

2026

Tax Newsletter



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CONTENT

01.

CIRCULAR 99/TT-BTC

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Circular No. 99/2025/TT-BTC, issued by the Ministry of Finance and effective from **January 1, 2026**, this Circular replaces the entire Circular No. 200/2014/TT-BTC on the Corporate Accounting System. It aims to standardize the accounting system towards international standards, enhance transparency and consistency, and meet digital transformation requirements.

02.

LAW ON PERSONAL INCOME TAX 2025

10

Law No. 109/2025/QH15 on Personal Income Tax 2025 takes effect from **July 1, 2026**, except for provisions regarding income from business, wages, and salaries of resident individuals, which apply from **January 1, 2026**. This represents a significant reform aimed at enhancing fairness, simplifying tax calculation mechanisms, and improving tax management efficiency to align with actual income realities and the digital transformation context

03.

LAW ON SPECIAL CONSUMPTION TAX 2025

11

Law No. 66/2025/QH15 – the Law on Special Consumption Tax of 2025, which **will take effect on January 1, 2026**, represents a notable shift in Vietnam's indirect tax policy. This law aims to expand the tax base and revise taxable subjects and tax rates to align with consumption regulation, public health safeguarding, and the evolving socio-economic development landscape.

04.

RESOLUTION 198/2025/QH1

12

Under Article 10 of Resolution 198/2025/QH15 regarding support for taxes, fees, and charges, the National Assembly stipulates the **termination of business license fee (license tax) collection and payment starting from January 1, 2026**. This Resolution applies to enterprises, business households, individual businesses, and relevant organizations and individuals

05.

LAW ON TAX ADMINISTRATION 2025

12

The Tax Administration Law of 2025 (Law No. 108/2025/QH15), issued on December 10, 2025, will replace the 2019 Law to perfect the tax management system in the digital era. Key changes include expanding the scope of subjects, linking tax identification numbers with personal identifiers, and a phased implementation roadmap. The Law officially **takes effect on July 1, 2026**, with certain provisions applicable earlier

CONTENT

LAW NO. 149/2025/QH15

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06.

Law No. 149/2025/QH15, **effective from January 1, 2026**, amends and supplements several articles of the Law on Value Added Tax No. 48/2024/QH15. It aims to perfect the VAT legal framework toward clarity and synchronicity, better suiting tax management practices and business production activities

DECREE NO. 359/2025/ND-CP

14 - 15

07.

Decree No. 359/2025/ND-CP was signed and issued by the Government on December 31, 2025, and **takes effect from January 1, 2026**, amending and supplementing Decree No. 181/2025/ND-CP guiding the Law on Value Added Tax.

This Decree has resolved many obstacles in determining tax obligations and VAT refunds.

DECREE 310/2025/ND-CP

16

08.

On December 2, 2025, the Government issued Decree No. 310/2025/ND-CP, amending and supplementing several articles of Decree No. 125/2020/ND-CP regarding administrative penalties for tax and invoice violations. This Decree will officially take effect on **January 16, 2026**.

PERSONAL DATA PROTECTION LAW

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09.

The Personal Data Protection Law (Law No. 91/2025/QH15) officially takes effect on **January 1, 2026**. It clearly establishes citizens' basic data rights, including the right to be informed, the right to consent, and the rights to access, edit, and request the deletion of their data.

DECREE 320/2025/ND-CP

18 - 20

10.

Decree No. 320/2025/ND-CP was issued by the Government to provide detailed guidance and specify the implementation of the Law on Corporate Income Tax 2025. It clarifies regulations on taxable income, deductible expenses, tax incentives, and CIT management to ensure consistency, transparency, and feasibility during application.

LAW ON INVESTMENT (AMENDED) 2025

21 - 23

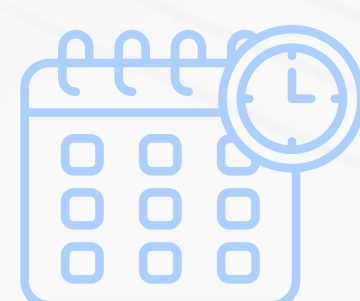
11.

The Law on Investment (Amended) 2025 is a crucial legal document featuring new provisions aimed at removing investment barriers and simplifying administrative procedures. It enhances the convenience and transparency of investment activities, contributing to an improved business environment and effectively attracting both domestic and foreign investors.

01.

CIRCULAR 99/TT-BTC

The Ministry of Finance officially released **Circular 99/2025/TT-BTC** (hereinafter referred to as **Circular 99**) on October 27, 2025, signifying a comprehensive transformation in Vietnam's accounting legal framework. This circular supersedes **Circular 200/2014/TT-BTC** (hereinafter referred to as **Circular 200**) after over ten years of implementation, with the objective of addressing the demands of the digital economy and the necessity for enhanced integration with international capital markets through the plan for adopting **International Financial Reporting Standards (IFRS)**.



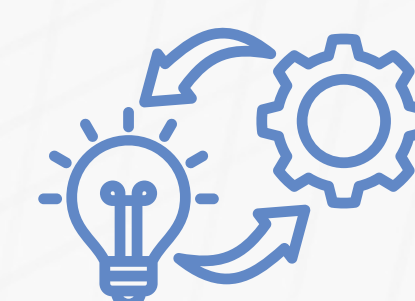
Effective date

Circular 99 will be effective starting January 1, 2026, and is applicable to fiscal years commencing on or after January 1, 2026.



Transitional regulations

For state-owned enterprises that are in the process of privatization or are subject to specific regulations, the implementation of Circular 99 will adhere to distinct guidelines provided by the Ministry of Finance.



Substitution range

Circular 99 supersedes all of the following documents:

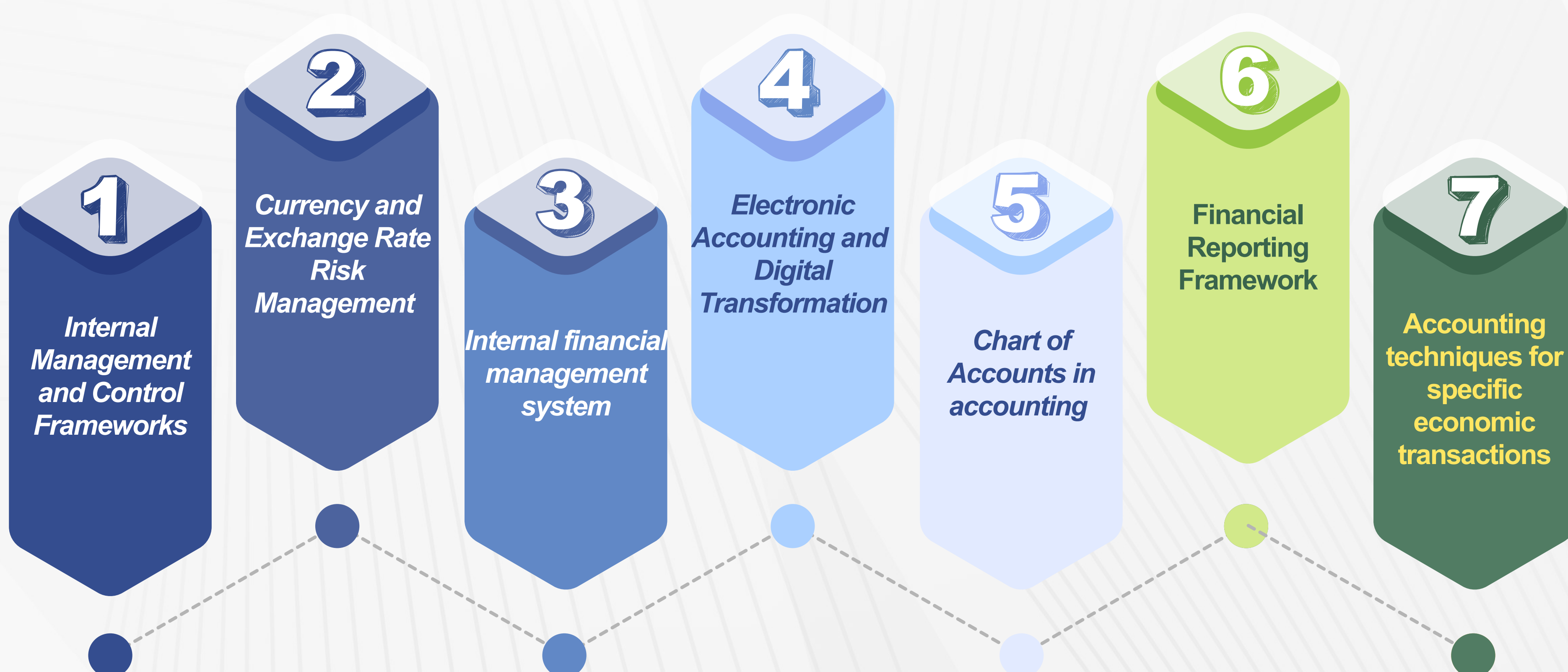
- Circular No. 200/2014/TT-BTC
- Circular No. 75/2015/TT-BTC
- Circular No. 53/2016/TT-BTC
- Circular No. 195/2012/TT-BTC

Relevant subjects

The regulations are applicable to businesses across all sectors and economic components operating in Vietnam. Notably, **small and medium-sized enterprises (SMEs)** or micro-enterprises, which previously had the option to utilize separate accounting regimes (such as **Circular 133** or **Circular 132**), are now also permitted to opt for Circular 99. However, credit institutions and branches of foreign banks will continue to adhere to the specific accounting regimes established by the State Bank of Vietnam.



The updated circular emphasizes the importance of the economic aspect of financial information, enhancing the independence of accounting units, and establishing a foundation for improved transparency in financial data. As a result, the accounting department's operational model must transition from a solely record-keeping role to one that involves controlling and managing financial risks. Significant changes include:



CIRCULAR 99/TT-BTC (continued)

01.

1

Internal Management and Control Frameworks

One of the most important advancements of Circular 99 in comparison to Circular 200 and earlier accounting circulars is the incorporation of regulations regarding Governance and Internal Control directly within the accounting system guidance document.

- **Circular 200:** There are no distinct regulations governing the creation of internal control systems in corporate accounting. The function of accounting is described as "recording and compliance."
- **Circular 99:** In accordance with **Article 3 concerning Internal Governance and Control**, businesses are tasked with formulating their own internal governance policies and establishing an internal control framework. The aim is to distinctly outline the authority, duties, and responsibilities of each department and individual in relation to economic transactions, thereby ensuring legal compliance and safeguarding assets.

Principles for determining the accounting currency: Vietnamese Dong (VND) is the default currency. However, the criteria for enterprises to select a foreign currency as their accounting currency are now more clearly defined, aligning more closely with the international standard IAS 21.

Businesses may select a foreign currency if they satisfy the following criteria:

1. Currency significantly impacts the pricing of goods and services.
2. Currency significantly influences labor and material expenses.
3. If, considering the aforementioned factors, the business has not yet established the accounting currency, it should also take into account the currency utilized to generate financial resources and maintain cash flow from business operations.

It is **no longer required to inform the tax authority directly** when altering the currency unit in accounting.

Financial statements that are made public and submitted to state agencies in Vietnam must still be presented in Vietnamese Dong.

Principles for preparing financial statements when altering the currency unit in accounting:

- Convert the **balances** in the **accounting books** and the **Statement of Financial Position** by utilizing the **average buying and selling exchange rate** of the commercial bank where the business engages in a **higher frequency or value of transactions relative to other entities** on the **date of the accounting currency change**.
- For **comparative data** in the **Income Statement** and **Cash Flow Statement**, the **average buying and selling exchange rate** of the commercial bank with which the **enterprise routinely engages in transactions** for the **period immediately prior to the period of change shall be utilized**.
- Businesses are **required to disclose** in the **Notes to the Financial Statements** the rationale for changing the accounting currency and the effects of this change on the financial statements.

Methods for translating financial statements prepared in foreign currencies into Vietnamese Dong:

Businesses are required to transform the indicators based on the following principles:

- **Assets and liabilities** are translated using the **average buying and selling exchange rates** of the commercial bank with which the **enterprise routinely engages in transactions** at the conclusion of the accounting period.
- Equity capital is converted at the prevailing exchange rate on the date of contribution;
- **The difference from the asset revaluation** is converted using the current exchange rate on the revaluation date.
- **Undistributed after-tax profits** and **reserves established from undistributed after-tax profits** generated in **each period** are converted through **calculations based on the items in the Statement of Income**. The **remaining undistributed after-tax profits** are converted using the **book exchange rate** of the undistributed after-tax profit item.
- Items in the **Income Statement** and the **Cash Flow Statement** are converted into Vietnamese Dong at the **actual exchange rate** prevailing at the time the transaction takes place. The **average exchange rate** for the accounting period **may be applied** if it approximates the **actual exchange rate** at the time of the transaction..

Accounting approach for exchange rate variances resulting from conversion: consistent with Circular 200.

Mandatory disclosure of conversion impacts on the Financial Statements in the Notes is now required for all enterprises.

2

Currency and Exchange Rate Risk Management



Terminology changes:

- **Circular 200:** Dependent accounting entity (lacking legal personality).
- **Circular 99:** Subordinate units (**in compliance with the current Enterprise Law**).

Recording **Internal Revenue/Cost of Goods Sold**:

- **Circular 200** states that revenue or cost of goods sold may only be recognized separately if the transfer between internal stages "essentially generates added value."
- **Circular 99 (Clause 3a):** Streamlines the process by permitting businesses to "choose whether to recognize revenue and cost of goods sold" during internal transfers, as long as it aligns with the management model and requirements.

New regulation: Enterprises possess the authority to determine **if their subsidiaries will prepare financial statements**. Furthermore, irrespective of whether the enterprise assigns the task of preparing separate financial statements to its subsidiaries, when these statements are submitted to state agencies, the enterprise's financial statements must encompass financial information from all subsidiaries, omitting all intercompany transactions.

Features of the form

- **Circular 200:** Intended to provide guidance to businesses (**not obligatory**).
- **Circular 99:** Companies should consult this for application.

Independence in form design:

- **Circular 200:** Companies are permitted to create their own forms tailored to their operational needs, provided that the information is comprehensive, clear, and easily verifiable.
- **Circular 99:** Businesses are permitted to create, alter, and enhance their accounting forms; however, they must adhere to the stipulations of the Accounting Law. It is essential that they provide complete, timely, accurate, transparent, and easily verifiable information regarding the business's assets and capital. Additionally, businesses are accountable for issuing accounting regulations (or equivalent documents) that clearly outline the requirements and responsibilities associated with the design or modification of forms.



Controlling document preparation and signing: Circular 99 has streamlined regulations regarding ink color, numbering formats, and document management procedures, requiring only that they align with legal provisions, management needs, and internal governance policies.

The Accounting chart of Accounts as outlined in **Circular 99 (Appendix II)** has experienced structural modifications to better represent the economic characteristics of assets and liabilities in today's economy.

Control over the accounting system:

- **Circular 200:** In accordance with **Article 9**, businesses are required to establish their accounting systems based on the provided chart of accounts, ensuring that it is applied and detailed in a manner that reflects the unique characteristics of their operations within each industry and unit. Should a business need to add or amend accounts pertaining to specific economic transactions, it must secure written consent from the Ministry of Finance.
- **Circular 99:** In accordance with **Article 11**, enterprises **are permitted to design, modify, and supplement their accounting forms and documents**, provided they adhere to the stipulations of the **Accounting Law**. They must ensure that information regarding the enterprise's assets and capital is complete, timely, accurate, transparent, and easily verifiable. Additionally, enterprises are tasked with issuing **internal accounting regulations (or equivalent documents)** that clearly outline the necessity and responsibilities associated with the design and modification of forms and documents.



The Chart of Accounts issued under Circular 99 has undergone significant restructuring, including the removal of various Level 2 accounts, the introduction of new Level 1 and Level 2 accounts, and the merging of others. These updates aim to more accurately reflect economic substance, align more closely with International Financial Reporting Standards (IFRS), and grant greater autonomy to enterprises. Notable changes include renaming accounts for improved clarity—such as Prepaid Expenses, Deferred Revenue, and Raw Materials and Supplies in Bonded Warehouses. Key updates are summarized in the table below:

CIRCULAR 99/TT-BTC (continued)

01.

Account	Circular 200	Circular 99	Influence / Meaning
112	Bank savings	Rename: Checking Account	Clarify that the account solely represents current account deposits and excludes time deposits .
1385	Receivables from divestiture	Replace with account 1383: Special consumption tax on imported goods	Replacing the old system with distinct accounts to monitor specific types of taxes will result in more transparent management.
155	Final product	Rename: Item	Broaden the scope to encompass service products or other particular categories of production.
1562 161	Expenses related to the acquisition of goods; Operational costs.	x (Remove) x (Remove)	Streamline the accounting system; these expenses will be documented under the appropriate expense account or another account .
215	x	Biological Asset	Approaching IFRS (IAS 41) with the goal of precisely recording the value of livestock and crops in the agricultural sector .
2295	x	Provision for impairment of biological assets	It assists companies in precisely evaluating the net realizable value of biological assets.
332	x	Dividends and earnings must be disbursed.	Isolate dividend payments from other liabilities to facilitate the tracking of cash flow resulting from profit distribution.
419	Treasury shares	Rename: Self-repurchased shares	Revised in accordance with the new Enterprise Law (repurchased shares must typically be canceled immediately), accurately representing the essence of the reduction in equity capital.
441	Capital expenditure for fundamental construction	x (Remove)	Minimize the variability in the equity capital structure .
611	Purchase	x (Remove)	Businesses are advised to adopt the perpetual inventory method , thereby discontinuing the periodic inventory method .
631	Manufacturing expense	x (Remove)	Streamline the accounting process for production and business costs.
82112	x	Top-up tax expense in accordance with Global Minimum Tax rules	Complying with the new Global Minimum Tax (Pillar Two) regulations for Multinational Enterprises.

6

Financial
Reporting
Framework

Circular 99 standardizes the reporting framework in accordance with IFRS (IAS 1).

"Statement of Financial Position" has replaced "Balance Sheet".

Streamlining the range of entities obligated to prepare interim financial statements and financial statements for additional accounting periods, as mandated by other regulations.

Principles for the preparation and presentation of financial statements: Comprehensive guidance on the **classification of assets and liabilities**; the presentation of **revenue, income, and expenses** that are **directly associated with generating those revenues and incomes**; **material misstatements** must be **rectified retrospectively as necessary**.

Furthermore, the new circular mandates the expansion of the explanatory notes to the financial statements based on the following factors:

Basis for establishing the currency unit (and in instances where the bank does not release the exchange rate);

Effects of fluctuations in exchange rates;

- *Consolidation scope;*

- *Insider trading*

The acquisition cost of gold when the monetary value of gold is reassessed;

Basis for calculating allowances for uncollectible accounts;

- *Standards for distributing raw materials and supplies;*

Accounting principles necessitate the distribution of dividends and profits.

Principles for identifying and depreciating tangible fixed assets (including perennial plants that yield periodic products and working animals);

Principles and techniques for identifying the current corporate income tax expense (including any additional corporate income tax expense mandated by global minimum tax regulations).

Under **Article 18 of Circular 99**, entities may **add specific indicators** to their **Financial Statements**, provided they **comply with the Law on Accounting and standard presentation principles**. All additions must be **disclosed in the Notes**. Enterprises are **required to issue internal accounting guidelines** as a basis for these supplements. Specialized cases must be reported to the Ministry of Finance for specific instructions.

CIRCULAR 99/TT-BTC (continued)

01.

1. Tangible Assets & Real Estate Investments

- Biological assets: Guidelines for documenting and monitoring value changes for livestock and crops (Account 215), distinct from tangible fixed assets. For biological assets that yield recurring products (such as dairy cows and fruit trees), depreciation will be assessed in a manner akin to fixed assets once they attain maturity.
- Investment properties: Circular 99 elucidates the principle of refraining from depreciating investment properties intended for appreciation. Instead, businesses are required to assess the loss due to impairment and document it in the cost of goods sold (Account 632) if there is evidence indicating that the net realizable value is less than the original cost.

2. Provisions for asset losses

- Introduction of a new provision: Circular 99 mandates an additional provision for losses on biological assets (Account 2295). Companies are required to create a provision when the net realizable value falls below the original cost of the biological asset at the time of reporting.
- Principle of investment provision: For investments in entities other than subsidiaries, joint ventures, or associates, where the fair value is indeterminable, the provision is determined by the losses incurred by the invested entity.
- Provision for high-risk contracts: This provision explicitly outlines the acknowledgment of existing contractual obligations that carry high risk (mandatory costs surpassing economic benefits) as a liability provision, which is reflected in the cost of goods sold or other expenses, based on its characteristics.
- Provision for doubtful receivables: Comprehensive guidance on the provision rate for overdue receivables (based on the original principal repayment term in the contract, excluding extensions), categorized into timeframes relevant to various industries. The circular additionally offers specific instructions on setting up provisions for doubtful receivables related to BCC contracts.

3. Variations in exchange rates

- Remove instructions regarding the use of various exchange rates for recording assets and liabilities in foreign currency; instead, establish a standard practice of utilizing the average transfer buying and selling exchange rate (the mean of the buying and selling transfer rates) from the commercial bank with which the enterprise frequently conducts transactions to revalue all items denominated in foreign currency.
- Regulations on approximate exchange rates: Approximate exchange rates are allowed as long as the variation does not surpass +/- 1% in relation to the average buying and selling transfer rate.

4. Income & Additional Revenue / Cost of Sales

- Clearly outline the responsibilities, rights, obligations, and benefits of the agent and other parties engaged in the contract.
- Standardizing revenue recognition according to the nature of the transaction: Circular 99 offers comprehensive guidance on distributing revenue to performance obligations in contracts that involve multiple components (sales with services, complimentary goods, traditional customer programs). Revenue is recognized once the obligation has been fulfilled.
- It is important to clearly differentiate between deductions: Indirect taxes (such as VAT, special consumption tax, and environmental protection tax) are primarily collected on behalf of third parties, do not form part of the revenue structure, and should not be regarded as revenue deductions when compiling reports.
- Cost of goods sold (Account 632): Broaden the scope to encompass losses from biological assets, losses resulting from the depreciation of investment properties held for appreciation, and expenses associated with high-risk contracts.
- Remove specific regulations concerning the one-time recognition of revenue by the lessor for lease agreements with upfront payments, eliminate regulations on the accrual of real estate costs, and introduce regulations on revenue from tourism businesses, office apartments combined with accommodation, or similar products.

5. Distribution of dividends and profits

- Separation of accounts for tracking: Circular 99 introduces Account 332 - Dividend and profit payable to distinctly monitor amounts owed to owners, differentiating it from other payable accounts (Account 338) as previously established.
- Recognition time: Dividend and profit liabilities are acknowledged when the company relinquishes the right to deny the payment obligation (for instance, following a resolution from the General Meeting of Shareholders).
- Stock dividends: Investors monitor the rise in the number of shares as indicated in the notes of the financial statements; there is no recorded increase in investment value or financial income.



02.

LAW ON PERSONAL INCOME TAX 2025

The Personal Income Tax Law No. 109/2025/QH15 was officially approved by the National Assembly during its 10th session of the 15th National Assembly and will come into effect on January 1, 2026. This law includes provisions concerning income derived from business activities, as well as salaries and wages of resident individuals. Aimed at refining the tax policy framework to align with the practical advancements in the socio-economic sector, the law seeks to ensure fairness and equitable income regulation among various population segments. The revised Personal Income Tax Law reorganizes tax brackets and eases deduction requirements, with the intention of alleviating the financial burden on workers, while also encouraging domestic consumption and supporting sustainable economic growth.

Increasing the tax-exempt income limit for home-based enterprises.

Adjust the tax-exempt revenue threshold for household and individual businesses from **VND 200 million per year** to **VND 500 million per year**, and permit this amount to be deducted prior to calculating tax **based on a percentage of revenue**. At the same time, modify the corresponding **value-added tax (VAT) exemption** threshold to **VND 500 million per year**.

Incorporating tax calculation methods for households and individual enterprises.

Utilize the same tax rate as the revised corporate income tax rate.

Modifying the tax calculation approach

To promote equity, a **tax calculation approach grounded in actual income** (rather than solely revenue) should be implemented for large-scale enterprises.

Raise the personal allowance.

The **personal tax deduction** amounts to **VND 15.5 million monthly**.

The **tax deduction for each dependent** amounts to **6.2 million VND monthly**.

Reform of the progressive taxation system

Simplify the tax brackets for income derived from salaries and wages from **7 to 5**.

Tax category	Taxable income (million VND per month)	New tax percentage (%)
1	Under 10 to 10	5
2	Between 10 and 30	10
3	Between 30 and 60	20
4	Between 60 and 100	30
5	Over 100	35

LAW ON SPECIAL CONSUMPTION TAX 2025

Law No. 66/2025/QH15 concerning Special Consumption Tax was approved by the National Assembly and took effect on January 1, 2026. This marks a crucial milestone intended to regulate the supply and demand of goods that significantly affect consumer health and the environment, while also modernizing the tax system to align with international trends.



Broadening the tax base

- **Sugary beverages:** Including sugary beverages with a sugar content greater than 5g/100ml, according to the National Standard (TCVN), in the list of taxable items will result in an 8% tax rate effective from January 1, 2027, and a 10% tax rate starting January 1, 2028.
- **Air conditioners** with a capacity ranging from **24,000 BTU to 90,000 BTU** are liable for an excise tax at a rate of 10%. Units with a capacity **under 24,000 BTU** are exempt from this tax.

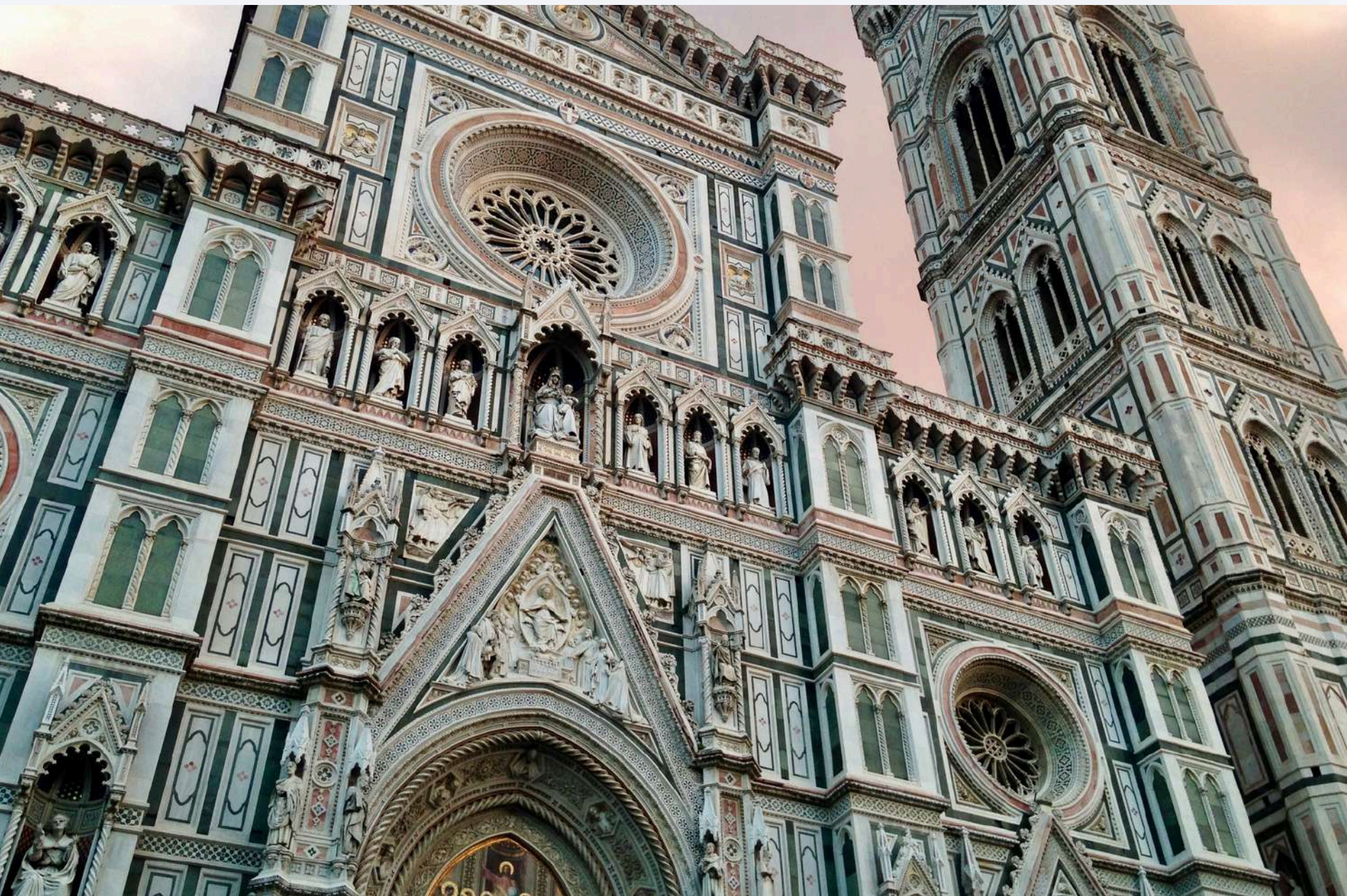
Tax rate increase plan

In 2026, the tax rates for alcohol, beer, and cigarettes will stay at their existing levels.

Beginning in 2027, the tax rate on beer and spirits will incrementally rise by 5% annually until 2031, resulting in beer and spirits with an alcohol content of 20% or more reaching 90% by 2031.

Starting in 2027, a mixed tax calculation method will be implemented cigarettes, which combines percentage tax rates with absolute tax rates per pack.

The schedule for the tax increase is presented in the table below:



Products and services	2026	2027	2028	2029	2030	2031
Cigarettes (Combined tax)	75%	75% + VND 2,000/pack	75% + VND 4,000/pack	75% + VND 6,000/pack	75% + VND 8,000/pack	75% + VND 10,000/pack
Alcohol (≥ 20% ABV) and beer	65%	70%	75%	80%	85%	90%
Alcohol (< 20% ABV)	35%	40%	45%	50%	55%	60%
Sugary beverages (>5g/100ml)	0%	8%	10%	10%	10%	10%
Air conditioning units (24,000 - 90,000 BTU)	10%	10%	10%	10%	10%	10%

04. RESOLUTION 198/2025/QH1

Resolution 198/2025/QH15 addresses various support mechanisms and special policies aimed at fostering the development of the private economy. Notably, Article 10 of the National Assembly mandates the discontinuation of the lump-sum tax method for business households and individual enterprises, as well as the cessation of the collection and payment of business license fees (business license tax) effective January 1, 2026. This resolution seeks to reduce administrative and financial obstacles, thereby establishing the most conducive environment for new economic activities.

05. LAW ON TAX ADMINISTRATION 2025

The 10th session of the 15th National Assembly has officially approved Law No. 108/2025/QH15 concerning Tax Administration, which will take effect on July 1, 2026, thereby completely replacing the previous Tax Law. Notably, Articles 13 and 26 of Law No. 108/2025/QH15 on Tax Administration will come into force on January 1, 2026, while Law No. 38/2019/QH14 on Tax Administration will remain in effect until June 30, 2026, with the exception of the provision in Article 51, which will remain effective until December 31, 2025.

Article 13: Highlighting independence and automation of declaration:

- **Household enterprises and sole proprietors actively assess their yearly income** to ascertain their tax status and compute the applicable tax owed for each tax period.
- **Taxpayers** are now **accountable for declaring their actual income to the tax authorities**, rather than being subjected to inflexible fixed rates as in the past.
- For businesses utilizing **electronic invoices** from cash registers, the tax authority's system will automatically create tax returns based on invoice information, reducing errors and processing time.

Article 26: The use of electronic invoices is compulsory and data connection

- **The implementation of electronic invoices** has become a **compulsory obligation** for all household businesses and individual entrepreneurs since the law was enacted.
- **Encourage the establishment of electronic invoices** produced directly from cash registers that are connected to tax authorities, allowing for the real-time recording of actual revenue at the moment the transaction takes place.
- **Data derived from electronic invoices** serves as the **exclusive legal foundation** for the tax management system to **autonomously produce tax returns and aid taxpayers in tax calculations** as outlined in Article 13.

LAW NO. 149/2025/QH15

06.

The revised Value Added Tax (VAT) Law No. 149/2025/QH15 will officially come into effect on January 1, 2026, signifying a pivotal moment in the transformation of the indirect tax system in Vietnam.



Align tax-exempt thresholds

The revenue threshold exempt from VAT for household and individual businesses has been increased to 500 million VND per year, in accordance with the Personal Income Tax Law.

Lower tax refund requirements

The obligation for VAT refunds to be contingent upon the findings of an examination of the seller's reported and remitted tax has been eliminated.

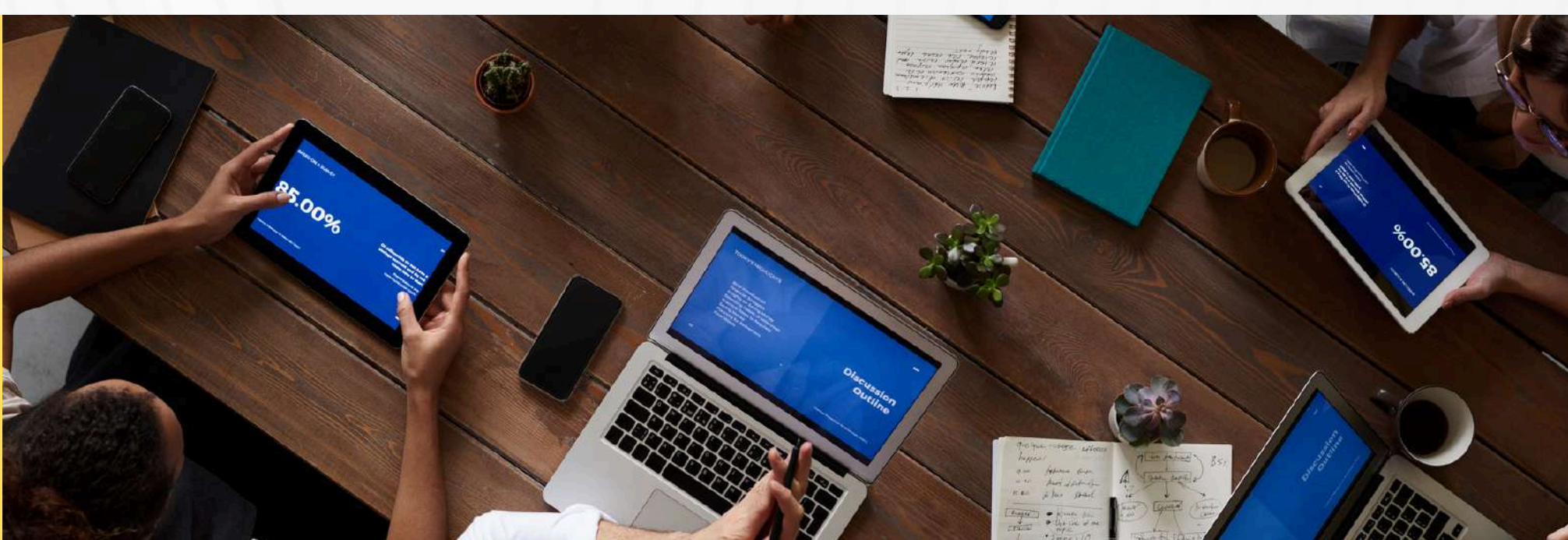


Adjusting Tax Rates on Raw Agricultural Produce

Businesses and cooperatives that acquire unprocessed (or only minimally processed) agricultural, livestock, and aquatic products for resale to other businesses and cooperatives are not obligated to declare and pay VAT; however, they retain the right to deduct input VAT.

Tax rates applicable to scrap, by-products, and waste materials:

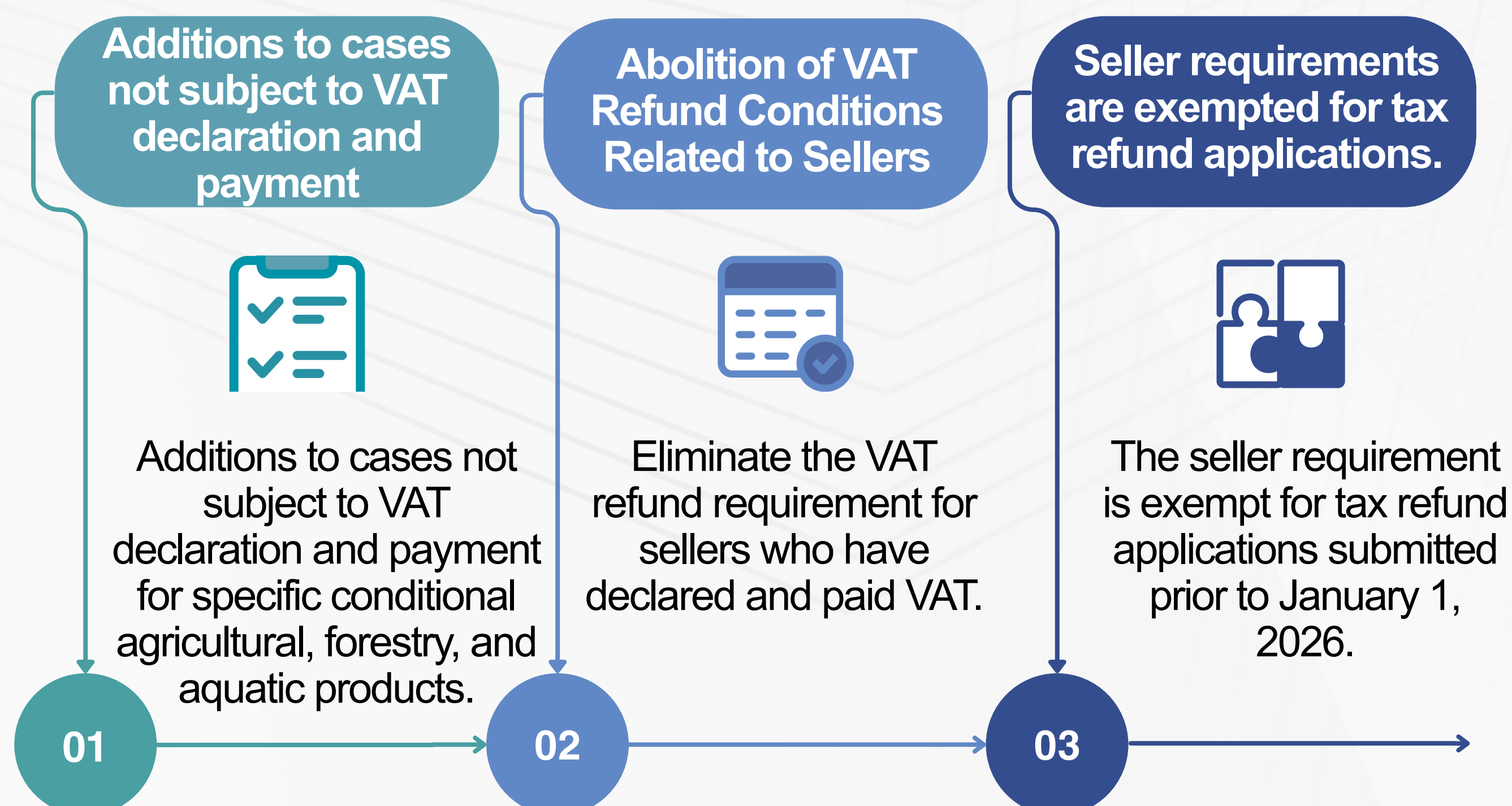
Waste products, by-products, and scrap materials obtained during the production process will be liable to the tax rate applicable to that category of item.



07.

DECREE NO. 359/2025/ND-CP

Decree No. 359/2025/ND-CP has introduced significant modifications that aid in addressing challenges related to the identification of tax obligations and the processing of value-added tax (VAT) refunds. Three key points can be highlighted as follows:



01. Additions to cases not subject to VAT declaration and payment

Decree No. 359/2025/ND-CP **introduces** Clause 1b following Clause 1, Article 4 of Decree No. 181/2025/ND-CP, thus providing **clarity on the classification of value-added tax (VAT)** obligations for agricultural, forestry, and aquatic products that are **either unprocessed or have only undergone basic processing during the commercial trading phase**.

Seller	Seller	Calculating VAT	Legal foundation
Enterprise/ Cooperative (deduction)	Alternative Enterprise/ Cooperative	No VAT declaration or payment.	Pursuant to Clause 1b, Article 4 of Decree 181/2025/ND-CP (amended by Clause 1, Article 1 of Decree 359/2025/ND-CP)
Enterprise/ Cooperative (deduction)	Households, persons, and various entities	Tax rate 5%	In accordance with Clause 3, Article 19 of Decree 181/2025/ND-CP
The seller submits an application directly .	All topics	1% of income	Decree 181/2025/ND-CP

02. Abolition of VAT Refund Conditions Related to Sellers

According to **Clause 3, Article 37 and Clause 3, Article 39 of Decree No. 181/2025/ND-CP**, businesses were **previously eligible for value-added tax (VAT) refunds** only if **the seller had completely met their obligations to declare and pay VAT** on the invoices issued to the business seeking the refund.


In practice, this situation has created **numerous challenges for buyers**, as **they do not have the means to ensure the seller's adherence to tax obligations**. This results in the potential for delays or rejection of tax refunds, despite the transaction being legitimate and the invoice being valid.

Decree No. 359/2025/ND-CP has **officially eliminated the previously mentioned condition**, thereby greatly easing the process for buyers in preparing and submitting VAT refund applications, and aligning more closely with the principle that **each taxpayer is individually accountable for their tax obligations**.

03. Exemption of seller conditions for tax refund applications filed prior to January 1, 2026


According to **Clause 2, Article 2 of Decree No. 359/2025/ND-CP**, business establishments that **qualify for VAT refunds under Article 15 of the VAT Law** and have submitted refund applications to the **tax authorities before January 1, 2026**, but have **not yet received a refund decision or a decision that offsets against state budget revenue**, are exempt from the requirement that the seller must have declared and paid VAT on input invoices associated with the refund application.

=> **All VAT refund applications submitted prior to January 1, 2026, that have not yet been processed, will be exempt from the seller's tax obligation requirement**, greatly easing the burden on taxpayers during the policy transition period.



Decree No. 359/2025/ND-CP represents a crucial modification in value-added tax (VAT) policy, aiding in the resolution of persistent challenges related to tax obligations and the execution of VAT refunds. **Importantly, it exempts internal trade among organizations in the agricultural, forestry, and fisheries sectors from the requirements of VAT declaration and calculation, eliminates VAT refund conditions tied to the seller's tax declaration and payment responsibilities, and introduces flexibility for VAT refund applications submitted prior to January 1, 2026, that remain unprocessed.**

In this context, companies must **actively assess their procurement and sales procedures, invoice creation and management**, and VAT refund documentation, while **swiftly revising and modifying internal policies** to optimize the advantages of Decree 359/2025/ND-CP, particularly during **the transition phase from late 2025 to early 2026**.



08.

DECREE 310/2025/ND-CP

Decree No. 310/2025/ND-CP, released on December 2, 2025, modifies and adds to the regulations concerning administrative penalties for infractions in taxation and invoicing. This decree will be uniformly implemented starting January 16, 2026. Its objective is to foster digital transformation, enhance transparency, and lower compliance costs for businesses.

Broaden the range and intended audience.

Clarify administrative infractions concerning taxes, as well as other revenue sources that are part of the state budget overseen by tax authorities.

The regulations now encompass provisions for penalties directed at constituent entities of multinational corporations concerning their duty to declare and remit additional corporate income tax in accordance with global anti-base erosion measures.

Incorporating instances where penalties are dismissed for objective reasons.

Revising the approach to managing violations.

Facilitates the generation of electronic administrative violation reports. Exempts individuals not involved in business from the obligation to notify changes in tax information when their details change according to their citizen identification card.

Modifying the penalty levels and calculation techniques.

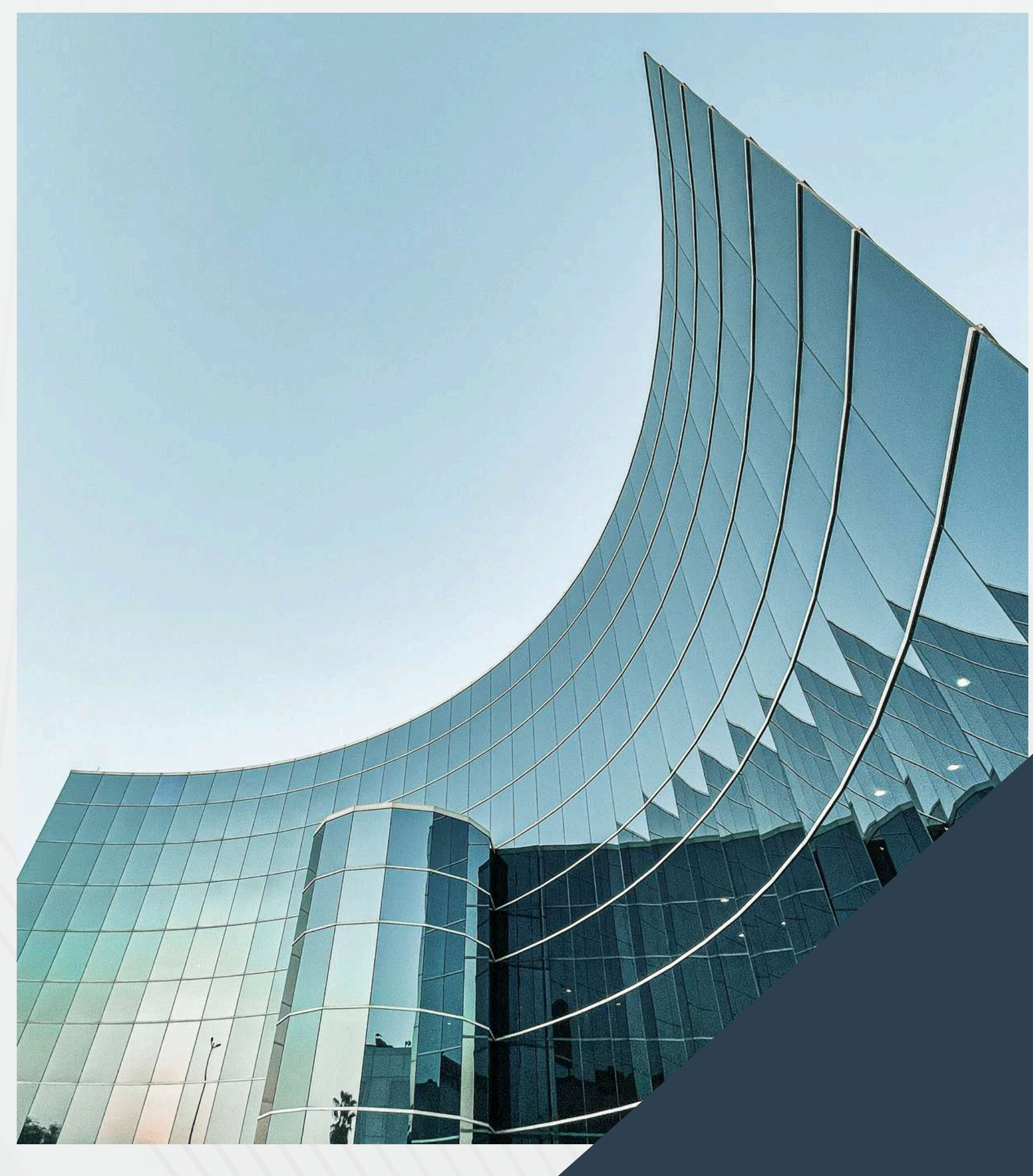
In situations where several violations of the same nature related to tax procedures, invoices, or late filings happen on the same day, the penalty imposed will be the one with the highest fine.

Large-scale violations refer to significant breaches of laws or regulations that occur on a widespread basis, often affecting a large number of individuals or communities.

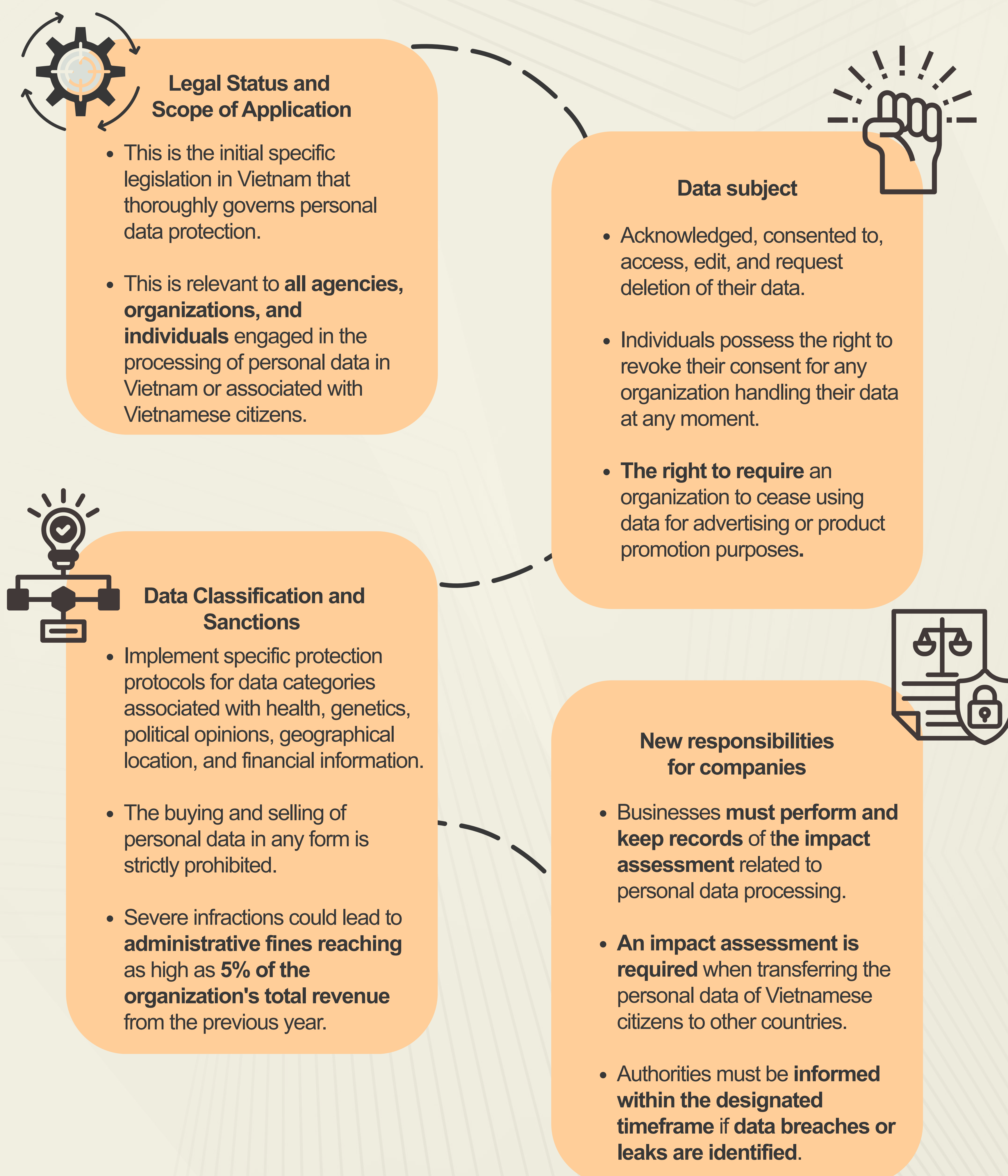
The regulations specify the penalties for issuing invoices at inappropriate times or neglecting to issue invoices, which can vary from a warning to 80 million VND.

Regulations concerning mitigating and aggravating circumstances

The specific penalty is calculated as the average of the penalty range. In cases where mitigating circumstances are present, the penalty may be decreased by 10% of the average (though it cannot fall below the minimum of the range); conversely, if aggravating circumstances exist, the penalty may be raised by 10% (but it cannot exceed the maximum).



The Personal Data Protection Law No. 91/2025/QH15 was approved by the National Assembly on June 26, 2025, and took effect on January 1, 2026. This legislation represents Vietnam's inaugural comprehensive legal framework at the law level for regulating personal data protection, signifying a pivotal moment in safeguarding privacy in the digital era.



10.

DECREE 320/2025/ND-CP

Decree 320/2025/ND-CP, issued on December 15, 2025, outlines comprehensive regulations and measures for the organization and guidance of the implementation of the Corporate Income Tax Law. This document serves as a crucial framework for the enforcement of the 2025 Corporate Income Tax Law No. 67/2025/QH15, superseding Decrees No. 218/2013/ND-CP, No. 91/2014/ND-CP, No. 12/2015/ND-CP, No. 146/2017/ND-CP, and No. 57/2021/ND-CP.

Highlighted material	Decree 218/2013/ND-CP and its Amendments and Supplements	Decree 320/2025/ND-CP
Effective date	This is applicable to tax periods ranging from 2014 through December 14, 2025.	<p>Effective December 15, 2025, and applicable immediately for the 2025 tax year.</p> <p>Businesses possess the flexibility to determine when to begin implementing new regulations related to revenue, expenses, tax incentives, tax exemptions or reductions, and loss carryforward, based on one of the following timeframes:</p> <ul style="list-style-type: none"> • Milestone 1: Starting from the commencement of the 2025 tax year. • Milestone 2: Starting from the date the Corporate Income Tax Law 2025 is enacted. • Milestone 3: Effective from the date this Decree 320 is officially enacted (December 15, 2025).
Taxpayers	This encompasses international companies and organizations, public service entities, and cooperatives.	The scope now encompasses organizations that operate e-commerce trading platforms and digital platforms , which are obligated to pay taxes on taxable income in Vietnam, even if they do not maintain a permanent establishment in the country.
Foreign income	Vietnamese enterprises are required to declare and pay taxes in accordance with the domestic Corporate Income Tax Law; taxes paid in foreign countries are deductible, but this deduction cannot exceed the amount of tax owed under Vietnamese law.	A standard tax rate of 20% will be implemented, excluding any preferential tax rates currently available to businesses within the country. Profits or losses from international projects cannot be used to offset profits or losses generated domestically.

10.

DECREE 320/2025/ND-CP (continued)

Highlighted material	Decree 218/2013/ND-CP and its Amendments and Supplements	Decree 320/2025/ND-CP
Deductible and Non-Deductible Costs	Documentation for non-cash payments is necessary for invoices totaling 20 million VND or higher . Direct welfare payments shall not surpass the average actual salary for one month .	Stricter regulations for cashless payments on invoices of 5 million VND or higher . Specific guidelines on 9 welfare expenditure categories are provided, while still upholding a cap of no more than one month's average salary .
Research and Development Expenses	Businesses may allocate as much as 10% of their annual taxable income to create a Science and Technology Development Fund.	In addition to creating the Fund, businesses are permitted to include as extra deductible expenses up to 200% of the actual costs incurred for this activity. Conditions: Excludes expenses that have already been disbursed from the enterprise's Science and Technology Fund; the application of additional costs must guarantee that the enterprise does not experience losses.
Taxation rate	Businesses with total revenue in the previous year not exceeding 20 billion VND are subject to a tax rate of 20% .	A standard tax rate of 20% is applicable, with the exception of the following situations: <ul style="list-style-type: none"> • Tax rate of 15% applies to revenue not exceeding 3 billion VND. • Tax rate of 17%: Applicable to revenue ranging from over 3 billion to 50 billion VND. • Oil and gas, extraction of rare resources: 25%, 40%, 50%, varying based on the type and conditions. Note: this does not pertain to subsidiaries or affiliated companies in cases where the affiliated enterprise does not qualify for preferential tax rates.

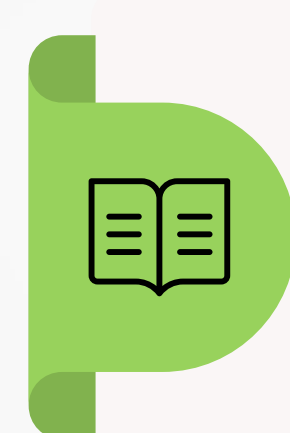
Highlighted material	Decree 218/2013/ND-CP and its Amendments and Supplements	Decree 320/2025/ND-CP
Tax benefits	<p>Tax exemptions for:</p> <ul style="list-style-type: none"> Agricultural income derived from socio- economically disadvantaged areas; Income from the performance of scientific research contracts (Max. 3 years); Income from the sale of new technological products (Max. 5 years from first revenue). <p>(Decree No. 91/2014/ND-CP)</p>	<p>Eliminate tax incentives for specific industries, such as biotechnology development and animal feed processing.</p> <p>Extra tax incentives (for scientific and technological advancement, innovation, etc.)</p> <p>Income generated from the transfer of Certified Emission Reductions (CERs) and the initial transfer of carbon credits is not subject to taxation. The business must be the direct issuer of the certificate or credit.</p> <p>The interest accrued on green bonds is exempt from taxes.</p> <p>Income generated from the initial transfer of green bonds following their issuance is tax-exempt.</p>
Capital gains tax	<p>This is categorized as other income and is subject to the standard tax rate. However, foreign contractors who transfer securities are required to pay 0.1% on the selling price.</p>	<p>The tax rate for foreign-owned enterprises engaged in capital transfers is set at 2% of revenue. The tax rate for securities transfers continues to be 0.1%. This regulation does not pertain to ownership restructuring transactions occurring between companies within the same group.</p>

11.

REVISED INVESTMENT LEGISLATION 2025

On December 11, 2025, the National Assembly approved Investment Law No. 143/2025/QH15 (“Investment Law 2025”), which is set to take effect on March 1, 2026. However, the provisions concerning conditional investment and business sectors (Article 7 and Appendix IV) **will be implemented starting July 1, 2026**.

The following content outlines several significant amendments and additions to the 2025 Investment Law that investors should take note of, including:



Revisions to the List of Conditional Investment and Business Sectors (Appendix IV of the 2025 Investment Law)



The sale of e-cigarettes and heated tobacco products has been formally prohibited.



Permitting the formation of a business prior to acquiring an Investment Registration Certificate.



Legalizing the modification of the operational duration of investment projects.



Streamline processes for international investment.



The content provided above, along with the subsequent details, serves **solely for general informational purposes**, highlighting several significant updates in the **2025 Investment Law**. It is **not meant to substitute for specific legal advice tailored to individual circumstances**. We will persist in monitoring and revising pertinent **implementing guidelines** as they become available.

If investors need a comprehensive **evaluation of how new regulations affect** a particular project or investment activity, **please reach out to us** for suitable guidance and assistance.



AMENDED INVESTMENT LAW 2025 (continued)

11.



Revisions to the List of Conditional Investment and Business Sectors (Appendix IV of the 2025 Investment Law)

Criteria	Law on Investment 2020	Law on Investment 2025
Number of conditional business lines	227 business lines (increased to 237 following supplements)	198 business lines (decreased by 38 lines)
List Streamlining	Fragmented list with many overlapping business lines.	Significantly streamlined; focuses on sectors that truly require conditional management.
Scope of Adjustments	Scope of some business lines remained broad; management boundaries were unclear.	Approximately 20 business lines adjusted to align with the goal of improving the business environment.
New Digital Transformation Sectors	Not yet or not clearly regulated.	Supplemented with new sectors: Crypto asset-related services, data center services, personal data processing.
Management Mechanism	Primarily applied pre-check (ex-ante) mechanisms.	Clear classification: sectors requiring pre-check and sectors transitioning to post-check (ex-post).
Pre-check vs. Post-check	No clear distinction between the two.	Government specifically regulates the list requiring prior licensing versus those requiring only compliance disclosure and subsequent inspection.
Removed Business Lines	Remained in the conditional business investment list.	Significant removal of various business lines, including: <ul style="list-style-type: none"> • Employment services • Labor sub-leasing services • Commercial inspection services • Overseas study consultancy services • Certain construction-related services, such as: <ul style="list-style-type: none"> ◦ Architectural services ◦ Construction of works ◦ Construction activities of foreign contractors, etc.
Reasons for Removal	Lack of separation from specialized laws.	Removed as they are now governed and regulated by other specialized laws.
For instance	Construction activities of foreign contractors were included in the list.	Removed from the Law on Investment list; now governed by the Law on Construction 2025 and market access mechanisms.
Investor Requirements	Primarily based on the Law on Investment.	Investors must simultaneously review the Law on Investment and relevant specialized laws.
Overall Impact	Increased compliance costs and administrative procedures.	Improved investment environment, enhanced transparency, and reduced administrative burden for enterprises.



The sale of e-cigarettes and heated tobacco products has been formally prohibited.

Effective March 1st, 2026, the operation of e-cigarettes and heated tobacco products will be entirely prohibited, as they are classified as restricted investment and business sectors in accordance with Article 6 of the 2025 Investment Law.



Permitting the formation of a business prior to acquiring an Investment Registration Certificate.

According to Clause 2, Article 19 of the Law on Investment 2025, foreign investors are now permitted to establish an economic organization to implement an investment project prior to performing the procedures to obtain or adjust an IRC. This is subject to the condition that they fully satisfy all market access conditions at the time of the economic organization's establishment.

Despite this breakthrough, the practical implementation of this new provision still raises several issues that require further clarification, such as:

- **Specific Deadline:** The exact timeframe within which the investor (or the enterprise) must submit the application for an IRC following the date of incorporation.
- **Operational Mechanism:** The legal and operational framework for the enterprise during the interim period before the IRC is granted.
- **Legal Consequences:** The potential legal ramifications if the IRC is ultimately denied, including whether the enterprise would be compelled to terminate its operations or undergo dissolution.

Detailed guidance on these matters is currently unavailable. It is expected that the Government will clarify these points in upcoming decrees and circulars guiding the implementation of the Law on Investment 2025.



Legalizing the modification of the operational duration of investment projects.

The Law on Investment 2025 continues to maintain the fundamental operation terms for investment projects. However, investors are entitled to propose adjustments to increase or decrease the project's operation duration during the implementation process, provided that such adjustments do not exceed the maximum timeframe prescribed by law.

The 2025 Law clarifies the conditions for extending a project upon the expiry of its initial operation term, ensuring alignment with the Land Law.

In cases where a project must temporarily suspend operations due to a request from a state authority (provided it is not due to the investor's fault) or due to force majeure events, such suspension periods may be excluded from the project's operation duration, subject to approval by the competent authority.



Streamline processes for international investment.

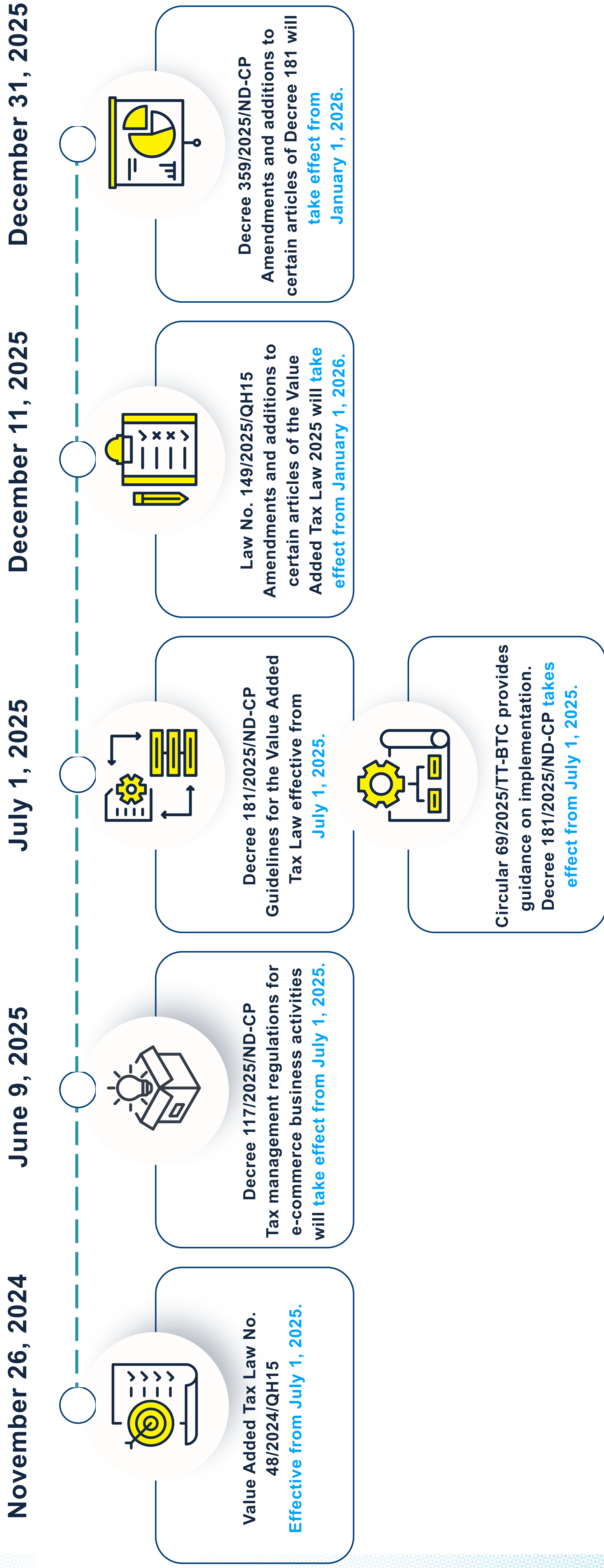
The Law on Investment 2025 has introduced significant adjustments aimed at simplifying outbound investment procedures, specifically as follows:

1. **Abolition of Investment Policy Approval (IPA):** The requirement for outbound investment policy approval by the National Assembly or the Prime Minister has been officially removed.
2. **Narrowing the Scope for Outbound Investment Registration Certificates (OIRC):** The range of projects required to obtain an OIRC has been significantly reduced. Accordingly, only the following projects must perform procedures to obtain an OIRC:
 - Projects **with investment capital reaching the thresholds prescribed by the Government.**
 - Projects in **conditional outbound investment sectors**, such as banking, insurance, securities, real estate business, press, and broadcasting (radio and television).

For projects not falling under the aforementioned cases, investors are only required to register foreign exchange transactions with the State Bank of Vietnam (SBV) to transfer investment capital abroad.

Overall, these new regulations create more favorable conditions for outbound investment activities, contributing to the reduction of administrative procedures. However, uniform practical application still awaits detailed guiding documents from the Government in the near future.

VALUE ADDED TAX LAW



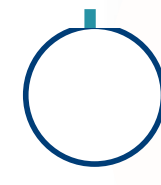
APPENDIX

LAW ON CORPORATE INCOME TAX

June 14, 2025

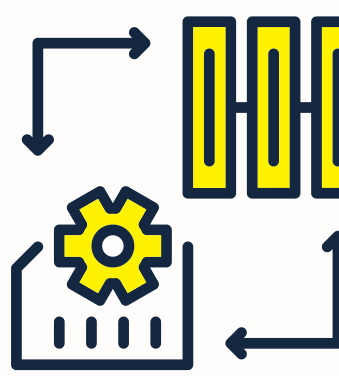
December 15,

2025



Corporate Income Tax Law No.
67/2025/QH15
Effective from **October 1, 2025**

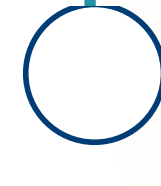
Decree 320/2025/ND-C
Guidelines for the Corporate
Income Tax Law effective from
December 15, 2025.



LAW ON PERSONAL INCOME TAX

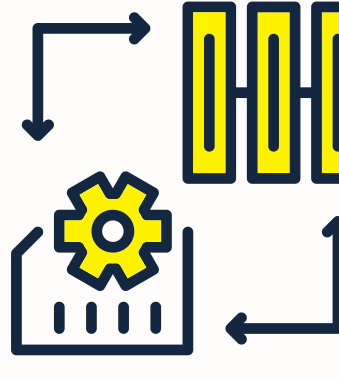
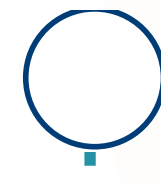
November 10, 2025

December 10, 2025

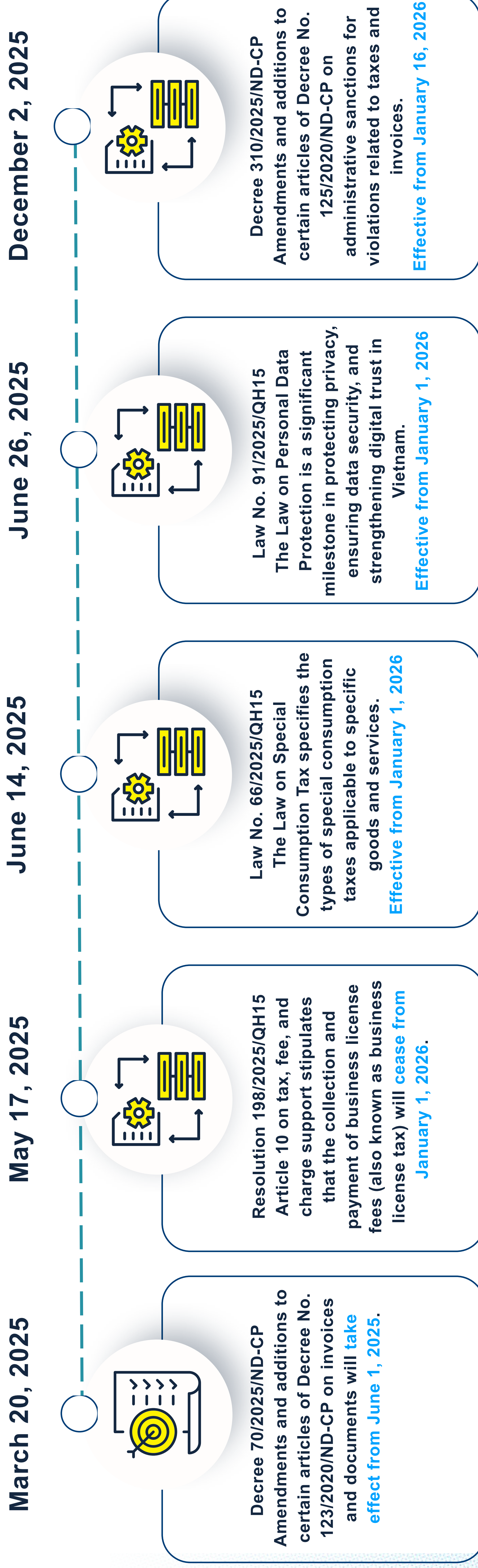


Decree 293/2025/ND-CP
The regulations on minimum
wage levels will take effect from
January 1, 2026.

Personal Income Tax Law No.
109/2025/QH15
Effective from **July 1, 2026**



OTHER REGULATIONS



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2025



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