

Newsletter

On Taxation, Accounting and Business

October 2025

UPDATING ON TAX LAW

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- Decree No. 236/2025/ND-CP dated August 29, 2025 of the Government detailing a number of articles of Resolution No. 107/2023/QH15 dated November 29, 2023 of the National Assembly on the application of additional corporate income tax in accordance with the global anti-base erosion rules
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- Official Letter 1744/DAN-QLDN2 of the Da Nang City Tax Department on responses regarding tax policies
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Decree No. 219/2025/ND-CP dated August 7, 2025 of the Government providing regulations on foreign employees working in Vietnam

- Instead of separately carrying out the procedures for reporting labor demand and submitting a work permit application as previously required, Decree No. 219/2025/ND-CP allows these to be consolidated into a single dossier consisting of seven main groups of documents as follows:
 - Valid health certificate (issued in Vietnam or in a country with mutual recognition)
 - Valid passport
 - Valid criminal record certificate (issued within the last six months)
 - Recent 4x6 color photograph
 - Documents evidencing the form of employment
 - Documents proving professional qualifications (managerial position, director, expert, or technical worker).

Within a period of 60 days but not less than 10 days prior to the expected commencement date of employment for the foreign worker, the employer shall submit the application dossier for work permit issuance either directly, via public postal services, through authorized service providers, or by authorization to the

Public Administrative Service Center in the locality where the foreign employee is expected to work.

Within 10 working days from the date of receipt of a complete dossier, the competent authority shall review and, if approved, issue the work permit to the foreign employee. If the authority does not approve the demand for employing a foreign worker or refuses to issue the work permit, a written response stating specific reasons must be provided within three working days from the date of receipt of the complete dossier.

- Addition of cases in which foreign employees certified by ministries, ministerial-level agencies, or provincial People's Committees to work in the fields of finance, science, technology, innovation, national digital transformation, and socio-economic priority development sectors are exempted from obtaining work permits.

Decree No. 236/2025/ND-CP dated August 29, 2025 of the Government detailing a number of articles of Resolution No. 107/2023/QH15 dated November 29, 2023 of the National Assembly on the application of additional corporate

income tax in accordance with the global anti-base erosion rules

Decree No. 236/2025/ND-CP officially takes effect from 15 October 2025 and shall apply to the tax period of the fiscal year 2024.

The Decree stipulates that taxpayers are constituent entities of multinational enterprise (MNE) groups whose annual consolidated revenue, as reflected in the ultimate parent entity's consolidated financial statements, reaches at least EUR 750 million in two or more of the four fiscal years immediately preceding the relevant fiscal year. For newly established groups operating for less than four years, if the consolidated revenue reaches this threshold in at least two years, the constituent entity shall also be identified as a taxpayer under this Decree.

However, not all cases fall within the scope of application. Decree No. 236/2025/ND-CP clearly specifies the excluded entities. These include those already provided under Resolution No. 107/2023/QH15 and its attached appendices, such as investment funds, real estate investment organizations, and certain entities with specific ownership structures or operational characteristics.

The additional corporate income tax under the global minimum tax regime shall be remitted to the central government budget. Constituent entities are responsible for declaring and paying the tax in accordance with the provisions of the Law on Tax Administration.

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Constituent entities responsible for declaration must submit an Information Return and an Explanatory Report on differences arising from accounting standard discrepancies under the global minimum tax regulations, denominated in the currency used for the preparation of the ultimate parent entity's consolidated financial statements.

Constituent entities responsible for declaration must also submit the Additional Corporate Income Tax Return and pay the additional corporate income tax in Vietnamese dong (VND), except where they elect to apply the provision under Clause 3, Article 17 of Decree No. 236/2025/NĐ-CP.



In cases where the additional tax payable reported in the Information Return under the global minimum tax regulations is presented in a currency other than Vietnamese dong (i.e., the currency used in the ultimate parent entity's consolidated financial statements), the constituent entity

responsible for declaration may choose to file and pay the additional corporate income tax in that foreign currency. If the entity elects to file and pay in Vietnamese dong, the applicable exchange rate shall be the average telegraphic transfer buying and selling rate of the commercial bank where the constituent entity regularly conducts transactions, as at the date of tax return submission.

Constituent entities responsible for declaration must submit their tax registration dossiers no later than 90 days from the end of the reporting fiscal year.

For MNE groups whose fiscal year 2024 ends on or before 30 June 2025, the deadline for tax registration shall be 90 days from the effective date of Decree No. 236/2025/NĐ-CP but no later than the deadline for tax declaration and payment applicable to that group.

Official Letter No. 4328/CT-CS dated October 10, 2025 of the Tax Department providing guidance on support measures for organizations, individuals, and enterprises suffering losses caused by Typhoons No. 10 and No. 11 and subsequent floods

Official Letter No. 4328/CT-CS of the Tax Department dated 10 October 2025 provides

guidance on tax exemption, reduction, and deferral policies for enterprises and organizations affected by natural disasters.

Tax payment deferral shall be considered based on the taxpayer's request in one of the following cases:

- a) The taxpayer suffers material losses that directly affect production and business activities due to force majeure events as prescribed in Clause 27, Article 3 of this Law.
- b) The taxpayer must suspend operations due to relocation of production or business premises as requested by competent authorities, thereby affecting business results.

Taxpayers eligible for tax deferral may be granted a deferral for part or all of the payable tax amount. The deferral period shall not exceed two years from the tax payment due date in case (a) above and not more than one year from the tax payment due date in case (b).

During the deferral period, taxpayers shall not be subject to penalties or late payment interest on the deferred tax amount. The head of the directly managing tax authority shall determine the amount of tax deferred and the deferral period based on the submitted deferral application dossier.

- Regarding the deferral application dossier:
Taxpayers eligible for tax deferral under this Law must prepare and submit a deferral dossier to their directly managing tax authority. The dossier includes:

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- a) A written request for tax deferral stating the reasons, tax amount, and proposed deferral period;
- b) Supporting documents evidencing the reasons for deferral.

The tax authority shall receive the deferral dossier through one of the following methods: direct submission at the tax office, submission by post, or electronic submission via the electronic transaction portal of the tax authority.

If the dossier is valid, complete, and in accordance with prescribed forms, the tax authority shall notify the taxpayer in writing of the tax deferral within 10 working days from the date of receipt of the complete dossier. If the dossier is incomplete, the authority shall notify the taxpayer within three working days.

- Regarding exemption and reduction of administrative penalties on tax and invoices: the maximum reduction shall not exceed the penalty amount stated in the sanctioning decision and shall not be greater than the value of damaged property or goods, after deducting insurance or compensation, if any.
- Regarding value added tax (VAT) deduction: taxpayers subject to the credit method that suffer flood damage are entitled to deduct input VAT not compensated on goods and services subject to VAT that were damaged. Businesses must retain adequate documentation proving uncompensated losses to claim such deductions.

Imported goods donated or sponsored for disaster prevention, relief, and recovery are not subject to VAT. The agencies and organizations authorized to receive such goods include ministries, ministerial-level agencies, provincial and municipal People's Committees, and the Vietnam Fatherland Front Committees at the provincial and municipal levels. These receiving agencies shall issue official written confirmations of receipt, serving as the basis for customs authorities to apply VAT exemption at the importation stage.



- Regarding corporate income tax (CIT): enterprises may include the following expenses as deductible when determining taxable income if they meet the conditions under Clause 1, Article 9 of the CIT Law:
 - The value of uncompensated losses caused by natural disasters, epidemics, fires, or other force majeure events (Point a, Clause 2, Article 9 of the CIT Law). Such losses are

determined as the total loss value minus compensation paid by insurance companies or other organizations or individuals as prescribed by law.

- Donations for education, healthcare, scientific research, or natural disaster relief (Point n, Clause 2, Article 9 of the CIT Law).
- Welfare expenses directly paid to employees, such as support for families of employees affected by natural disasters, accidents, or illness (Point 2.30, Clause 2, Article 6 of Circular No. 96/2015/TT-BTC). The total welfare expenses shall not exceed one month's average actual salary in the tax year.
- Enterprises may also include the following expenses as deductible when determining taxable income:
 - Donations for education, healthcare, culture, and for disaster prevention, relief, and recovery; contributions to programs such as Great Solidarity houses, gratitude houses, and housing for policy beneficiaries in accordance with law (Point b5, Clause 1, Article 9).
 - The value of uncompensated losses caused by natural disasters, epidemics, and other force majeure events (Point b7, Clause 1, Article 9).
- Regarding special consumption tax reduction: taxpayers producing goods subject to special

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consumption tax who encounter difficulties due to natural disasters or unexpected incidents are eligible for tax reduction. The reduction shall be determined based on actual losses but shall not exceed 30% of the tax payable for the year of loss and shall not exceed the value of damaged assets after compensation, if any.

- Regarding natural resource tax exemption or reduction: taxpayers suffering losses of declared and taxed resources due to natural disasters, fires, or unexpected accidents shall be considered for exemption or reduction of the corresponding payable tax. If the tax has been paid, it may be refunded or offset against future tax liabilities.
- Regarding non-agricultural land use tax exemption or reduction: taxpayers facing difficulties due to force majeure events shall be eligible for a 50% tax reduction if the value of land and buildings damaged exceeds 20% to 50% of the taxable value, and full exemption if the damage exceeds 50%.

Additionally, the Official Letter provides guidance on land rent exemption or reduction for enterprises and organizations affected by storms and floods, and on tax policies applicable to business households and individuals affected by natural disasters.

Official Letter No. 2244/QNG-NVDTTC dated 13 October 2025 of

the Quang Ngai Provincial Tax Department introduces new provisions of the Corporate Income Tax Law No. 67/2025/QH15

The scope of regulation has been expanded to cover foreign enterprises without a permanent establishment in Vietnam, including e-commerce and digital platform businesses, which must pay tax on taxable income arising in Vietnam (Point d, Clause 2, Article 2 of the CIT Law).



The Law supplements that taxable income arising in Vietnam for foreign enterprises is the income received from sources in Vietnam, regardless of the place where the business is conducted (Clause 3, Article 3 of the CIT Law).

Changes to tax rates applicable to enterprises are as follows:

- 20%: standard tax rate applicable to most enterprises;

- 15%: for enterprises with total annual revenue not exceeding VND 3 billion;
- 17%: for enterprises with total annual revenue over VND 3 billion but not exceeding VND 50 billion;
- For petroleum exploration and exploitation activities: from 25% to 50%, depending on the project.

The Law also amends and supplements provisions stipulating that if an enterprise has multiple business activities in the tax year, taxable income shall be the total income from all such activities.

- If certain business activities incur losses, those losses may be offset against taxable income from other activities as selected by the enterprise, except income from real estate transfers, investment project transfers, or transfers of participation rights in investment projects, which may not be offset against income from tax-incentivized business activities.
- Taxable income from transfers of investment projects for mineral exploration, exploitation, and processing, or from transfers of participation rights in such projects, must be separately determined and declared, and shall not be offset against income or losses from other business activities.

The Law also adds provisions granting a 50% reduction of CIT payable on income of public non-business units derived from public service activities

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conducted in areas with difficult socio-economic conditions.

Supplementing the case where newly established enterprises from household businesses are exempt from corporate income tax for two consecutive years from the time they have taxable income (Article 15 of the Corporate Income Tax Law).

Increasing the maximum allocation rate to the Science and Technology Development Fund to 20% (previously 10%).



Supplementing regulations on applying the method of calculating tax as a percentage of revenue for enterprises with total annual revenue not exceeding VND 3 billion in cases where revenue can be determined but costs and income from production and business activities cannot be determined (as prescribed in Point b, Clause 2, Article 11 of the Corporate Income Tax Law).

- Actual expenses for seconded personnel participating in management, administration,

and supervision of specially controlled credit institutions and commercial banks compulsorily transferred according to the provisions of the Law on Credit Institutions;

- Certain expenses serving production and business activities but not corresponding to revenue arising in the period as prescribed by the Government;
- Certain expenses supporting the construction of public works, which simultaneously serve production and business activities;
- Expenses related to reducing greenhouse gas emissions to achieve carbon neutrality and net zero, and reduce environmental pollution, while simultaneously relating to the enterprise's production and business activities;
- Certain contributions to funds established by the Prime Minister's decision and in accordance with Government regulations.

Official Letter 3654/CT-CS dated September 9, 2025, of the Tax Department on Value-Added Tax

Business establishments in a month (for those declaring monthly) or a quarter (for those declaring quarterly) that have exported goods or services and whose deductible input VAT amounts to VND 300 million or more are eligible for VAT refund on a monthly or quarterly basis. Accordingly, the establishment requesting the

refund for a specific month or quarter shall apply the VAT refund policy effective for that month or quarter; the refund procedures shall be carried out in accordance with the provisions of tax administration law.

Official Letter 782/CMA-QLDN2 dated September 19, 2025, of the Ca Mau Provincial Tax Department on Value-Added Tax policy

In the case where a Company authorizes an individual who is an employee of the Company to use their personal bank account opened at credit institutions in accordance with the law to make payments for goods or services purchased for the purpose of producing or trading goods and services subject to value-added tax, as stipulated in the Company's financial regulations or internal regulations, or in the Company's authorization decision for the individual to pay the supplier, and the Company later reimburses the individual through non-cash payment, the input value-added tax may be deducted and the expenses may be included as deductible costs when determining taxable corporate income, in accordance with Article 14 of the Value-Added Tax Law No. 48/2024/QH15, Article 26 of Decree No. 181/2025/ND-CP (effective from July 1, 2025), and Article 4 of Circular No. 96/2015/TT-BTC.

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Official Letter 3955/CT-CS 2025 of the Tax Department on electronic invoices

- Regarding the content of invoices:

Based on the above regulations, if the purchaser is a business entity with a tax code, the name, address, and tax code of the purchaser shown on the invoice must be consistent with those on the business registration certificate, branch registration certificate, household business registration certificate, tax registration certificate, tax code notification, investment registration certificate, or cooperative registration certificate. If the purchaser is a unit with a budgetary relationship, the name, address, and code of the unit with a budgetary relationship shown on the invoice must reflect the budgetary unit code assigned.

If the purchaser does not have a tax code, the invoice is not required to show the purchaser's tax code. In cases specified in Point c, Clause 14, Article 10, it is not necessary to include the name, address, or tax code of the purchaser. From June 1, 2025, if the purchaser provides a tax code or personal identification number, the invoice must display the tax code or personal identification number.

For electronic invoices generated from cash registers, the invoice must display the name, address, tax code/personal identification number/phone number of the purchaser if requested by the purchaser.

- Regarding tax exemption and reduction for household businesses switching to the declaration method:

Current tax laws and tax administration laws do not provide for tax exemption or reduction for household businesses or individual business households when changing the method of tax calculation.



Official Letter 3976/CT-CS dated September 22, 2025, of the Tax Department on corporate income tax incentive policies

Corporate income tax law does not provide for corporate income tax incentives for investment projects in industrial zones based on the preferential rates applied to areas with difficult socio-economic conditions.

- Regarding the determination of projects eligible for incentives: the Regional Tax Department IV (now the Hung Yen Provincial Tax Department) issued Official Letter No. 1258/CCTKV04-QLDN1 dated May 19, 2025, in response to Mainetti Co., Ltd. (Vietnam).
- Regarding the application of corporate income tax incentives for new investment projects in industrial zones: the income of enterprises from implementing investment projects in industrial zones is not eligible for corporate income tax incentives at the rates applied to areas with difficult socio-economic conditions.

Official Letter 4221/CT-CS dated October 3, 2025, of the Tax Department on corporate income tax and personal income tax policies.

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- Regarding personal income tax

Based on the above regulations and the accompanying documents, in the case that Mr. Anami Tomokazu works in Vietnam from January 1, 2025, to July 1, 2025 (the date of completion of work and departure from Vietnam), Nippon Nam Co., Ltd. withheld personal income tax (PIT) as a resident taxpayer, and Mr. Anami Tomokazu also self-declared tax on income paid from abroad for work arising in Vietnam as a resident taxpayer (using progressive PIT rates). However, in fact, Mr. Anami Tomokazu stayed in Vietnam for fewer than 183 days during the period from January 1, 2025, to July 1, 2025; therefore, he must fulfill his PIT obligations before exiting Vietnam. Mr. Anami Tomokazu's PIT obligations for income arising from January 1, 2025, to July 1, 2025, are determined as a non-resident individual (PIT is calculated at a 20% rate on total income arising in Vietnam, regardless of the place of payment and receipt of income).

- Regarding corporate income tax

In the case that Nippon Zoki Vietnam Co., Ltd. plans to contribute capital to establish a new enterprise and does not yet have specific documents on actual expenses incurred before the establishment of the enterprise, there is insufficient information for the tax authorities to provide guidance. When Nippon Zoki Vietnam Co., Ltd. carries out capital contribution to establish a new enterprise and incurs expenses related to the establishment of the new

enterprise, the company should contact the local tax authority for guidance in accordance with regulations.

Official Letter 1744/DAN-QLDN2 of the Da Nang City Tax Department on responses regarding tax policies

The Da Nang City Tax Department received Transfer Note No. 1105/PC-CT dated September 30, 2025, from the Tax Department forwarding inquiries from reader Trần Văn Huy on behalf of the Da Nang branch of Tan Tien Veterinary Co., Ltd. (hereinafter referred to as the Branch), tax code 0301401799-003, regarding the deduction of value-added tax (VAT) on input invoices past the payment deadline.

In the case that the Branch purchases goods or services on deferred or installment payments with a value of VND 5 million or more, and has declared and deducted input VAT in the period when the input VAT invoices arose, but at the time of payment under the contract or contract appendix the Branch does not have non-cash payment documents, the Branch must declare and adjust to reduce the deductible input VAT for the portion of goods or services without non-cash payment documents in the tax period when the payment obligation arises under the contract or contract appendix.

Regarding which line item on the current VAT return the above-mentioned VAT reduction should

be declared, the law does not yet provide specific guidance. On this matter, the Da Nang City Tax Department will issue a document to report and request guidance from the Tax Department. When the Tax Department provides specific instructions, the Da Nang City Tax Department will inform the Branch. In the meantime, pending guidance from the Tax Department, the Da Nang City Tax Department temporarily directs the Branch to adjust and reduce this input VAT under line item [37] – “Decrease Adjustment” (in Section IV – Adjustments increasing or decreasing VAT deductible from previous periods) on VAT Return Form 01/GTGT for the tax period when the payment obligation arises under the contract or contract appendix.

Official Letter 19693/HAN-QLDN3 of the Hanoi City Tax Department dated September 30, 2025, on value-added tax reduction under Decree 174/2025/ND-CP

The Hanoi City Tax Department received Document No. 345/2025/CV/BANGHUU dated July 28, 2025, and Official Letter No. 449/2025/CV/BANGHUU dated September 9, 2025 (hereinafter referred to as the Company), requesting guidance on applying the value-added tax (VAT) rate under Decree No. 174/2025/ND-CP when issuing VAT invoices for revenue from services paid in advance in a single payment.

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The Company declares VAT using the deduction method and provides warranty services. If the services are eligible for a VAT reduction from 10% to 8% under Clause 1, Article 1 of Decree No. 174/2025/ND-CP and payment is collected in advance for the entire service period (from July 1, 2025, to December 31, 2028), the Company is entitled to a VAT reduction on service revenue from July 1, 2025, to December 31, 2026, in accordance with the regulations.



CONTACT

OUR SERVICES

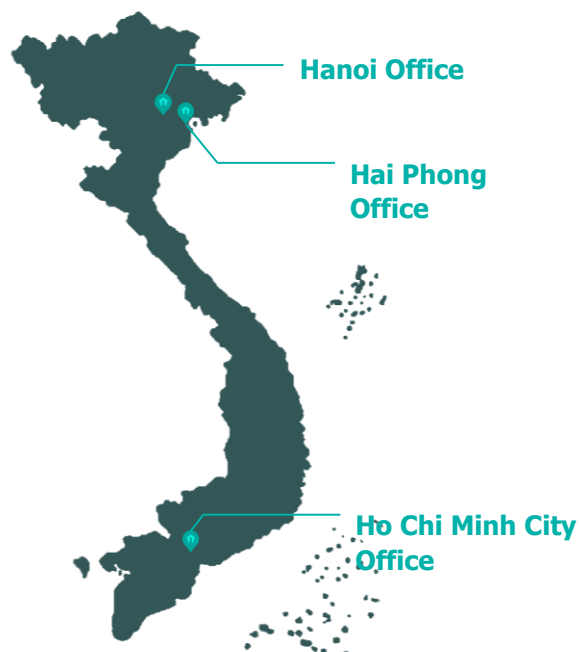
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