



Newsletter

On Taxation, Accounting and Business

January 2026

UPDATING ON TAX LAW

- Resolution No. 198/2025/QH15 on special mechanisms and policies for the development of the private economy, effective from 17 May 2025.
- Personal Income Tax Law No. 109/2025/QH15, officially passed by the National Assembly on 1 January 2026, effective from 1 July 2026.
- Law No. 149/2025/QH15, passed by the National Assembly on 11 December 2025, amending and supplementing the 2025 Value Added Tax Law No. 48/2025/QH15.
- Decree No. 360/2025/NĐ-CP and Circular No. 158/2025/TT-BTC provide detailed guidance on the implementation of certain provisions of the Special Consumption Tax Law, effective from 1 January 2026.
- Decree No. 20/2025/NĐ-CP, amending and supplementing several provisions of Decree No. 123/2020/NĐ-CP on tax administration for enterprises with related-party transactions (effective from 27 March 2025).
- Official Dispatch No. 183/BNI-QLDN3 dated 8 January 2026 issued by Bac Ninh Provincial Tax Department on payment documentation for salary expenses of VND 5 million or more
- Official Dispatch No. 6175/CT-PC (2025) issued by the Tax Department introducing new points of Decree No. 310/2025/NĐ-CP on administrative penalties for tax and invoice violations
- Official Dispatch No. 284/CT-DNL issued by the Tax Department providing guidance on VAT declaration for investment projects

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Resolution No. 198/2025/QH15 on special mechanisms and policies for the development of the private economy, effective from 17 May 2025

On 4 May 2025, the Political Bureau issued Resolution No. 68-NQ/TW on the development of the private economy. In this Resolution, the Political Bureau outlined several solutions and requirements to promote private sector growth, including:

"...

2.1. Promoting reform, improvement, and enhancement of the quality of institutions and policies

...

– Introducing special mechanisms and policies to support small and medium-sized enterprises, ensuring compliance with market principles and international commitments; abolishing the business license fee; ..."

Subsequently, on 17 May 2025, the National Assembly officially issued Resolution No. 198/2025/QH15 to implement the policy of abolishing the business license fee in Clause 7, Article 10 of Resolution No. 198/2025/QH15:

"Article 10. Tax, Fee and Charge Support - Resolution No. 198/2025/QH15

...

7. Terminate the collection and payment of business license fees from 1 January 2026.

Accordingly, the collection and payment of the business license fee will cease from 1 January 2026.

Personal Income Tax Law No. 109/2025/QH15, officially passed by the National Assembly on 1 January 2026, effective from 1 July 2026



Pursuant to Article 9 of Law No. 109/2025/QH15 on Personal Income Tax 2025, the progressive tax rate consists of five brackets, with bracket intervals increasing by VND 10, 20, 30, and 40 million, and corresponding tax rates of 5%, 10%,

20%, 30%, and 35%. The highest tax rate of 35% applies to the portion of taxable income exceeding VND 100 million per month.

In addition, on 17 October 2025, the Standing Committee of the National Assembly issued Resolution No. 110/2025/UBTVQH15 on adjustments to personal income tax family deductions. Accordingly, the deduction for taxpayers themselves is increased from VND 11 million per month to VND 15.5 million per month, while the deduction for each dependent is raised from VND 4.4 million per month to VND 6.2 million per month.

In addition, income from night-shift work, overtime work, and wages or remuneration paid for unused annual leave days in accordance with labor regulations are classified as tax-exempt income. This provision also applies to resident individuals starting from the 2026 tax assessment period.

Furthermore, the new Personal Income Tax Law stipulates that individuals selling gold bullion will be subject to personal income tax at a rate of 0.1% per transaction.

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

1. Expansion of entities subject to VAT

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Declaration and Payment

Under the VAT Law and recent amendments (effective from 1 July 2025), foreign suppliers providing e-commerce services in Vietnam, including those without a permanent address, are required to register, declare, and pay taxes (including 10% VAT and Foreign Contractor Tax), either via the General Department of Taxation's portal or through e-commerce platform operators acting on their behalf, with the aim of ensuring tax fairness and broadening the tax base. The new regulations remove the distinction between foreign suppliers with or without a permanent address in Vietnam, apply a 10% VAT rate to services provided via e-commerce platforms, and allow the use of VAT invoices for tax declaration purposes.



Key changes include:

- Expansion of subjects: The amended provisions remove the phrase "without a permanent address in Vietnam," thereby applying to all foreign suppliers conducting e-commerce or

digital platform business in Vietnam.

- VAT rate: Services provided via e-commerce platforms are subject to 10% VAT.
- Tax declaration and payment:
 - Foreign suppliers may register, declare, and pay taxes via the electronic portal of the General Department of Taxation.
 - E-commerce platform operators with payment functions are responsible for withholding, declaring, and remitting taxes on behalf of household and individual sellers operating on their platforms.
 - Invoicing: Foreign suppliers may use VAT invoices to declare tax under the deduction method.

2. Input VAT

The threshold value for purchases of goods and services required to have non-cash payment evidence in order to be eligible for input VAT deduction is **VND 5 million or more** (inclusive of VAT).

In cases where supplementary declarations result in an increase in tax payable or a reduction in refundable tax, taxpayers must:

Submit supplementary declarations for the tax period in which the error arose;

Simultaneously carry out declaration and deduction in the period when the error is detected, in accordance with applicable regulations.

Conditions for input VAT deduction on exported goods and services: in addition to invoices, contracts, and bank payment evidence, taxpayers must also have transportation documents, packing lists, and cargo insurance documents (if any).

Time of VAT determination:

For goods, VAT is determined at the time ownership or usage rights are transferred to the buyer, or at the time the invoice is issued.

3. Revision of the 0% VAT rate applicable to goods and services

Article 17 of Decree No. 181/2025/NĐ-CP dated 1 July 2025 of the Government, detailing the implementation of certain provisions of the 2024 Value Added Tax Law, stipulates the application of the 0% VAT rate as follows:

"Services provided directly to organizations located in non-tariff zones and consumed within such non-tariff zones for the direct purpose of export production, including: services provided directly to organizations in non-tariff zones and consumed within such non-tariff zones for the direct purpose of export production; transportation services; services provided to export processing enterprises (including container lifting services at ports, factories, and warehouses; loading and unloading services at factories, ports, and airports; and related incidental charges such as documentation fees, electronic delivery fees, seal fees, cargo handling fees, and packing fees). Organizations in non-tariff zones are those with registered business operations."

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Digital information content products in the entertainment category,... provided via digital platforms must be supported by documentation proving consumption outside Vietnam or within non-tariff zones.



4. New regulations on entities eligible for VAT refunds

Addition of eligible entities for VAT refunds:

The new law introduces provisions allowing business establishments that specialize in manufacturing goods or supplying services subject to the 5% VAT rate to claim refunds of input VAT. The condition for refund eligibility is that the remaining uncredited input VAT must reach at least VND 300 million after 12 months or 4 consecutive quarters.

Cases not eligible for VAT refund:

The regulations clarify that investment projects which have not fully contributed charter capital as registered at the time of submitting VAT refund

applications are not eligible for refunds.

VAT refunds are also not applicable in cases where enterprises undergo ownership conversion, business restructuring, mergers, consolidations, divisions, splits, or termination of operations of representative offices or branches.

Decree No. 360/2025/NĐ-CP and Circular No. 158/2025/TT-BTC provide detailed guidance on the implementation of certain provisions of the Special Consumption Tax Law, effective from 1 January 2026

Key new points of the Special Consumption Tax Law as detailed in Decree No. 360/2025/NĐ-CP are as follows:

1. Amendments and supplements to taxable subjects (Article 3, Decree No. 360/2025/NĐ-CP):

- Soft drinks in accordance with National Standards (TCVN) with sugar content exceeding 5g/100 ml.
- Air conditioners with capacity above 24,000 BTU up to 90,000 BTU are subject to special consumption tax (air conditioners with capacity of 24,000 BTU or below are removed from the scope of special consumption tax).
- Betting business activities, including sports

betting, entertainment betting, and other forms of betting as prescribed by law.

- Amendments and supplements to the descriptions of certain special consumption taxable items (such as tobacco, alcohol, beer, automobiles, and aircraft) to ensure consistency with specialized legislation.
- Clear regulations on temporarily imported goods for re-export and temporarily exported goods for re-import: where re-export or re-import deadlines are exceeded, or where goods are sold or their use purpose is changed during the temporary import/export period, business organizations and individuals are required to pay special consumption tax (Clause 2, Article 4, Decree No. 360).

2. Amendments and supplements to taxable subjects (Article 4, Decree No. 360/2025/NĐ-CP):

- Exported goods on which special consumption tax has already been paid but are returned by foreign parties upon importation (provided that such goods have not been used, processed, or manufactured).
- Automobiles that are not registered for circulation, do not participate in traffic, and are operated only within historical sites, hospitals, schools, and other specialized vehicles as prescribed by the Government.
- Expansion of aircraft, helicopters, and gliders used for medical emergency, rescue and relief, and agricultural production purposes.

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- Removal of the provision "Goods imported from abroad into non-tariff zones; goods sold from the domestic market into non-tariff zones and used only within such zones; goods traded between non-tariff zones, except passenger cars with fewer than 24 seats" from the list of non-taxable subjects.



3. Tax base and calculation methods:

The Special Consumption Tax Law maintains the current tax base calculated using the percentage method, and additionally introduces a mixed method: application of a percentage-based tax rate combined with a fixed specific tax amount (applicable to tobacco products from 2027).

This is the most significant change. Instead of calculating tax solely as a percentage of selling price, the 2025 Law introduces an additional fixed tax amount per unit of tobacco product (pack,

cigarette, or gram). This aims to more effectively reduce consumption in line with international recommendations.

4. Tax base

- Revision of the taxable price for imported goods: additional import taxes (such as safeguard duties, anti-dumping duties, etc.), if any, are included.
- Supplementation of regulations on taxable price for promotional goods and services: the taxable price shall be the special consumption tax taxable price of identical or equivalent goods and services at the time such promotional activities arise.
- Addition of the taxable price calculation for tobacco products:

$$\text{Taxable price} = \frac{(\text{Selling price excluding VAT} - \text{Specific tax})}{(1 + \text{percentage tax rate})}$$

In addition, the Special Consumption Tax Law amends and supplements provisions on taxable prices for certain services subject to special consumption tax (such as nightclubs, massage, karaoke, golf, casino services, etc.), as detailed in Decree No. 360.

Decree No. 360/2025/ND-CP also provides detailed guidance on selling prices of goods as the basis for determining special consumption taxable prices in certain specific cases, and notes situations where manufacturers, processors, or importers of special consumption taxable goods sell through dependent accounting units, agents selling at fixed prices for

commission, or affiliated entities.

5. Tax rates and specific tax amounts

- Increase in specific tax amounts on tobacco products on a year-by-year basis;
- Increase in percentage-based tax rates on alcohol and beer according to a roadmap of 5% per year over five years from 2027 to 2031;
- Increase in tax rates for certain types of automobiles;
- Increase in tax rates according to a roadmap from 2027 to 2028 for soft drinks under National Standards (TCVN) with sugar content exceeding 5g/100ml.

6. Notes on documentation and records to be retained

Circular No. 158/2025/TT-BTC provides detailed guidance on dossiers and procedures for determining non-taxable special consumption objects, taxpayers' responsibilities for retaining documents and records, and refund dossiers and forms for biofuel gasoline.

- Dossiers for automobiles used within restricted areas that are not subject to special consumption tax: taxpayers must declare information on invoices/customs declarations using the mandatory syntax "#restricted area#" in the goods description field.
- Biofuel gasoline tax refund dossiers: implemented in accordance with the new application form (Form No. 01a/ĐNHT), which

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is used for both refund requests and state budget offsetting.

- Payment evidence: non-cash payment documents in accordance with Decree No. 181/2025/NĐ-CP of the Government detailing the implementation of certain provisions of the Value Added Tax Law.

Decree No. 20/2025/NĐ-CP, amending and supplementing several provisions of Decree No. 132/2020/NĐ-CP on tax administration for enterprises with related-party transactions (effective from 27 March 2025).

1. Amendments to the definition of related parties

The Government issued Decree No. 20/2025/NĐ-CP amending and supplementing several provisions of Decree No. 132/2020/NĐ-CP on tax administration for enterprises with related-party transactions, as follows:

Article 1. Amendments and supplements to several articles of Decree No. 132/2020/NĐ-CP dated 5 November 2020 of the Government on tax administration for enterprises with related-party transactions

1. Amendments and supplements to Points d and k, and addition of Point m, Clause 2, Article 5, as

follows:

a) Amendment and supplementation of Point d:

The provisions of Point d of this Clause shall not apply in the following cases:

d.1) The guarantor or lender is an economic organization operating in accordance with the Law on Credit Institutions and does not directly or indirectly participate in management, control, capital contribution, or investment in the borrowing enterprise or the guaranteed enterprise as prescribed in Points a, c, d, e, g, h, k, l, and m of this Clause.

d.2) The guarantor or lender is an economic organization operating in accordance with the Law on Credit Institutions, and the borrowing or guaranteed enterprise is not directly or indirectly subject to common management, control, capital contribution, or investment by another party as prescribed in Points b, e, and i of this Clause.



2. New regulations on tax declaration and payment for independently accounted branches

Article 1. Amendments and supplements to several

articles of Decree No. 132/2020/NĐ-CP dated 5 November 2020 of the Government on tax administration for enterprises with related-party transactions

b) Amendment and supplementation of Point k as follows:

"k) Other cases in which an enterprise (including independently accounted branches that carry out corporate income tax declaration and payment) is subject to actual management, control, and decision-making over the production and business activities of the other enterprise."

Accordingly, Article 1 of Decree No. 20/2025/NĐ-CP supplements provisions requiring independently accounted branches with related-party relationships to declare and pay corporate income tax.

3. Transitional provisions for tax periods of enterprises with related-party transactions

Article 3 of Decree No. 20/2025/NĐ-CP provides guidance on the treatment of non-deductible interest expenses arising in corporate income tax periods for 2020, 2021, 2022, and 2023 for borrowing enterprises that only have related-party relationships with credit institutions or with lenders/guarantors falling under the cases specified in Points d, d.1, and d.2, Clause 2, Article 5 of Decree No. 132/2020/NĐ-CP, and that have related-party transactions within the scope of Decree No. 132/2020/NĐ-CP and incur non-deductible interest expenses under interest expense cap regulations. From the 2024 tax period

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onwards, where enterprises no longer have related-party relationships and do not generate related-party transactions in accordance with Decree No. 132/2020/NĐ-CP and Decree No. 20/2025/NĐ-CP, the portion of non-deductible interest expenses that has not yet been fully carried forward by the end of the 2023 tax period shall be evenly allocated and carried forward to subsequent tax periods for the remaining duration in accordance with Point b, Clause 3, Article 16 of Decree No. 132/2020/NĐ-CP.

Where enterprises continue to maintain related-party relationships and generate related-party transactions from 2024 onwards, the remaining non-deductible interest expenses shall continue to be carried forward in accordance with Point b, Clause 3, Article 16 of Decree No. 132/2020/NĐ-CP.

Official Dispatch No. 183/BNI-QLDN3 dated 8 January 2026 issued by Bac Ninh Provincial Tax Department on payment documentation for salary expenses of VND 5 million or more

Pursuant to Point c, Clause 1, Article 9 of Decree No. 320/2025/NĐ-CP dated 15 December 2025 of the Government stipulating deductible expenses when determining taxable income:

"Article 9. Deductible expenses when determining

taxable income

Except for non-deductible expenses specified in Article 10 of this Decree, enterprises may deduct expenses when determining taxable income provided that they fully satisfy the conditions set out in Points a, b, and c below:

c) Expenses must be supported by non-cash payment documents for purchases of goods and services and other payments where each transaction has a value of VND 5 million or more. Non-cash payment documents shall be implemented in accordance with regulations of VAT legislation..."



Accordingly, where a company pays salaries (collectively referred to as other payments) to employees in amounts of VND 5 million or more per payment without non-cash payment evidence as prescribed, such expenses shall not be treated as deductible expenses when determining corporate income taxable income. This regulation applies from the effective date of Decree No.

320/2025/NĐ-CP dated 15 December 2025.

Official Dispatch No. 6175/CT-PC (2025) issued by the Tax Department introducing new points of Decree No. 310/2025/NĐ-CP on administrative penalties for tax and invoice violations

The Tax Department introduces several new contents of Decree No. 310/2025/NĐ-CP and requests tax authorities to study, implement communication, and disseminate the provisions of Decree No. 310/2025/NĐ-CP to tax officials and taxpayers to ensure compliance upon its effective date. Specifically, these include:

- Expansion of the scope of regulation and addition of certain administrative violations related to tax and invoices;
- Amendments and supplements to principles governing administrative penalties for tax and invoice violations;
- Amendments and supplements to regulations determining the aggravating circumstance of "large-scale administrative violations";
- Amendments and supplements to regulations on administrative violations committed by related organizations and individuals;
- Revision of penalty ranges for late invoice

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issuance and failure to issue invoices;

- Amendments, supplements, and revocation of sanctioning authority of certain titles/positions;
- Amendments to procedures and processes for imposing administrative penalties;
- Abolition of certain administrative violations related to invoices.



Official Dispatch No. 284/CT-DNL
issued by the Tax Department
providing guidance on VAT
declaration for investment projects

The Tax Department received Official Dispatch No. 5506/EVN-TCKT and Official Dispatch No. 6721/EVN-TCKT from Vietnam Electricity (EVN)

regarding VAT declaration for investment projects.

On 16 January 2026, the Tax Department issued an official response citing relevant legal provisions as follows:

"From 1 July 2025, EVN and its Project Management Boards shall carry out VAT declaration in accordance with Decree No. 181/2025/NĐ-CP dated 1 July 2025 of the Government. In cases where, from 1 July 2025, EVN assigns Project Management Boards located in the same province or city as EVN to act on EVN's behalf in directly performing VAT declaration, deduction, and refund procedures in accordance with regulations, such Project Management Boards are entitled to deduct and claim VAT refunds for investment projects in accordance with applicable regulations."

Of the Ministry of Finance, income from capital investment is subject to tax under the full-rate schedule at a rate of 5%.

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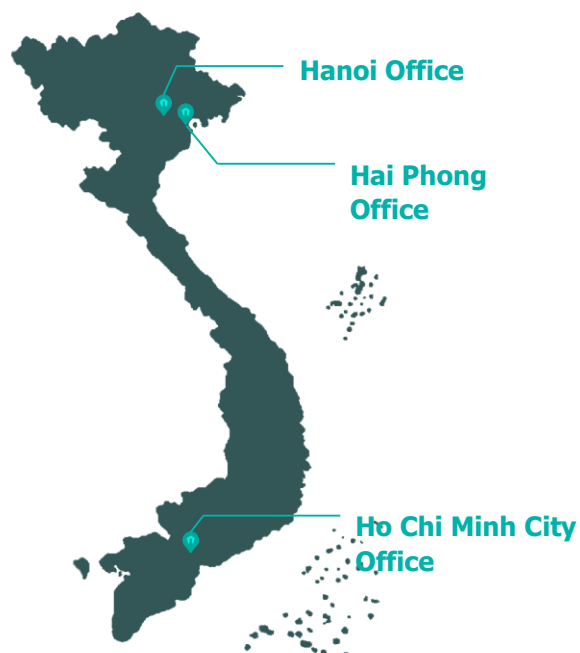
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