CIRCULAR 99/2025/TT-BTC

OPPORTUNITIES AND CHALLENGES FOR VIETNAMESE ENTERPRISES IN THE ERA OF INTERNATIONAL INTEGRATION

Circular No. 99/2025/TT-BTC, which replaces Circular No. 200/2014/TT-BTC and takes effect from 1st January 2026, opens up opportunities for Vietnamese enterprises to enhance financial transparency and align with international practices, while also posing challenges in accounting system transformation, personnel training, and risk management.







OVERALL



Background of Issuance

To modernize the accounting framework, enhance transparency, empower enterprises with greater autonomy, and align with international practices.



Scope of Application

Applicable to all enterprises operating in Vietnam.

The new Circular additionally includes credit institutions [*] as entities subject to application.



Circular No. 99 adds credit institutions to the scope of application. However, it only applies to non-specialized banking operations (e.g., accounting for inventories, fixed assets, or payables). Specialized banking activities must continue to comply with the specific regulations issued by the State Bank of Vietnam.



Effective Date

Effective date: from January 1, 2026.

Applicable for fiscal years beginning on or after January 1, 2026.



Transitional Provisions

For state-owned enterprises undergoing equitization or subject to specific regulations, the implementation of Circular No. 99 shall follow separate guidance issued by the Ministry of Finance.



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KEY HIGHLIGHTS OF CIRCULAR NO. 99/2025/TT-BTC

Shift in Focus

From bookkeeping to modern financial management.

5

New Chart of Accounts

Reflects the substance of transactions and industryspecific characteristics.

From Restriction to Flexibility

Permitted to use foreign currency as the accounting currency.

2

Elevating Financial Reporting

From figures to a comprehensive business management perspective.

Redesign of the Accounting System

Clarifies rights and obligations among parent companies, branches, and dependent units.

3

Notable Updates

Regarding revenue recognition, promotional goods, and inventory valuation.

Trend Toward E-Accounting

Autonomous – Transparent – Modern.

4

Innovations in Financial Statements

Concerning the presentation and preparation of financial statements.





SHIFT IN FOCUS



While Circular No. 200/2014/TT-BTC previously focused primarily on bookkeeping procedures and the preparation of financial statements, Circular No. 99/2025/TT-BTC has significantly expanded its regulatory scope. The new Circular extends beyond accounting techniques to establish requirements for corporate governance, internal accounting control, and the financial autonomy mechanisms of enterprises.

Article 3 of Circular No. 99/2025/TT-BTC explicitly requires enterprises to **establish internal governance regulations and internal accounting control mechanisms** — a fundamental innovation not previously found in earlier accounting circulars:

- Develop an effective internal governance charter and internal control system appropriate to the enterprise's size and operational characteristics.
- Clearly define the authority and responsibilities of each department and individual involved in accounting transactions.
- Proactively establish internal regulations specifying the accounting department's authority and accountability, thereby enhancing flexibility in organizational structure and operations.





SHIFT IN FOCUS

This transformation reflects the Ministry of Finance's strategic orientation toward a shift from conventional financial accounting to modern management accounting, where accounting is no longer merely a record-keeping tool but serves as a mechanism for control, evaluation, and economic decision-making within enterprises.





FROM RESTRICTION TO FLEXIBILITY

REGULATIONS ON ACCOUNTING CURRENCY UNITS

Under Circular No. 200/2014/TT-BTC, enterprises were permitted to use the Vietnamese Dong (VND) or a foreign currency only with specific approval from the competent authorities. However, Circular No. 99/2025/TT-BTC has broadened the scope and provided more detailed provisions across three articles (from Article 4 to Article 6) regarding the selection, modification, and conversion of the accounting currency.



Article 4

Functional Currency in Accounting



Article 5

Change of Functional Currency



Article 6

Article 6 – Accounting Work for Enterprises Using a Non-VND Functional Currency

The new Regulation under Circular No. 99/2025/TT-BTC grant significant flexibility to enterprises with foreign elements — particularly FDI companies, import—export, and logistics enterprises — enabling them to better reflect their actual financial position in the primary operating currency while ensuring compliance with current Vietnamese Accounting Standards (VAS).





REGULATIONS ON FUNCTIONAL CURRENCY IN ACCOUNTING





Article 4. Functional currency in accounting

General Principle

The default accounting currency unit is the Vietnamese Dong (VND).

Exception

Enterprises whose principal transactions (revenues, expenses, pricing, payments, etc.) are primarily denominated in a foreign currency may select one foreign currency as their accounting currency unit, provided that the conditions specified in Clauses 2, 3, and 4 of Article 3 of Circular No. 99/2025/TT-BTC are satisfied.

- Determining Factors (a) The currency that mainly influences the selling prices of goods and services;
 - b) The currency that mainly influences costs such as labor, materials, and other operating expenses;
 - (c) If the above factors are inconclusive, consider the currency in which financing is raised and operating cash is retained.

Stability Principle

Once determined, the accounting currency may only be changed in cases of significant changes in business operations or management structure.



FACTORS DETERMINING THE "FUNCTIONAL CURRENCY IN ACCOUNTING"

(According to Article 4 of Circular No. 99/2025/TT-BTC and IAS 21, paragraphs 9–12)

for investment or storage purposes.

Factor Group	Reference Article 4 Circular 99/2025/TT-BTC	IAS 21 (Paras. 9–12)	Practical Implication
Sales & Pricing	Clause 2(a) The accounting currency is the currency that mainly influences the selling prices of goods and services and is typically the currency in which selling prices are denominated and settled.	IAS 21.9(a): "Currency that mainly influences sales prices for goods and services."	Identifies the currency in which the entity primarily generates revenue — the currency dominating its sales market.
Production costs - Operations costs	Clause 2(b) The accounting currency is the currency that primarily influences costs, including labor, materials, and other production and business expenses.	IAS 21.9(b): "Currency that mainly influences labour, material and other costs."	Determines the currency influencing input costs, reflecting the economic environment in which the entity operates.
Financing – Capital Raising	Clause 3(a) The accounting currency is the currency used to obtain financial resources, including the issuance of debt or equity instruments.	IAS 21.10(a): "Currency in which funds from financing activities are generated."	Identifies the financing currency (e.g., USD loans or bond issuance), indicating linkage to foreign capital markets.
Retention & Storage of Value	Clause 3(b) The accounting currency is the currency that is regularly received from business operations and retained	IAS 21.10(b): "Currency in which receipts from operating activities are retained."	Identifies the currency retained for reinvestment or profit storage — the principal operating currency.



REGULATIONS ON FUNCTIONAL CURRENCY IN ACCOUNTING

Article 5. Change of Functional Currency

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A change in the accounting currency is permitted only when significant changes occur that render the current accounting currency no longer appropriate.

Effective Time

The change shall take effect from the beginning of a new accounting year.

Data Conversion

- The average transfer exchange rate of the commercial bank where the enterprise regularly conducts transactions, on the date of currency change, shall be used for conversion.
- For comparative information (prior-year column), the average exchange rate of the immediately preceding year shall be used for restatement..

Financial Statement Disclosure

The financial statements must clearly disclose the reasons for the change and its impact on the financial statements..







REGULATIONS ON FUNCTIONAL CURRENCY IN ACCOUNTING

Article 6. Accounting Work for Enterprises Using a Non-VND Functional Currency

Statutory Financial Statements	Enterprises must present and submit their statutory financial statements (FS) to competent authorities in Vietnamese Dong (VND), even when accounting records are maintained in another currency. Financial statements prepared in a foreign currency must be converted into VND in accordance with Clause 3, Article 6 of Circular No. 99/2025/TT-BTC.		
Audit Requirement	If the enterprise is subject to a statutory audit , its audited financial statements must be prepared in Vietnamese Dong (VND).		
Conversion Method			
a. Conversion Principles	Assets and Liabilities	Converted at the average transfer exchange rate of the commercial bank where the enterprise regularly transacts, on the balance sheet date.	
	Owner's Equity	Converted at the historical exchange rate at the date of capital contribution.	
	Differences in Revalued Assets	Translated at the exchange rate on the revaluation date.	
	Profit after tax and reserves	Translated using the average exchange rate of the reporting period.	
	Items arising during the period (revenue, expenses, exchange differences, etc.)		
b. Treatment of Exchange Differences	Exchange differences arising from currency translation must be presented under the item "Exchange rate differences" on the financial statements.		
c. Disclosure Requirement	Enterprises must disclose clearly the impact of converting financial statements from the foreign currency into Vietnamese Dong in the Notes to the Financial Statements.		





COMPARISON

The table below summarizes the key changes in Articles 4, 5, and 6 of Circular No. 99/2025/TT-BTC, compared with Circular No. 200/2014/TT-BTC, concerning the principles for determining, changing, and converting the accounting currency unit.

Content	Provisions under Circular No. 200/2014/TT-BTC	New Points Differences under Circular No. 99/2025/TT-BTC
1.Functional currency in accounting	Circular No. 200/2014/TT-BTC stipulates that the Vietnamese Dong (VND) is the accounting currency. Enterprises may use a foreign currency as their accounting unit if most of their transactions are denominated in that currency; however, the guidance provided remains general and not clearly defined.	Details four specific factor groups for determining the functional currency, aligned with IAS 21 – The Effects of Changes in Foreign Exchange Rates. Provides a clearer legal basis for selecting a foreign currency as the accounting unit.
2.Change of Functional Currency	Provided general guidance on converting financial statements prepared in foreign currencies but did not specify the exchange rate to be applied for each line item.	Introduces a separate Article 5, specifying: Principles for currency change; Effective date (beginning of a new fiscal year); Method for applying exchange rates when converting between currencies. This enhances consistency and transparency across enterprises.
3.Financial Statements Using Foreign Currencies	Provided limited guidance on translation of financial statements prepared in foreign currencies.	BClearly specifies the conversion method for each financial statement item, (including: Assets, liabilities, equity, and profit after tax); Treatment of exchange rate differences; Compliance with IAS 21 principles. This alignment ensures uniformity with international

accounting standards.



REDESIGN OF THE ACCOUNTING SYSTEM

Article 7 of Circular No. 99/2025/TT-BTC provides a clearer definition of the accounting relationships and financial responsibilities among the parent company, branches, and dependent units, while significantly enhancing enterprises' **autonomy in organizing and operating their internal accounting systems**.

Several new provisions grant enterprises greater **flexibility in decentralization**, including:

Internal Accounting and Recognition Policies

Enterprises are entitled to determine whether:

- Capital allocated to dependent units is recorded as owner's equity or as liabilities.
- Revenue and cost of goods sold arising from internal transfers of goods and services between departments may be recognized or not, regardless of the form of documentation (invoice or internal voucher).

Objective: To ensure a faithful and fair representation of the internal management model, and to eliminate the recognition of artificial revenues or expenses that do not reflect the actual economic substance of internal transactions.

Preparation of Financial Statements

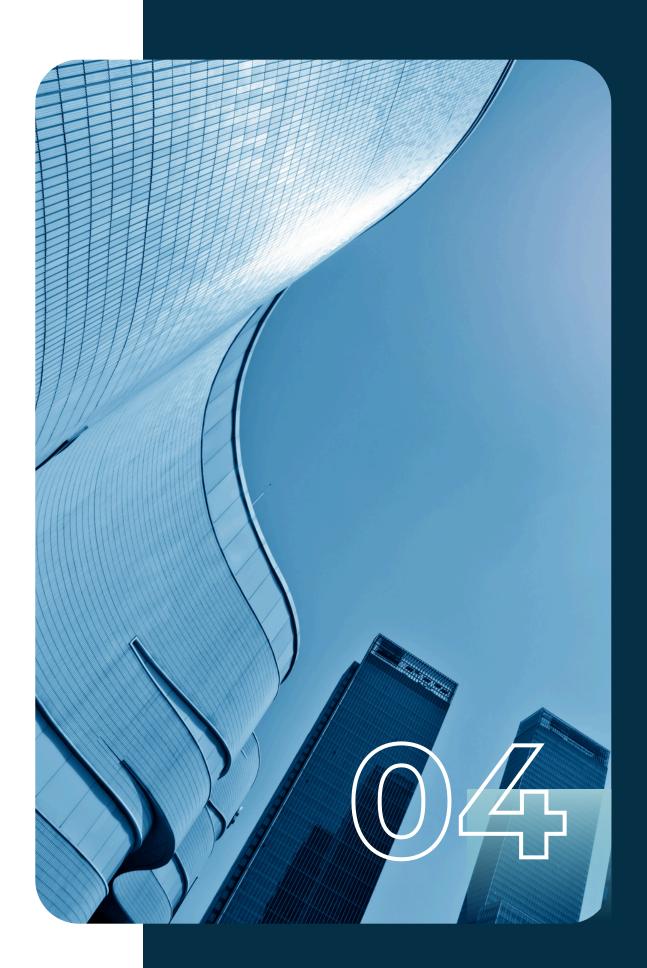
- Enterprises may **decide** whether dependent units are required to prepare separate financial statements.
- However, the consolidated financial statements of the enterprise (for submission to authorities or public disclosure) must include financial information from all dependent units, regardless of decentralization.





TREND TOWARD E-ACCOUNTING





Self-designing accounting forms

Circular No. 99/2025/TT-BTC allows enterprises to design or modify their accounting voucher forms according to their management needs, provided that such forms ensure the accuracy, clarity, and controllability of asset and capital flows.

When an enterprise modifies its voucher forms, it must issue an Internal Accounting Regulation as the legal basis and unified guideline for implementation across the entire organization.

Importantly, the Circular strengthens and specifies the **legal framework for the use of electronic vouchers**, marking a **significant step toward full digitalization** of accounting practices — consistent with the **national digital transformation agenda** and **modern corporate governance standards**.

Compared with Circular No. 200/2014/TT-BTC, this reform represents a liberalizing transformation, granting enterprises greater autonomy to develop an electronic, flexible, and modern accounting system, instead of following previously rigid and uniform templates.

Simplified rules for signing accounting vouchers

The preparation and signing of accounting vouchers shall comply with the general provisions of the Law on Accounting. The new Circular removes detailed and rigid technical requirements (such as ink color or handwriting format) that existed under previous regulations.



NEW CHART OF ACCOUNTS

"A Step Toward International Integration"

According to Article 11 of Circular No. 99/2025/TT-BTC, enterprises are required to apply the new Chart of Accounts (COA) as specified in Appendix II issued together with the Circular. This is a key reform designed to ensure that accounting reflects the true substance of transactions, especially in agriculture and taxation sectors.







Empowering Enterprises with Customization

Removal subaccounts

Many level-2 sub-accounts of level-2 were mandatory (e.g., 1111, 1122, 213x, 421x, etc.).

level-2 Mandatory accounts removed; enterprises may flexibly create additional sub-accounts (level 2 or 3) for internal management.



Discontinuation of detailed level-2 account structure

Orientation & Impact Circular 99/2025/TT-BTC

Elimination of Account 1562 – Purchasing Costs of Goods

Purchasing costs may be charged directly to cost of goods sold (COGS – account 632) when insignificant or related to multiple products.

Account 419 – Treasury Shares)

Renamed as "Treasury shares," consistent Shares (Repurchased Own with IFRS equity presentation.



Account Additions and Revisions

Key highlights:

Circular 99/2025/TT-BTC

Addition of Account 1383 Excise Tax on Imported Goods

Addition of Account 215

Biological Assets

Addition of Account 2295 - Provision for Impairment of Biological Assets

Addition Account 82112 Additional Corporate Income Tax Expense (GloBE 15%)

Orientation & Impact

Provides accounting guidance for excise tax on imported goods (e.g., gasoline).

Separates biological assets (plants, animals) from tangible fixed assets (account 211) for independent tracking.

Introduced for provisioning biological asset impairments, with differences recognized in cost of goods sold (account 632).

Introduces a separate account for additional corporate income tax under the Global Minimum Tax (GloBE 15%), applicable to multinational enterprises (MNÉs).



According to Circular No. 99/2025/TT-BTC, the financial reporting system continues to comprise four fundamental financial statements, as follows:

- Statement of Financial Position (previously known as the Balance Sheet)
- Statement of Profit or Loss;
- Statement of Cash Flows;
- Notes to the Financial Statements;

However, the scope and content of the Notes to the Financial Statements have been significantly expanded, requiring enterprises to provide more detailed and transparent information.

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03

Financial statements are no longer merely a collection of figures, but rather a comprehensive picture that reflects the enterprise's economic health and operational performance.



ELEVATING FINANCIAL REPORTING

Effective from January 1, 2026, Circular No. 99/2025/TT-BTC officially replaces Circular No. 200/2014/TT-BTC, introducing significant reforms in the Notes to the Financial Statements.

The Notes to the Financial Statements (FS) are now a mandatory and integral component rather than an appendix. Any omission or inaccuracy may render the financial statements invalid.

The Circular introduces five mandatory disclosure categories: Enterprise characteristics, Accounting policies, Item details, Special transactions, Events after the reporting period

The Circular reinforces fair presentation and comparability – priorperiod figures must be disclosed, with proper explanations and restatements for any change in accounting policies.

For related party transactions, enterprises must disclose the names, nature of relationships, and transaction values. These disclosures serve as a critical basis for transfer pricing and corporate income tax (CIT) determination.

Notes must include information on cash flows and financial instruments, describing risks related to exchange rates, interest rates, and credit exposures. Specific disclosures are required for entities engaged in complex financial activities.

Detailed disclosures on changes in equity are required – specifying the timing, value, and legal basis for changes in capital, dividends, or share issuance.



NOTABLE UPDATES

Revenue Recognition:

Circular No. 99/2025/TT-BTC emphasizes the principle of revenue recognition based on the satisfaction of performance obligations, reflecting the economic substance of transactions rather than merely the timing of invoice issuance or cash collection.

Inventory Valuation:

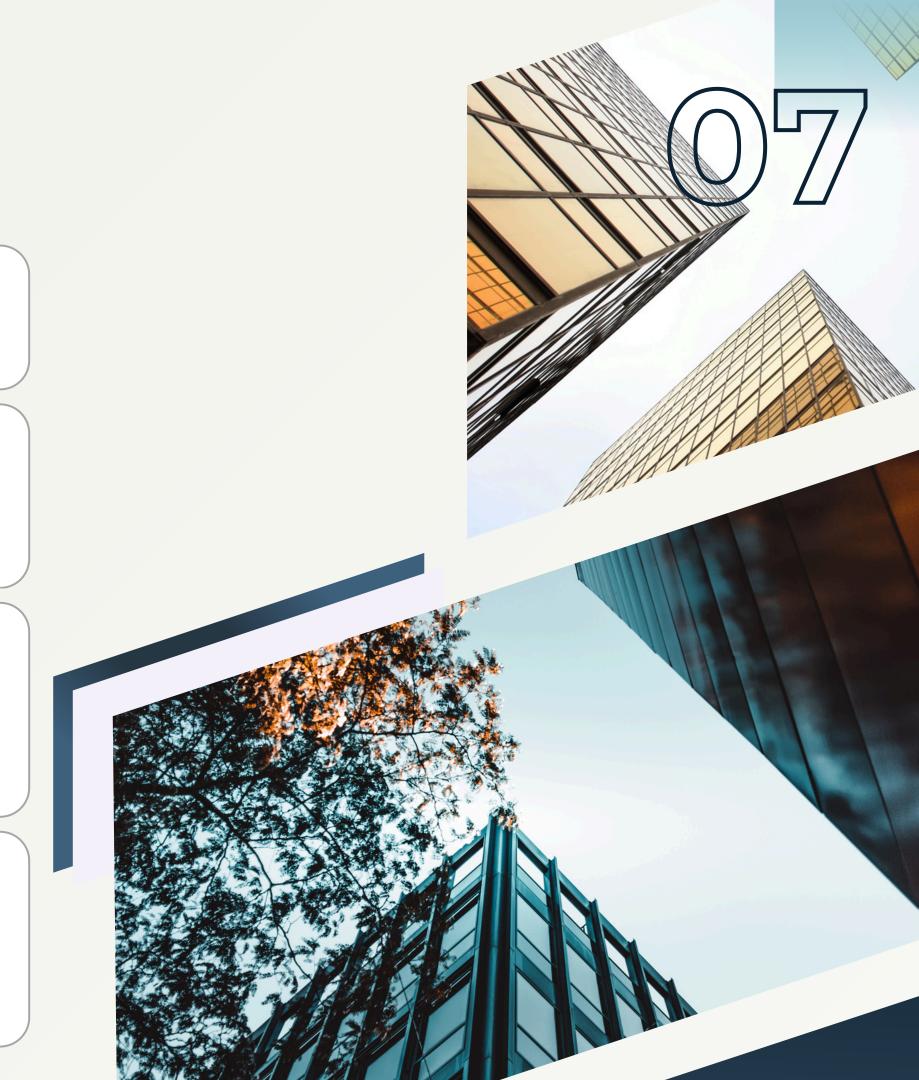
Enterprises are now permitted to apply different inventory valuation methods for separate groups or categories of materials and goods, instead of being required to use a single method for all inventories as previously mandated. This provision enables a more accurate reflection of inventory management characteristics and price fluctuations.

Standard Costing Method:

Circular No. 99/2025/TT-BTC introduces, for the first time, guidance on applying the standard costing method in product cost calculation. This approach enables enterprises to determine temporary (standard) costs for quick profit/loss estimation and timely decision-making. Differences between standard and actual costs shall be adjusted to cost of goods sold or inventories at the end of the period.

Appendices:

The annex system attached to the Circular has been updated and streamlined into four categories: Accounting Vouchers Forms; Chart of Accounts (COA); Accounting Books Templates (reduced from 45 to 42 templates); Financial Statements Forms. This simplification allows enterprises greater flexibility in designing and operating their internal accounting systems.





NOTABLE UPDATES

Comparison of Revenue and Expense Recognition Regulations Circular No. 200/2014/TT-BTC vs. Circular No. 99/2025/TT-BTC



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Content	Circular No. 200/2014/TT-BTC	Circular No. 99/2025/TT-BTC	Key Changes
Principle of revenue recognition	Revenue is recognized when the risks and rewards of ownership have been transferred, the buyer has accepted the goods or services, and the amount of revenue can be reliably measured.	Revenue is recognized upon transfer of control of goods or services to the customer, in accordance with IFRS 15.	Shift from "risks and rewards" to "control-based" principle, aligning with IFRS 15.
Service revenue	Revenue is recognized when services are fully or partially completed.	Revenue may be recognized based on the percentage of completion , provided progress can be reliably measured.	Closer to IFRS 15, suitable for construction and long-term service contracts.
Revenue from long-term contracts	Recognized upon contract completion or based on progress when results can be measured.	Recognized based on performance obligations ; enterprises must identify and allocate revenue to each obligation in the contract.	Enhanced detail and tighter control, ensuring faithful representation of contractual performance.
Revenue deductions	Recorded under Account 521: sales discounts, returns, and allowances.	Account 521 remains, but enterprises must disclose detailed breakdowns of deductions in the Notes to the Financial Statements.	Enhances transparency and analytical comparability.



NOTABLE UPDATES

Comparison of Revenue and Expense Recognition Regulations Circular No. 200/2014/TT-BTC vs. Circular No. 99/2025/TT-BTC

Content	Circular No. 200/2014/TT-BTC	Circular No. 99/2025/TT-BTC	Key Changes
Operating and production costs	Expenses recognized by element (materials, labor, depreciation, etc.).	Allows classification by function (selling, administrative, R&D, etc.), consistent with IFRS presentation.	Aligning with IFRS to enhance international comparability
Financial and other expenses	Traditional classification under accounts 635 and 811.	Maintains classification but requires more detailed disclosures on FX gains/losses and financial risks.	Enhances faithful representation and consistency.
Corporate income tax expense	Recognized when the current CIT liability arises.	Provides guidance on deferred tax accounting for IFRS-applied enterprises.	Aligns with IAS 12 to accurately reflect timing differences in tax obligations.

Circular No. 99/2025/TT-BTC represents a major shift toward an accounting model aligned with International Financial Reporting Standards (IFRS) — particularly in recognizing revenue based on performance obligations, enhancing flexibility in expense classification, and requiring greater transparency in financial statement presentation.



^[*] The above summary of differences in revenue and expense recognition between Circular No. 99/2025/TT-BTC and Circular No. 200/2014/TT-BTC is for general reference only. Enterprises should refer to the full legal text and official guidance from the Ministry of Finance when implementing specific accounting policies.



INNOVATIONS IN FINANCIAL STATEMENTS



Reporting Period

Enterprises are required to prepare annual financial statements. Interim financial statements (quarterly or semi-annual) are not mandatory under the accounting regime but shall be prepared in accordance with the requirements of other relevant laws, such as the Law on Securities.

Financial Statements of Enterprises with Branches

: The financial statements of a company must include the financial information of its dependent units (branches) and perform intra-company eliminations. The concept of separate consolidated financial statements is no longer applicable.

Retrospective Adjustments

: Only material errors require retrospective restatement of financial statements

Events After the Reporting Date

: Only material post-reporting events must be adjusted or disclosed in the financial statements.

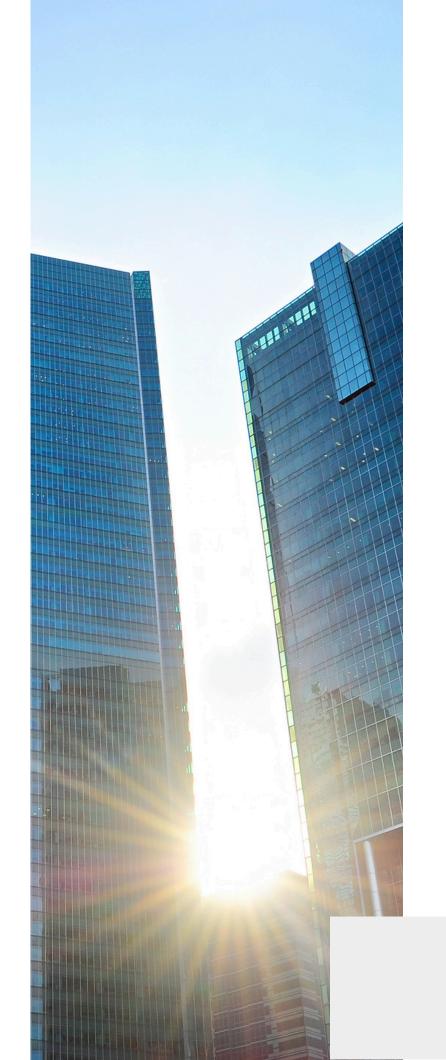
Presentation of Financial Statements

Enterprises may customize their chart of accounts; however, the presentation of financial statements must comply with the line items prescribed in this Circular. Additional line items may be included where necessary, but existing prescribed items may not be altered.





66 The Vietnamese corporate accounting system operate under a unified legal framework, eliminating and facilitating overlaps enterprises in referencing, applying, and complying regulations. with This significant marks milestone in Vietnam's accounting sector, representing transformation from compliance-oriented model to one that emphasizes and governance information transparency. 99



EFFECTIVENESS

of Circular No. 99/2025/TT-BTC

Circular No. 99/2025/TT-BTC shall take effect from January 1, 2026 and shall apply to financial years beginning on or after January 1, 2026. Upon the effective date of this Circular, the following circulars shall be repealed and replaced:

- Circular No. 200/2014/TT-BTC guiding the corporate accounting regime (except for the cases specified in Clause 2, Article 31 of Circular No. 99/2025/TT-BTC);
- Circular No. 75/2015/TT-BTC, amending and supplementing Article 128 of Circular No. 200/2014/TT-BTC;
- Circular No. 53/2016/TT-BTC, amending and supplementing several articles of Circular No. 200/2014/TT-BTC;
- Circular No. 195/2012/TT-BTC, providing accounting guidance applicable to project owners and investors.



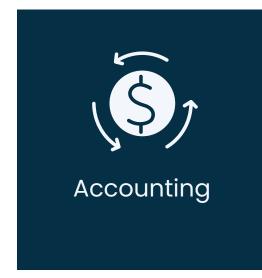


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No 06 – 07, Phan Ton Street, Tan Dinh Ward, HCMC, Vietnam





