposition) in accordance with Point d, Clause 1, Article 50 of the Law on Tax Administration No.

38/2019/QH14 dated 13 June 2019.

Where the individual shareholder derives income from capital investment in accordance with Article 10 of Circular No. 111/2013/TT-BTC dated 15 August 2013 of the Ministry of Finance, such income shall be subject to personal income tax at a flat tax rate of 5%.

CONTACT

OUR SERVICES

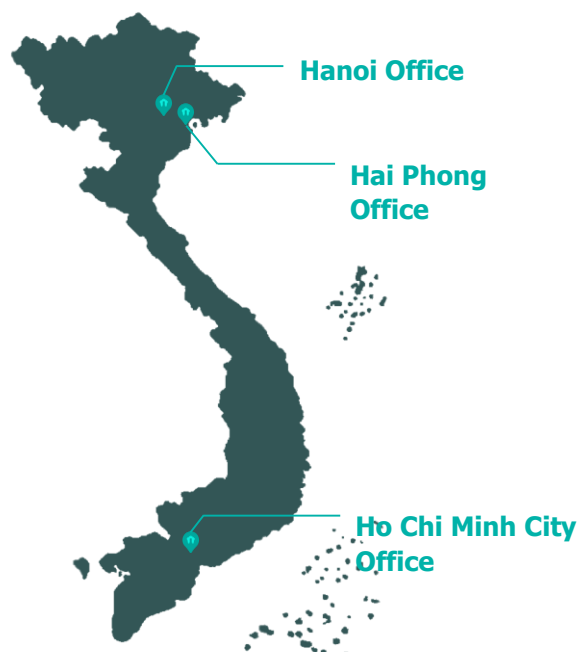
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