



Newsletter

On Taxation, Accounting and Business

September 2025

UPDATING ON TAX LAW

- Official Letter No. 3601/CT-CS dated September 5, 2025 of the Tax Department providing guidance on corporate income tax incentives.
- Official Letter No. 3611/CT-CS dated September 5, 2025 of the Tax Department providing guidance on value-added tax (VAT) refund.
- Official Letter No. 3422/CT-CS dated August 26, 2025 of the Tax Department providing guidance on financial obligations upon extension of land use term.
- Official Letter No. 537/DNA-QLDN2 dated August 13, 2025 of the Da Nang City Tax Department providing guidance on loan interest transfer under Government Decree No. 132/2020/NĐ-CP.
- Official Letter No. 2167/NBI-QLDN2 dated September 10, 2025 of the Ninh Binh Provincial Tax Department providing guidance on corporate income tax incentives after administrative boundary changes.
- Official Letter No. 1901/NBI-QLDN3 dated August 29, 2025 of the Ninh Binh Provincial Tax Department providing guidance on VAT policy for on-the-spot import and export activities.
- Official Letter No. 3444/CT-CS dated August 27, 2025 of the Tax Department providing guidance on value-added tax (VAT) policies.
- Official Letter No. 1777/HYE-QLDN2 dated August 29, 2025 of the Hung Yen Provincial Tax Department providing guidance on VAT deduction.
- Official Letter No. 434/VLO-QLDN2 dated August 21, 2025 of the Vinh Long Provincial Tax Department providing guidance on VAT deduction in cases of delayed payment under contracts or contract appendices.

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- Official Letter No. 1198/CTL&BHXH-BHXXH dated September 5, 2025 of the Ministry of Home Affairs – Department of Salary and Social Insurance, providing guidance on wages as the basis for compulsory social insurance contributions.

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Official Letter No. 3601/CT-CS dated September 5, 2025 of the Tax Department providing guidance on corporate income tax incentives

In principle, in cases where an enterprise is enjoying corporate income tax (CIT) incentives and generates income that is eligible for CIT incentives either under preferential investment location conditions or preferential sector conditions as prescribed by legal documents on CIT, while also meeting the conditions for cultivation, livestock raising, and processing of agricultural and aquatic products under Government Decree No. 12/2015/ND-CP dated February 12, 2015, the enterprise may choose to apply the most favorable tax incentive in accordance with Clause 12, Article 1 of Law No. 32/2013/QH13 and the guidance under Official Letter No. 3091/BTC-TCT dated March 8, 2017 of the Ministry of Finance sent to the Tax Departments of centrally governed provinces and cities. However, if the enterprise has already exhausted the CIT incentive period under the preferential sector or location, it shall not be allowed to switch to apply CIT incentives for income derived from cultivation, livestock raising, or processing activities in the agriculture, forestry, and fishery sectors under Government Decree No. 12/2015/ND-CP dated February 12, 2015.

For enterprises with investment projects that are

still within the period of enjoying corporate income tax (CIT) incentives under preferential sector or location conditions, or that have not yet enjoyed CIT incentives, and that meet the conditions for income derived from cultivation, livestock raising, or processing in the agriculture, forestry, and fishery sectors as stipulated in Government Decree No. 12/2015/ND-CP dated February 12, 2015, the enterprise may choose to apply the most favorable tax incentive (either under preferential sector or location conditions, or for income from cultivation, livestock raising, or processing in the agriculture and fishery sectors).



Official Letter No. 3611/CT-CS dated September 5, 2025 of the Tax Department providing guidance on value-added tax (VAT) refund.

In the case where the Company implements an investment project (the investment project is

divided into stages and categories) to serve the production and trading of exported goods (with export revenue accounting for more than 90% of total revenue) and incurs input VAT used for investment during the investment stage, the company falls under the subjects and cases eligible for VAT refund in accordance with VAT law.

Upon completion of the investment stage, if the Company generates export revenue, the input VAT on goods and services purchased (including fixed assets) used for the production and trading of exported goods shall be eligible for VAT refund for export activities as prescribed.

As from July 1, 2025, VAT refund for investment projects shall be carried out in accordance with Clause 2, Article 15 of the Law on Value-Added Tax No. 48/2024/QH15 and Article 30 of Government Decree No. 181/2025/ND-CP dated July 1, 2025.

Official Letter No. 3422/CT-CS dated August 26, 2025 of the Tax Department providing guidance on financial obligations upon extension of land use term.

In cases where land is not put into use or the land use progress is delayed compared with the schedule stated in the investment project, the investor may be granted an extension of land use for no more than 24 months and must pay an additional amount to the State

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corresponding to the land use levy or land rent for the extended period (calculated based on the land area subject to land use levy or land rent).



Official Letter No. 537/DNA-QLDN2 dated August 13, 2025 of the Da Nang City Tax Department providing guidance on loan interest transfer under Government Decree No. 132/2020/NĐ-CP.

In the case where, during the corporate income tax (CIT) periods of 2020, 2021, 2022, and 2023, the Company implemented a BOT project and had related-party relationships only with the lender being a credit institution operating under the Law on Credit Institutions as prescribed in Point d, Clause 2, Article 5 of Decree No. 132/2020/NĐ-CP, and fell under the cases specified at Points d.1 and d.2, Clause 2, Article 5 of Decree No.

132/2020/NĐ-CP as amended and supplemented under Article 1 of Decree No. 20/2025/NĐ-CP, with related-party transactions subject to the scope of adjustment under Clause 2, Article 1 of Decree No. 132/2020/NĐ-CP, and had loan interest expenses disallowed for deduction under Point a, Clause 3, Article 16 of Decree No. 132/2020/NĐ-CP, then from the 2024 tax period onwards, if the Company no longer has related-party relationships and does not incur related-party transactions under Decree No. 132/2020/NĐ-CP and Decree No. 20/2025/NĐ-CP, the portion of loan interest expenses that was disallowed and not carried forward to subsequent tax periods up to 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 the time limit for carrying forward loan interest expenses under Point b, Clause 3, Article 16 of Decree No. 132/2020/NĐ-CP.

Official Letter No. 2167/NBI-QLDN2 dated September 10, 2025 of the Ninh Binh Provincial Tax Department providing guidance on corporate income tax incentives after administrative boundary changes.

Youngone Nam Dinh Co., Ltd. was granted Investment License No. 2369/GP dated December

23, 2003 by the Ministry of Planning and Investment (also referred to as the investment project with project code 763287489).

On October 26, 2021, the Company was issued the 5th amended Investment Certificate for project code 763287489, with the amendment covering "Expansion of project scale, increase of investment capital, and supplementation of project schedule" for the expansion investment in building Workshop No. 16.

On September 17, 2024, the Company was issued the 7th amended Investment Certificate, with the main amendment being the expansion of project scale, increase of investment capital, and supplementation of project schedule for the construction of Workshop No. 17 at the project site: Lots O, P, Q, R, D2, D6, N6 – Hoa Xa Industrial Park, Nam Dinh City, Nam Dinh Province (previously), now Thanh Nam Ward, Ninh Binh Province. Before September 1, 2024, Hoa Xa Industrial Park belonged to a grade-I urban area; after the merger, the industrial park belongs to a grade-II urban area.

In cases where the Company implements an expansion investment project in accordance with the law, maintains proper accounting, invoices, and documentation, and declares and pays corporate income tax (CIT) under the prescribed declaration method, the CIT incentives shall be applied in accordance with the provisions of the law on corporate income tax effective at the time of licensing, issuance of the Investment Certificate,

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or investment approval under the law on investment.

In cases where the Company implements an expansion investment project in accordance with the law, maintains proper accounting, invoices, and documentation, and declares and pays CIT under the prescribed declaration method but is not eligible for incentives under the provisions of legal documents on corporate income tax at the time of licensing, issuance of the Investment Certificate, or investment approval under the law on investment, yet such expansion investment project meets the conditions for CIT incentives under the amended and supplemented provisions of the law, the Company shall be entitled to apply the CIT incentives as prescribed for the remaining duration.

Official Letter No. 1901/NBI-QLDN3 dated August 29, 2025 of the Ninh Binh Provincial Tax Department providing guidance on VAT policy for on-the-spot import and export activities.

Where a branch sells goods to a foreign trader that has a presence in Vietnam and designates delivery within Vietnam, and the customs declaration has been completed, then:

For on-the-spot import and export goods that have

completed customs procedures before July 1, 2025:

- In cases where a Branch conducts on-the-spot import and export activities with delivery in Vietnam as designated by a foreign trader, if such foreign trader does not meet the condition of having no presence in Vietnam as prescribed in Clause 5, Article 3 of the Law on Foreign Trade Management No. 05/2017/QH14 dated June 12, 2017, then the goods traded between the Branch and the foreign trader and delivered within Vietnam as designated shall not fall under the category of on-the-spot import and export as provided at Point c, Clause 1, Article 35 of Decree No. 08/2015/ND-CP, and therefore shall not be eligible for the 0% VAT rate.
- In cases where the Branch delivers goods to an export processing enterprise as designated by a foreign trader, the Branch is required to ensure compliance with conditions relating to contracts and bank payment documents in order to apply the 0% VAT rate as prescribed.
- Regarding the handling of erroneous invoices: Where an issued invoice contains errors, the Branch shall comply with the provisions of Clause 13, Article 1 of Government Decree No. 70/2025/ND-CP dated March 20, 2025, and Clause 6, Article 12 of Circular No. 32/2025/TT-BTC dated May 31, 2025 of the Ministry of Finance.
- Regarding supplementary tax returns: The

Branch shall comply with the provisions of Clause 6, Article 6 of Law No. 56/2024/QH15 dated November 29, 2024 of the National Assembly, which amends, supplements, and annuls a number of provisions of Article 47 of the Law on Tax Administration No. 38/2019/QH14 dated June 13, 2019.

For on-the-spot import and export goods that complete customs procedures from July 1, 2025 onwards:

- The Branch shall comply with the provisions of the Law on Value-Added Tax No. 48/2024/QH15 dated November 26, 2024, Law No. 90/2025/QH15 dated June 25, 2025 of the National Assembly, and the guiding documents thereof.

Official Letter No. 3444/CT-CS dated August 27, 2025 of the Tax Department providing guidance on value-added tax (VAT) policies.

Before July 1, 2025, the determination of export services eligible for the 0% VAT rate shall be carried out by the Bac Ninh Provincial Tax Department in accordance with Article 9 of Circular No. 219/2013/TT-BTC and Article 1 of Circular No. 130/2016/TT-BTC of the Ministry of Finance.

From July 1, 2025, the determination of export services eligible for the 0% VAT rate shall be carried out by the Bac Ninh Provincial Tax

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Department in accordance with Article 17 of Government Decree No. 181/2025/ND-CP.



Official Letter No. 1777/HYE-QLDN2 dated August 29, 2025 of the Hung Yen Provincial Tax Department providing guidance on VAT deduction.

In cases where the Company purchases goods or services from a taxpayer with a value of less than VND 5 million per transaction but makes multiple purchases on the same day with a total value of VND 5 million or more, input VAT shall only be deductible if there are supporting documents for non-cash payment.

Regarding CIT: The Company may record such goods and service purchase expenses as deductible expenses for CIT purposes if the above conditions are met. On June 14, 2025, the National Assembly promulgated the Law on Corporate Income Tax No. 67/2015/QH15. When competent authorities issue implementing guidance documents for the Law on Corporate Income Tax, the Company is requested to comply with the provisions of the Law and its implementing guidance documents.

Official Letter No. 434/VLO-QLDN2 dated August 21, 2025 of the Vinh Long Provincial Tax Department providing guidance on VAT deduction in cases of delayed payment under contracts or contract appendices.

For goods and services purchased on a deferred payment or installment basis with a value of VND 5 million or more, if at the time of payment as stipulated in the contract or contract appendix the business establishment does not have supporting documents for non-cash payment, the establishment must declare and adjust to reduce the deductible input VAT corresponding to the value of goods and services lacking non-cash payment documents in the tax period when the payment obligation arises under the contract or

contract appendix.

As presented by the Company, in the case of goods and services purchased on a deferred payment basis where, at the time of payment under the contract or contract appendix, the Company did not have supporting documents for non-cash payment and had already declared and adjusted to reduce the deducted input VAT, but subsequently (after the deferred payment deadline agreed in the contract or contract appendix) the Company obtained non-cash payment documents, in this case the input VAT shall still not be deductible.



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Official Letter No. 1198/CTL&BHXH-BHXH dated September 5, 2025, issued by the Ministry of Home Affairs – Department of Salary and Social Insurance, providing guidance on salaries used as the basis for compulsory social insurance contributions

- The salary used as the basis for compulsory social insurance contributions for employees subject to the salary regime determined by the employer is stipulated at Point b, Clause 1, Article 31 of the Law on Social Insurance No. 41/2024/QH15 and further detailed in Clause 1, Article 7 of Decree No. 158/2025/NĐ-CP.

According to the provisions of the above-mentioned documents, the monthly salary used as the basis for compulsory social insurance contributions for employees who are subject to the salary regime decided by the employer shall include:

- The wage based on the job or title calculated by time (monthly) of the job or title, according to the salary scale and payroll system developed by the employer in accordance with Article 93 of the Labor Code, as agreed upon in the labor contract;
- Salary allowances to compensate for factors such as working conditions, job complexity, living conditions, and labor attraction that

have not been considered or fully reflected in the wage level, as agreed upon in the labor contract;

- Other additional amounts with a specific monetary value, agreed upon in the labor contract, and paid regularly and stably in each pay period.
- For other regimes and benefits specified as a separate item in the labor contract in accordance with Clause 5, Article 3 of Circular No. 10/2020/TT-BLĐTBXH dated November 12, 2020, issued by the Minister of Labor, War Invalids and Social Affairs (now the Ministry of Home Affairs), these are not considered wages used as the basis for calculating compulsory social insurance contributions under Clause 1 mentioned above.



CONTACT

OUR SERVICES

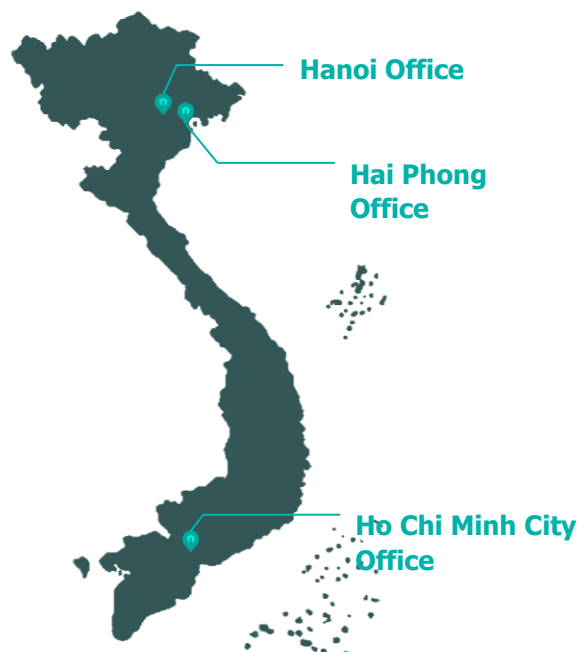
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