



SEOU ACCOUNTING AND CONSULTING COMPANY LIMITED

NEWSLETTER

Quarter 3, 2026

Hanoi, Vietnam

Table of Contents

NEWS ON PERSONAL INCOME TAX ("PIT")	3
Decree No. 253/2026/ND-CP dated June 30, 2026, of the Government, and Circular No. 87/2026/TT-BTC dated June 30, 2026, of the Ministry of Finance on Personal Income Tax.	3
TAX ADMINISTRATION	7
Decree No. 252/2026/ND-CP dated June 30, 2026, of the Government, guiding the implementation of the Law on Tax Administration No. 108/2025/QH15, effective from July 1, 2026	7
Circular No. 89/2026/TT-BTC dated June 30, 2026, of the Ministry of Finance, on electronic transactions in the tax field, effective from July 1, 2026.	12
OTHERS	21
Decree 255/2026/ND-CP, dated 30 June 2026, of the Government on tax administration for enterprises having related-party transactions, effective from July 1, 2026	21
Circular No. 86/2026/TT-BTC dated June 30, 2026, of the Ministry of Finance on tax administration for exported and imported goods	24
Circular No. 90/2026/TT-BTC dated June 30, 2026, of the Ministry of Finance on tax registration.	25
Decree No. 254/2026/ND-CP dated June 30, 2026, of the Government, and Circular No. 91/2026/TT-BTC dated June 30, 2026, of the Ministry of Finance on e-invoices and e-documents.	26
Decree No. 245/2026/ND-CP dated June 27, 2026, of the Government on the extension of tax payment deadlines	28
Circular No. 95/2026/TT-BTC – New Guidance on Tax Treaties, MAP and APA	29
Official Letters	35

<i>Official Letter No. 2697/CT-CS dated 28 April 2026 on eligible payroll costs for Qualified Domestic Minimum Top-up Tax (“QDMTT”).....</i>	<i>35</i>
<i>Official Letter No. 20010/CHQ-GSQL dated 7 August 2026 on customs inspection and supervision conditions applicable to Export Processing Enterprises (“EPEs”)</i>	<i>35</i>
<i>Official Letter No. 1927/CT-KTr dated 31 March 2026 on enhanced tax management for long-term loss-making and low-margin enterprises</i>	<i>36</i>
<i>Official Letter No. 3705/CT-CS dated 5 June 2026 on tax treatment of labour subleasing activities</i>	<i>36</i>
<i>Official Letter No. 4413/CT-CS dated 30 June 2026 on VAT refund for exported goods</i>	<i>37</i>
<i>Official Letter No. 4195/CT-CS dated 23 June 2026 on VAT refund for terminated investment projects.....</i>	<i>38</i>
<i>Official Letter No. 3897/CT-CS dated 11 June 2026 on CIT exemption for foreign-invested SMEs</i>	<i>38</i>
<i>Official Letter No. 820/CST-TN dated 6 April 2026 on reduced CIT rates for foreign-invested enterprises</i>	<i>39</i>

NEWS ON PERSONAL INCOME TAX (“PIT”)

Decree No. 253/2026/ND-CP dated June 30, 2026, of the Government, and Circular No. 87/2026/TT-BTC dated June 30, 2026, of the Ministry of Finance on Personal Income Tax.

On 30 June 2026, the Government issued Decree No. 253/2026/ND-CP (“Decree 253”) and the Ministry of Finance issued Circular No. 87/2026/TT-BTC (“Circular 87”) providing guidance on Personal Income Tax Law No. 109/2025/QH15. Both regulations took effect from 1 July 2026. For income from business activities and salaries/wages of resident individuals, the new rules apply to the 2026 tax year, except for the meal allowance rules, which apply from 1 July 2026.

I. DECREE 253/2026/ND-CP

1. Progressive tax rates and personal deductions

From 2026, the progressive tax schedule for salary and wage income is reduced from seven brackets to five brackets. The highest tax rate remains 35%, while the threshold for the 35% rate increases from taxable income above VND 80 million per month to above VND 100 million per month.

The monthly personal deduction increases to VND 15.5 million, while the deduction for each dependent increases to VND 6.2 million per month.

Monthly taxable income	Tax rate
Up to VND 10 million	5%
Over VND 10–30 million	15%
Over VND 30–60 million	25%
Over VND 60–100 million	30%
Over VND 100 million	35%

2. Changes to taxable income and employee benefits

- Meal allowance – Point g, Clause 1, Article 8 of Decree 253: The portion of meal allowance paid in cash exceeding VND 1.2 million per person per month is subject to PIT from 1 July 2026.
- Severance and job-loss allowances – Point h, Clause 3, Article 8 of Decree 253. Statutory severance and job-loss allowances are not subject to PIT. In addition, where an employer

provides for a higher allowance in its financial regulations, internal regulations, labour contract or collective labour agreement, the actual excess amount is also excluded from taxable income

- Overtime and night-shift pay – Article 26 of Decree 253: The full amount of salary paid for night work and overtime in accordance with applicable law is excluded from taxable income, instead of only the portion paid in excess of normal working-hour wages under the previous rules.
- Payment for unused annual leave – Article 26 of Decree 253: Salary or wage payments for unused annual leave upon termination or job loss are excluded from taxable income if the conditions under Clause 3, Article 113 of the Labor Code are satisfied.
- Employer-built accommodation – Point h, Clause 2, Article 8 of Decree 253: Accommodation constructed by the employer for employees working at the entity, including electricity, water and other associated services, is not included in taxable income.

3. Dependents

- Eligible dependents – Article 47 of Decree 253: Decree 253 introduces several notable changes, including the addition of children aged 18 or above who have lost civil act capacity. For dependents of working age other than children, the rules focus on individuals who are unable to work.

A person is considered unable to work if he or she has a loss of working capacity of 81% or more, as determined in accordance with applicable regulations.

- Deadline for dependent registration – Article 48 of Decree 253: The deadline for dependent registration is 31 December of the relevant tax year.

4. Additional deductions

- Medical expenses – Article 49 of Decree 253: Medical treatment expenses of the taxpayer and dependents incurred at domestic healthcare establishments and falling within the scope of illness covered according to the health insurance law are deductible up to VND 23 million per year. Supporting invoices and documents are required, and the expenses must not have been reimbursed from another source.
- Education expenses – Article 49 of Decree 253: Education expenses of the taxpayer and dependents incurred at domestic education and training establishments are deductible up to

VND 24 million per year, subject to appropriate supporting invoices/documents and provided that the expenses have not been reimbursed from another source.

- Supplementary pension insurance, voluntary pension schemes and life insurance – Point e, Clause 2, Article 8 and Point a, Clause 2, Article 46 of Decree 253: The maximum deductible contribution increases from VND 1 million to VND 3 million per person per month, including both employer-paid and employee-paid contributions.

5. Withholding, filing and tax finalization

- 10% withholding – Article 50 of Decree 253: For resident individuals who do not sign labor contracts or who sign labor contracts of less than three months, the mandatory 10% withholding threshold increases from VND 2 million to VND 5 million per payment. Where the payment is below VND 5 million but if requested by the individual, the payer may still apply 10% withholding.
- Authorization for tax finalization – Article 51 of Decree 253: The threshold for other income already subject to 10% withholding increases from VND 10 million to VND 15 million per month on average, provided that the individual does not wish to finalize tax on such other income.

Individuals claiming charitable or humanitarian contributions, or medical and education deductions under Article 49 of Decree 253, are required to conduct their own PIT self-finalization if they wish to claim those deductions.

- Income paid from overseas – Article 67 of Decree 253: Where a Vietnamese organization or individual reimburses salary or wage costs to an overseas party, the Vietnamese party is responsible for withholding, filing and paying PIT on behalf of the individual.

6. ESOP and other income items

- Bonus shares and ESOP – Clause 3, Article 50 of Decree 253: At the time of share transfer, the securities company or commercial bank where the individual maintains the custody account is required to withhold:
 - 0.1% PIT on securities transfer income; and
 - 10% PIT on salary/wage income attributable to the bonus shares or ESOP.

At year-end, the individual must aggregate the relevant bonus share/ESOP income into salary and wage income for PIT finalization purposes.

- Awards from employer-organized contests and events – Point i, Clause 2, Article 8 of Decree 253: Awards received from contests or events organized by the employer for employees are treated as salary and wage income.
- Remuneration received by individuals without business registration – Point c, Clause 2, Article 8 of Decree 253: Remuneration given to individuals who provide services but do not have business registration or tax registration for business activities is treated as salary and wage income.

II. CIRCULAR 87/2026/TT-BTC

Circular 87 provides detailed guidance on certain provisions under Decree 253, with particular focus on income conditions and supporting documents for dependents.

1. Income threshold for dependents – Article 3 of Circular 87

A dependent must have no income or have average monthly income from all sources not exceeding VND 3 million/month, compared with VND 1 million under the previous rules.

This change may broaden the number of individuals qualifying as dependents for PIT deduction purposes.

2. Supporting documents for dependents – Article 4 of Circular 87

Circular 87 introduces additional documentation requirements for certain categories of dependents, including:

- Children aged 18 or above who have lost civil act capacity: a copy of the certification of loss of civil act capacity;
- Persons with disabilities: disability certification in accordance with applicable regulations;
- Persons unable to work: documents evidencing a loss of working capacity of 81% or more.

TAX ADMINISTRATION

Decree No. 252/2026/ND-CP dated June 30, 2026, of the Government, guiding the implementation of the Law on Tax Administration No. 108/2025/QH15, effective from July 1, 2026

On 10 December 2025, the National Assembly passed the Law on Tax Administration No. 108/2025/QH15 (the “new Law on Tax Administration” or the “new Law”). To guide the implementation of this Law, on 30 June 2026 the Government issued Decree No. 252/2026/ND-CP (“Decree 252”), effective from 1 July 2026.

I. Transformation of the tax administration model: From traditional administration to administration based on digital data platforms, technology application, risk-based management and compliance management

1. Application of taxpayer segmentation and compliance management mechanisms

One of the fundamental changes under the new Law is the introduction of a taxpayer segmentation mechanism based on criteria such as business lines, legal form, ownership structure, scale of operations, level of contribution to the State budget and tax compliance history.

Alongside the concept of “risk management”, which already existed, the new Law introduces the concept of “compliance management”, allowing the tax authorities to assess and monitor each taxpayer’s level of compliance with tax laws in order to apply appropriate administrative measures.

For enterprises assessed as having a good level of compliance and low risk, Decree 252 provides for priority treatment in a number of areas, such as:

- Settlement of tax administrative procedures
- Application of automated processes
- Remote inspection and supervision
- Taxpayer support services
- Consideration of compliance rankings
- Procedures relating to Advance Pricing Agreements (“APA”) and the Mutual Agreement Procedure (“MAP”) for enterprises with related-party transactions

This provision reflects a shift from the traditional tax administration model, which was primarily risk-based, to a compliance management model in which a taxpayer's level of compliance with tax laws will play a greater role in determining the administrative measures applied and the level of scrutiny exercised by the tax authorities.

2. Promoting digitalisation and automation of tax administration processes

The new Law lays the foundation for building a centralised tax administration system on a digital data platform, maximising automation in the processing of tax matters.

Based on the orientations set out in the new Law on Tax Administration, Decree 252 has given effect to a number of mechanisms to promote digitalisation in tax administration. Specifically:

- Tax registration is carried out mainly by electronic means, or automatically through the tax administration information system.
- In certain cases, tax registration is performed on the basis of data shared among State agencies under an inter-agency (single-window) mechanism.
- Taxpayers with a good level of compliance that are willing to connect and share electronic data with the tax authorities may be granted priority mechanisms in tax administration, including priority application of automated processes, remote inspection and supervision, and other appropriate administrative measures.
- Decree 252 establishes the legal basis for implementing automated processing mechanisms in tax administration, including tax refunds, tax exemptions and tax reductions, on the basis of tax data, risk management criteria and the tax authorities' automated processing system.

The expanded use of electronic data and automated processes is expected to improve administrative efficiency, reduce administrative procedures and lay the foundation for data-driven compliance management and risk management mechanisms in the future.

3. Automatic tax refunds, tax exemptions and tax reductions

The new Law provides the legal basis for the implementation of:

- Automatic tax refunds
- Automatic tax exemptions
- Automatic tax reductions

Accordingly, Decree 252 focuses on guiding the procedures and processes relating to tax refunds, tax exemptions and tax reductions, including the dossiers, deadlines and order of settlement by the tax authorities. However, Decree 252 does not yet set out detailed rules on how the automatic tax refund, automatic tax exemption and automatic tax reduction processes will operate. These contents may therefore continue to be guided or clarified in sub-law documents and through practical implementation.

4. Expanded data access rights of the tax authorities

Under the new Law, the tax authorities are granted additional rights to access data in certain cases where there are signs of tax evasion, including data from:

- Accounting software
- E-invoice systems
- Cash register systems

In addition, the tax authorities are empowered to temporarily seize documents relating to signs of tax evasion in accordance with the order and procedures prescribed by law.

Compared with the previous regulations, the new Law has broadened the legal basis for the tax authorities to access and exploit electronic data sources for tax administration purposes. However, Decree 252 does not yet provide detailed guidance on the scope of the data, the method of access or the mechanism for extracting such data from taxpayers' systems. The practical implementation of the provisions on access to taxpayer data may therefore require further guidance or clarification from the competent authorities in the coming period.

II. Notable changes relating to tax declaration and compliance

1. Expansion of the cases in which no tax return is required

Decree 252 supplements and clarifies a number of cases in which taxpayers are not required to file tax returns, including:

- Where no income from salaries or wages is paid, no personal income tax ("PIT") finalisation dossier is required in respect of income from salaries and wages.
- Where no foreign contractor tax is withheld during the tax declaration period.

- Certain value added tax (“VAT”) refund dossiers relating to ODA programmes and projects, grant aid, and entities entitled to diplomatic privileges and immunities.
- Income paid to foreign contractors from certain investments in Government bonds or loans to the State that are not subject to VAT and are exempt from corporate income tax (“CIT”).
- Certain cases in which the tax authorities already have sufficient data to determine the tax obligation and notify the taxpayer in accordance with regulations.

The expansion of the cases in which no tax return is required contributes to simplifying tax administrative procedures and reducing declaration obligations in situations where the tax authorities already have sufficient information to determine the tax obligation.

2. Introduction of an explanation mechanism for errors discovered after the supplementary declaration deadline

The new Law on Tax Administration provides that taxpayers may only file supplementary declarations within five years from the deadline for filing the tax return of the tax period in which the error arose, instead of ten years as previously.

For errors discovered after this deadline, Decree 252 introduces an explanation mechanism under which taxpayers may no longer file supplementary declarations under the ordinary procedure but may still submit an explanation dossier in certain cases, mainly where the adjustment increases the amount of tax payable or reduces the amount of tax creditable or refundable.

This change may reduce enterprises’ ability to proactively rectify historical errors that are discovered late, and therefore increases the importance of periodic tax compliance reviews.

3. First-time guidance on the principles for determining exchange rates for supplementary CIT returns under the global anti-base erosion rules

For the first time, Decree 252 sets out specific principles for determining the exchange rate applicable to supplementary CIT returns **under the global anti-base erosion rules** and applicable to adjustments made following tax inspections and audits.

III. Strengthening the administration of tax obligations

1. Refinement of the legal framework for the offshore remittance of profits

For the first time, Decree 252 provides for the conditions for foreign investors to remit profits abroad in a document guiding the Law on Tax Administration. Previously, this matter was mainly governed by Circular 186/2010/TT-BTC of the Ministry of Finance.

In principle, Decree 252 inherits the approach under Circular 186/2010/TT-BTC, whereby foreign investors may remit profits abroad after the enterprise has fulfilled its related tax and financial obligations. However, compared with the previous regulations, Decree 252 clarifies the scope of the obligations to be fulfilled, including taxes, other State budget collections, late payment interest and penalties that have fallen due under the law. It also adds a requirement that the enterprise must have no outstanding tax debts at the time the profits are remitted abroad.

In addition, where a foreign investor remits profits abroad upon termination of its direct investment activities in Vietnam, Decree 252 clarifies that all obligations under the Law on Tax Administration must be fulfilled, including those that are not yet due.

Expressly providing that tax obligations not yet due also fall within the scope of the obligations to be fulfilled gives greater clarity on the tax obligations that must be settled upon termination of investment activities. This may be a factor to bear in mind when planning termination of its direct investment activities in Vietnam and carrying out related offshore profit remittance transactions.

2. Refinement of the rules on temporary exit suspension in tax debt enforcement

More favourable conditions for lifting temporary exit suspension

Decree 252 introduces a number of mechanisms designed to facilitate the timely cancellation of temporary exit suspension for taxpayers that have satisfied the prescribed conditions. Notably, the tax authorities are required to carry out the cancellation procedures as soon as the taxpayer meets those conditions. The Decree also adds a mechanism to deal with cases where tax payment data has not yet been updated, and allows cancellation of a temporary exit suspension to be considered where the outstanding tax debt falls below the applicable threshold.

Expansion of the persons subject to temporary exit suspension

Decree 252 also expands the range of persons who may be subject to temporary exit suspension. Notably, in addition to the legal representative, the beneficial owner of an enterprise may also fall within scope in certain cases. Under the new provisions, temporary exit suspension applies to:

- Business individuals and household business owners with tax debts of VND 50 million or more that are more than 120 days overdue.
- Legal representatives or beneficial owners of enterprises with tax debts of VND 500 million or more that are more than 120 days overdue.
- Certain other cases involving taxpayers that are not operating at their registered address or that have not fulfilled their tax obligations before departing from Vietnam.

These changes indicate that the tax authorities are refining the temporary exit suspension mechanism in a way that both enhances the effectiveness of tax debt management and reduces administrative difficulties for taxpayers. At the same time, the inclusion of beneficial owners within the scope of application reflects a trend towards expanding the responsibility of individuals involved in the fulfilment of an enterprise's tax obligations.

Circular No. 89/2026/TT-BTC dated June 30, 2026, of the Ministry of Finance, on electronic transactions in the tax field, effective from July 1, 2026.

The Ministry of Finance has issued Circular 89/2026/TT-BTC dated 30 June 2026 ("Circular 89"), effective from 1 July 2026, which replaces and consolidates a number of guiding documents on tax administration, including Circular 80/2021/TT-BTC ("Circular 80"), Circular 19/2021/TT-BTC on electronic transactions in the tax field and certain related documents.

1. Introduction of a taxpayer segmentation mechanism for risk management purposes

Circular 89 supplements the legal framework for tax administration under the risk management approach, providing the basis for classifying taxpayers, assessing their level of compliance and applying management measures appropriate to each group of taxpayers.

Notable contents include:

- For the first time, a mechanism for segmenting taxpayers to serve tax administration under the risk management approach has been prescribed. Accordingly, taxpayers may be classified based on criteria such as scale of operations, business sector, compliance history and level of tax risk.

- Strengthened management of sectors with high tax risk. Circular 89 allows the tax authorities to separately classify and monitor certain sectors or business models with high tax risk, including:
 - E-commerce
 - Business on digital platforms
 - Cross-border transactions
 - Other sectors as required by the tax authorities from time to time
- Establishment of a mechanism for assessing compliance levels and tax risk. Based on taxpayers' data and information, the tax authorities will carry out assessment and ranking based on:
 - Tax registration, declaration and payment status
 - Tax debt history
 - Tax audit results
 - Compliance with decisions of the tax authorities
 - Risk indicators relating to the use of e-invoices, tax refunds, tax exemption and reduction, and the determination of tax obligations
- Application of management measures corresponding to the level of compliance and risk. Based on the assessment results, taxpayers will be classified into different compliance and risk levels so that appropriate management measures can be applied, ranging from compliance support and priority mechanisms to supervision, audit or enhanced management measures for high-risk cases.

The new regulations reflect a shift from the traditional tax administration model towards management based on data, compliance levels and taxpayer risk assessment. An enterprise's level of compliance may become an important factor affecting the frequency of tax inspections and audits, as well as its ability to access support or priority mechanisms from the tax authorities.

2. Refinement of the framework for electronic transactions in the tax field

Circular 89 refines the framework for electronic transactions in the tax field. Notable changes include:

- **Application of electronic identification accounts in e-tax transactions:** Taxpayers carry out e-tax transactions through electronic identification accounts in accordance with the law on

electronic identification and authentication, or through e-tax transaction accounts granted by the tax authorities in appropriate cases. This provides an additional legal basis for the use of electronic identification accounts in e-tax transactions.

- Expansion of the methods for authenticating electronic dossiers

Previously, electronic transactions were mainly based on digital signatures or digital certificates. Under Circular 89, taxpayers may authenticate electronic dossiers using:

- Electronic signatures (including public digital signatures or specialised digital signatures for public duties)
- Electronic verification codes
- Biometric authentication
- Other electronic authentication methods as prescribed

At the same time, the requirement that taxpayers must hold a digital signature or a registered mobile phone number in order to transact with the tax authorities has been amended to allow other forms of electronic authentication to be applied.

- Clarification of taxpayers' responsibilities in respect of electronic documents issued by the tax authorities

Under the previous regulations, taxpayers were responsible for receiving notices and electronic documents from the tax authorities.

Circular 89 explicitly adds taxpayers' responsibility to receive, check and act upon the contents sent by the tax authorities through the electronic transaction system.

In addition, the point in time at which a taxpayer is deemed to have received a document is determined as the point at which the system records successful delivery to the e-tax transaction account or the registered email address.

- Changes to the mechanism for receiving dossiers and recording the time of submission
 - Under the previous regulations, the tax authorities issued a notice of receipt of the electronic tax return and subsequently a notice of acceptance of the electronic tax return, after checking the completeness and validity of the electronic dossier submitted by the taxpayer.

From 1 July 2026, under Circular 89, the point in time confirming that a taxpayer has submitted an electronic dossier is determined as the point at which the tax administration information system receives the taxpayer's complete and valid dossier, as recorded on the notice of receipt of the electronic tax dossier.

- Circular 89 also adds provisions on the deadline for the tax authorities to notify the receipt or non-receipt of electronic dossiers, under which the response deadline is no later than one working day for most tax dossiers and no later than three working days for tax refund, tax exemption and tax reduction dossiers and certain similar dossiers.
- The tax authorities use this time of receipt as the basis for determining the filing deadline, the period of late filing and the deadline for processing the tax dossier.

3. Refinement of guidance on tax declaration, tax payment and allocation of tax obligations

Under the tax administration regulations applicable before 1 July 2026, including the Law on Tax Administration No. 38/2019/QH14 dated 13 June 2019, Decree No. 126/2020/ND-CP dated 19 October 2020 of the Government ("Decree 126") and Circular 80, the provisions on tax declaration, tax payment and allocation of tax obligations were set out in documents at various levels.

Building on the existing regulations, Circular 89 systematizes and provides more detailed guidance on dossiers, places of declaration, declaration methods and allocation of tax obligations for each type of tax, thereby consolidating much of the implementation guidance into a single unified document.

3.1. Updates to the rules on VAT declaration and VAT allocation

Circular 89 supplements and provides more detailed guidance on certain rules relating to the determination of the VAT declaration period and the allocation of VAT obligations among localities. Notable changes include:

- Adjustment to the rules for determining the VAT declaration period for enterprises that have newly commenced operations.

Under the previous regulations, newly established enterprises declared VAT on a quarterly basis, and only after 12 full months of operation would the revenue of the immediately preceding calendar year be used to determine whether declaration should be monthly or quarterly. Accordingly, where revenue of the immediately preceding calendar year exceeded VND 50 billion, the enterprise had to declare tax monthly; where revenue was VND 50 billion or less, it could continue to declare quarterly.

Circular 89 adds a provision for cases where revenue in the first year of operation exceeds VND 50 billion (including where the enterprise has operated for less than 12 months), under which the enterprise must declare VAT monthly from the calendar year immediately following the year in which operations commenced.

Where revenue in the first year is VND 50 billion or less, the enterprise continues to declare quarterly and only re-determines the declaration period after 12 full months of operation.

- Introduction of a mechanism for the tax authorities to receive requests to change the declaration period

Where a taxpayer is declaring on a monthly basis and is eligible to switch to quarterly declaration, the taxpayer must submit a written request to its supervising tax authority.

Circular 89 adds a mechanism under which the tax authority notifies its acceptance or non-acceptance of the request to change the tax period. The taxpayer may only declare on a quarterly basis after the tax authority has issued a notice of acceptance as prescribed.

- Additional rules on VAT allocation for postpaid telecommunications services

Although the VAT allocation principles are generally unchanged, Circular 89 adds guidance on VAT allocation for postpaid telecommunications service businesses, including the basis for allocating revenue and the responsibility to declare and pay tax in the relevant localities.

3.2. Updated declaration guidance for CIT, personal income tax ("PIT") and foreign contractor tax ("FCT")

- CIT:

The rules on declaration, payment and allocation of CIT among localities are generally unchanged. Circular 89 mainly systematises and updates the implementation guidance in a single unified document.

- PIT:
 - Circular 89 adds specific guidance on the quarterly declaration of PIT withheld.
 - Circular 89 also provides more detailed rules on dossiers and declaration procedures for:
 - PIT withheld and declared on behalf of individuals by organisations and individuals
 - PIT declared by taxpayers directly with the tax authorities

- Certain specific cases such as income from the transfer of shares under employee stock ownership plans (“ESOP”)

- FCT:

Circular 89 inherits and systematises the previous guidance in Circular 156/2013/TT-BTC for cases where foreign contractor tax – comprising VAT calculated directly on revenue and CIT at a percentage of taxable revenue – is declared and paid on behalf of the foreign contractor under the withholding method.

Accordingly:

- The tax declaration obligation is performed on each occasion on which a payment arises.
- Circular 89 also clarifies the tax finalisation requirement upon completion of the contractor agreement. Accordingly, finalisation is only required where adjustments shall be made due to the change of the tax amounts declared and paid during the performance of the contract.

Although they do not materially change the tax obligations for CIT, PIT and FCT, the provisions of Circular 89 systematise and set out in greater detail the requirements on dossiers, places of declaration and declaration procedures for each type of tax.

3.3. Additional guidance on the tax obligations of foreign suppliers and business activities on digital platforms

Circular 89 consolidates and provides more detailed guidance on tax registration, tax declaration and tax payment procedures for foreign suppliers that declare tax directly in Vietnam, including where this is carried out through an authorised party.

The Circular also adds guidance on declaration dossiers for non-resident individuals conducting business on e-commerce platforms or other digital platforms.

In addition, Circular 89 sets out in detail the dossiers and procedures for withholding, declaring and paying tax obligations on behalf of others in the following cases:

- Organisations doing business in Vietnam that purchase goods or services from foreign suppliers or non-resident individuals.

- Owners of e-commerce platforms or digital platforms with online ordering and payment functions, which withhold, declare and pay tax on behalf of business households and individuals operating on the platform.

Circular 89 also introduces a centralised management mechanism for e-commerce platform owners, together with the principle of automatically allocating the tax amounts withheld and paid on behalf of others to the relevant localities through the Tax Administration Information System.

3.4. Introduction of an explanation mechanism in place of supplementary declaration in certain cases

Circular 89 and Decree 252 clarify the mechanism for dealing with cases where a taxpayer discovers errors after the dossier has been inspected or audited, or after the statutory deadline for supplementary declaration has expired. Accordingly:

- Where a tax return has already been inspected or audited, the taxpayer may still submit an explanation dossier to adjust matters that were not dealt with in the conclusion or handling decision of the competent authority. However, such adjustment does not alter the validity of the conclusion or handling decision already issued.
- Where a taxpayer discovers errors that increase the tax payable or reduce the tax exempted, reduced, refunded or credited, but the dossier is more than five years past the deadline for filing the tax return, the taxpayer may not make a supplementary declaration and may only submit an explanation dossier to the tax authority.

The tax authority will review the explanation dossier and issue a notice accepting or not accepting it, and will also handle any administrative violations in respect of tax administration in accordance with regulations, if any.

4. Refinement of the mechanism for managing VAT refund dossiers

- **Classification of refund dossiers:** The principles for classifying tax refund dossiers are largely unchanged compared with current regulations. However, Circular 89 adds a provision under which VAT refund dossiers relating to input VAT, not yet fully credited, of enterprises and organisations upon dissolution or bankruptcy are determined to be high-risk for tax administration purposes and are subject to pre-refund audit.

- **Processing of refund dossiers:** Circular 89 supplements and provides guidance on the application of risk management measures during the processing of refund dossiers. Accordingly, the tax authorities may cross-check data, request explanations or additional documents, or determine that part of the refund amount claimed is high-risk and subject to pre-refund audit.
- **Post-refund audit:** For the first time, Circular 89 specifically prescribes a post-refund audit period of five years from the date of issuance of the refund decision for dossiers subject to refund-first processing under risk management principles, whereas no such period was previously prescribed.

5. Updates to the regulations on tax audits

The current tax administration legal framework no longer provides for separate tax inspection activities as it did previously. Accordingly, tax audits have become the tax authorities' central management tool, and more detailed provisions have been added on the authority, order, procedures and handling mechanisms applicable to each specific case.

5.1. Strengthening the mechanism for auditing tax dossiers at the tax authority's office

- The principles for auditing tax dossiers at the tax authority's office are generally unchanged and continue to be applied on a risk management basis to tax dossiers classified as high risk.
- However, Circular 89 supplements and sets out more clearly the order and procedures for audits at the tax authority's office. Under the previous regulations, the tax authorities mainly reviewed tax dossiers and issued notices requesting taxpayers to provide explanations and additional information and documents. Where the taxpayer could not demonstrate the accuracy of the dossier, the tax authority would impose tax by assessment or issue a decision to conduct an audit at the taxpayer's premises.

Circular 89 adds provisions on the issuance of an audit decision at the tax authority's office where the tax authority has sufficient basis to identify signs of violation through the review of dossiers, the analysis of tax administration data and the taxpayer's explanations. Accordingly, an audit at the tax authority's office is no longer limited to the stage of requesting explanations on the dossier, but is carried out under a separate audit process comprising an audit decision and an audit minute.

- Circular 89 also specifically prescribes that the audit period must not exceed 10 working days from the date of issuance of the audit decision. Where the audit results provide sufficient

grounds to establish a violation, the tax authority may carry out procedures to handle the violation in accordance with the law on tax administration.

For the first time, Circular 89 prescribes the audit process at the tax authority's office through an audit decision and an audit minute. This indicates that the review of dossiers at the tax authority's office is no longer limited to requests for explanation as was previously the case.

5.2. Additional provisions on tax audits at the taxpayer's premises

- Circular 89 adds a mechanism for transferring files to the inspection authority: for complex, wide-ranging or high-risk cases, or those showing signs of violations of tax law that require an inspection, the tax authority may transfer the file to the inspection authority to recommend an inspection in accordance with regulations.
- For the first time, Circular 89 prescribes the cases in which the tax authority may annul an audit decision that has been issued before it is announced, for example where it overlaps with the inspection or audit activities of another competent authority, or where there are no longer grounds to continue the audit.
- Circular 89 adds provisions for dealing with cases where the taxpayer does not sign the audit minute:

Where the taxpayer does not sign the audit minute, the minute may still be validated with the signatures of the head of the audit team and a representative of the commune-level authority or a witness, as prescribed.

- Circular 89 prescribes the authority, order, procedures and statute of limitations for a revisiting tax audit, being two years from the date of signing the audit conclusion or the decision on handling administrative violations in respect of tax administration. Accordingly, a revisiting tax audit is carried out by the tax authority at the level directly above the tax authority that conducted the original audit. The previous tax administration regulations did not contain separate provisions on revisiting tax audit within audit activities; the re-audit provisions mainly applied to inspection activities, with a one-year statute of limitations in certain cases.

5.3. Additional legal basis for conducting tax audits by electronic means

- Circular 89 adds provisions on online and remote audits based on electronic data, applicable to both audits at the tax authority's office and audits at the taxpayer's premises.

Accordingly, the provision of explanations and dossiers, the exchange of information, the preparation of minutes and the issuance of handling documents may be carried out by electronic means.

- Where the electronic data does not provide a sufficient basis to reach a conclusion, or where physical verification is required, the tax authority may switch to a direct audit at the taxpayer's premises in accordance with regulations.

OTHERS

Decree 255/2026/ND-CP, dated 30 June 2026, of the Government on tax administration for enterprises having related-party transactions, effective from July 1, 2026

The Vietnamese Government has recently issued Decree 255/2026/ND-CP ("Decree 255" or the "Decree") on tax administration for enterprises having related-party transactions, replacing Decree 132/2020/ND-CP and Decree 20/2025/ND-CP.

1. Clarification of certain definitions and documentation requirements

Decree 255 supplements and clarifies certain provisions relating to tax administration and compliance through clearer references to the Law on Tax Administration and relevant legal frameworks, including concepts such as the ultimate parent entity and the application of international tax treaties. At the same time, the Decree reaffirms the requirement that transfer pricing ("TP") documentation must be prepared no later than the corporate income tax ("CIT") finalisation deadline and retained so as to be available upon request. Although these contents are largely unchanged compared with current regulations, the clearer wording signals higher expectations regarding the timely preparation and retention of TP documentation.

2. Order of priority for data sources used in comparability analysis

A notable update is that Decree 255 prescribes the order of priority for selecting the data sources used in comparability analysis, as follows:

- Public or official data sources, including data from securities exchanges, goods/services exchanges, national databases and other publicly available official data sources.
- Commercial databases.
- Databases of the tax authorities.

This order of priority reflects a clear orientation towards the use of transparent, independent and verifiable data sources, thereby strengthening the defensibility of TP policies where applied appropriately.

3. Adjustments to the TP documentation exemption mechanism

Decree 255 adjusts the conditions for exemption from preparing TP documentation, including:

- Increasing the revenue threshold applicable to the exemption based on the prescribed profitability threshold (from below VND 200 billion to below VND 500 billion in certain specific cases); and
- Removing qualitative criteria such as “simple functions” when determining eligibility for the exemption under this mechanism.

These changes help reduce differing interpretations in practice and may simplify the assessment of eligibility for the documentation exemption.

4. Updates on Country-by-Country Reporting (“CbCR”)

General requirements

Decree 255 further clarifies the framework for applying CbCR in Vietnam:

- The group’s consolidated revenue threshold is determined as the equivalent of EUR 750 million, replacing the previous threshold of VND 18,000 billion.
- This threshold is determined based on the immediately preceding financial year, with specific rules on foreign currency conversion based on the State Bank’s exchange rate.
- Where an enterprise in Vietnam belongs to a group headquartered overseas and is obliged to file the group’s CbCR, the CbCR must be submitted in XML format and within 12 months from the end of the ultimate parent entity’s financial year.
- The designated taxpayer must submit Form No. 01/TB-BCLN to notify the CbCR filing entity no later than the last day of the ultimate parent entity’s reporting financial year.
- Form No. 01/TB-BCLN applies a one-time notification mechanism; where there are changes to the information already notified, the taxpayer must update the information within 90 days from the date on which the change arises.

- CbCR data may not be used to adjust tax obligations or to impose related-party prices by assessment.

CbCR filing obligations in Vietnam

Decree 255 provides more detailed rules on the cases in which an enterprise in Vietnam whose ultimate parent entity is overseas does or does not have a CbCR filing obligation in Vietnam, including:

- **The ultimate parent entity or a designated entity has filed the CbCR overseas** – no CbCR filing obligation arises in Vietnam if the CbCR has been filed overseas by the ultimate parent entity or a designated entity within the group and the conditions for automatic exchange of information with Vietnam are satisfied.
- **Ineffective information exchange mechanism** – a filing obligation arises in Vietnam if the foreign country/territory does not exchange CbCR information with Vietnam despite an existing exchange agreement;
- **Differences in the applicable threshold** – no filing obligation arises in Vietnam if the ultimate parent entity is exempt from filing CbCR in its country/territory of residence due to differences in the revenue threshold, currency conversion or the manner in which revenue is determined;
- **Conditions for applying the Vietnamese CbCR filing requirement** – a CbCR filing obligation in Vietnam only arises where Vietnam satisfies the international standards on confidentiality, consistency and appropriate use of CbCR information, and these conditions have been officially announced by the tax authorities.

While Decree 132 referred to the local filing obligation only in general terms, the new provisions provide clearer and more specific guidance.

This provides a clearer basis for enterprises to assess whether a CbCR filing obligation may arise in Vietnam, while at the same time increasing the need to closely monitor the effectiveness and operational status of information exchange mechanisms, overseas CbCR filing arrangements and the related notification obligations.

These changes may require enterprises to update their internal compliance processes and strengthen coordination with the group's tax function.

Circular No. 86/2026/TT-BTC dated June 30, 2026, of the Ministry of Finance on tax administration for exported and imported goods

Issued on June 30, 2026, and effective from July 1, 2026, Circular 86/2026/TT-BTC regulates tax administration for exported and imported goods. This Circular replaces Circular 06/2021/TT-BTC and systematizes regulations previously dispersed across other legal documents, including Circulars 38/2015/TT-BTC, 39/2018/TT-BTC, 121/2025/TT-BTC, and Decrees 134/2016/ND-CP, 18/2021/ND-CP, and 182/2025/ND-CP. Circular 86 serves as a consolidated framework governing all rules, dossiers, and forms regarding tax exemption, reduction, refund, and non-collection.

Key highlights of Circular 86/2026 include:

1.1. Promotion of Electronic Declaration: Taxpayers must declare tax obligations and submit documents via the Customs Electronic Data Processing System, utilizing the standardized criteria in Appendix II (comprising 25 forms and 73 digitized documents). If the system does not support specific criteria, enterprises may submit digitally signed copies of documents through the system. Hard-copy tax dossiers may be submitted directly in the event of system malfunctions.

1.2. Exemption from Submitting Interconnected Documents: To reduce administrative burdens, taxpayers are no longer required to submit physical documents to customs authorities if such documents are already available on the National Single Window, National Public Service Portal, or interconnected national/specialized databases. Taxpayers only need to provide relevant information for customs authorities to extract the data independently.

1.3. Streamlining the Tax Assessment Procedure: The Circular abolishes the requirement to send a prior written notice outlining the legal basis, calculation methods, detailed tax amounts, and deadlines before issuing a formal tax assessment decision to the customs declarant, their authorized representative, guarantor, or the party paying tax on behalf of the declarant.

1.4. Tax Payment Deadlines for Post-Clearance Adjustments: The Circular clarifies taxpayer responsibilities regarding supplementary declarations and tax payments for changes in HS codes or tax rates (following analysis, classification, or inspection); changes in customs valuation; arising royalties/license fees; and other payable amounts upon establishing an official price.

For goods requiring analysis, classification, or inspection to determine the exact tax payable: The deadline is 05 working days from the date the customs authority requests a supplementary

declaration via the electronic system (previously 05 working days from the date the taxpayer received the request).

1.5. Supplementary Payment Deadlines for Customs Tax Assessment Cases:

If taxpayers fail to make supplementary declarations or pay additional taxes for goods requiring analysis, classification, or inspection within the prescribed deadline, the assessed tax payment deadline is the date the customs authority requests the supplementary declaration on the electronic system.

For three specific adjustments (royalties, license fees, proceeds from subsequent resale/disposal), if the taxpayer fails to declare or pay the difference on time, the assessed tax payment deadline is the date the taxpayer determines these amounts as reflected on payment vouchers and related documents.

For goods with official prices, if the taxpayer fails to declare or pay the difference on time, the assessed tax payment deadline is the time the official price is established.

Circular No. 90/2026/TT-BTC dated June 30, 2026, of the Ministry of Finance on tax registration.

Issued on June 30, 2026, and effective from July 1, 2026, Circular 90/2026/TT-BTC guides tax registration in accordance with the new Law on Tax Administration. This document represents a shift toward digitalized tax management, focusing on data exploitation, electronic identification, system interconnection, and regulatory control over digital business models.

Key highlights of Circular 90/2026 include:

2.1. Amendments to Entities Requiring Direct Registration: The Circular explicitly lists foreign organizations and non-resident individuals conducting business on e-commerce platforms as subjects for tax registration. It also clarifies scenarios for enterprises, organizations, and individuals withholding and paying taxes on behalf of others. Furthermore, it adds taxpayers subject to the Global Minimum Tax to the direct tax registration requirement, aligning with the global anti-base erosion rules under Resolution 107/2023/QH15 and Decree 236/2025/ND-CP.

2.2. Refinement of Tax Identification Number (TIN) Structure: A 10-digit TIN is issued to independent organizations, enterprises filing supplementary corporate income tax under the Global Minimum Tax rules, and certain individuals lacking a personal identification number from the

National Population Database. A 13-digit TIN is assigned to dependent units and other subjects as prescribed by law.

2.3. Mechanism for Dissolution Cases Lacking Legal Status Updates: Under Article 15, if an enterprise or cooperative receives a notice of tax obligation fulfillment for dissolution but over 180 days elapse without the tax authority receiving completion data from the business registration authority, the tax authority will formally request the business registration authority to update the entity's legal status to "dissolved." This serves as the official basis for terminating the TIN on the Tax Registration Application System.

Transitional Provisions (Article 37): Applications for tax registration, information amendment, suspension, termination, or TIN restoration submitted prior to July 1, 2026, will be processed under the regulations effective at the time of submission. TINs issued before the Circular's effective date remain valid. For individuals, households, and business households/individuals falling under statutory requirements, the personal identification number will replace the TIN.

Decree No. 254/2026/ND-CP dated June 30, 2026, of the Government, and Circular No. 91/2026/TT-BTC dated June 30, 2026, of the Ministry of Finance on e-invoices and e-documents.

The new regulations on e-invoices and e-documents have been introduced under the following legal instruments:

- Decree No. 254/2026/ND-CP dated 30 June 2026 issued by the Government, providing detailed guidance and implementation measures for certain provisions of the Law on Tax Administration No. 108/2025/QH15 in relation to e-invoices and e-documents.
- Circular No. 91/2026/TT-BTC dated 30 June 2026 issued by the Ministry of Finance, providing guidance on certain provisions of the Law on Tax Administration and Decree No. 254/2026/ND-CP.

Both Decree 254 and Circular 91 take effect from 1 July 2026.

1. Invoice issuance timing

1.1 . Expanded rules on invoice issuance timing for service transactions

Under the previous regulations, invoices were not required upon receipt of deposits or advance payments relating to contracts for five specified categories of services.

Under the new regulations, only deposits collected solely as security for the performance of service contracts are excluded from the invoicing requirement.

Accordingly, under the new rules, all service providers, including those providing accounting, auditing, financial and tax advisory, valuation, engineering survey and design, construction supervision consultancy, and construction investment project consultancy services, are required to issue an invoice at the time of receipt of payment whenever payment is received before or during the provision of services, unless such payment is merely a security deposit.

1.2 . Expansion of the list of high-volume services eligible for reconciliation-based invoicing

The existing principles and deadlines remain unchanged (i.e. by the 7th day of the following month or within seven days after the agreed reconciliation period). However, the new regulations expand the list of goods and services eligible for post-reconciliation invoicing by adding several new sectors, including: Crypto-asset services; Carbon exchange support services; Advertising services on electronic newspapers; Digital technology services; Digital platform services; Payment intermediary services provided via telecommunications and IT platforms; Insurance services; Security services; and others.

1.3. New rule on invoicing for transactions arising during night-working hours

Businesses that do not have an automated invoicing system are allowed to issue invoices on the next working day for transactions arising during statutory night-working hours.

2. New regulations on adjustment and replacement of issued invoices

Legal basis: Article 10 of Circular No. 91/2026/TT-BTC – Handling of issued e-invoices.

2.1 . Expanded cases where reissuance of invoices is not required (only Form No. 04/SS-HDDT notification is required)

Any errors other than material errors (i.e. errors relating to the tax identification number, invoice amount, VAT rate, VAT amount, or goods/services) do not require the issuance of a replacement or adjustment invoice. Instead, the seller is only required to submit a notification using Form No. 04/SS-HDDT. This also applies to errors in the amount expressed in words.

2.2 . Two additional cases where only replacement invoices are permitted (adjustment invoices are not allowed)

The following invoices, if issued with errors, must be replaced rather than adjusted:

- Invoices generated from cash registers (POS invoices); and
- Invoices relating to goods subject to ownership registration.

2.3. Besides, the Decree 254 guided on invoice information where the purchaser is an individual consumer

Where an individual purchaser does not provide his/her name, address or personal identification number, the invoice must clearly state:

"Sold to consumer". Such invoices cannot be used for tax purposes by any enterprise

Decree No. 245/2026/ND-CP dated June 27, 2026, of the Government on the extension of tax payment deadlines

On 27 June 2026, the Government issued [Decree No. 245/2026/ND-CP](#) on the extension of payment deadlines for VAT, CIT, PIT and land rental in 2026.

A summary of [Decree No. 245/2026/ND-CP](#) is as follows:

1. Effective period:

[Decree No. 245/2026/ND-CP](#) is effective from 27 June 2026 until the end of 30 December 2026.

2. Applicable entities:

- Enterprises, organizations, business households & individuals operating in economic sectors and fields specified in Appendix I enclosed with the Decree.
- Small and micro enterprises.

3. Extension of tax payment deadlines:

(i) VAT (monthly and quarterly tax periods)

- A maximum extension of 05 months applies to VAT payable for the following tax periods: May to September 2026 and Q2 and Q3 of 2026.

(ii) PIT (For business households and individuals, not a company)

+ A maximum extension of 05 months applies to PIT payable by business households and individuals for the following tax periods: May to September 2026 (Q2 and Q3 of 2026).

Specifically as follows:

- + For the May 2026 tax period: no later than 20 November 2026
- + For the June, July, August and September 2026 tax periods: no later than 21 December 2026
- + For Q2 2026: no later than 02 November 2026
- + For Q3 2026: no later than 30 December 2026

(iii) CIT (provisional payment)

- The payment deadlines for provisional CIT are extended as follows:

- + Q2 2026: up to 03 months, no later than 02 November 2026
- + Q3 2026: up to 02 months, no later than 30 December 2026.

(iv) Land rental arising in 2026

- A 05-month extension applies to 50% of the land rental payable for 2026 (the land rental payable for the first payment period), with the extended payment deadline being no later than 02 November 2026.

4. Submission of the application for extension:

Taxpayers shall submit 01 Application for extension to their directly managing tax authority, on a one-time basis, for all tax and land rental amounts arising in the tax periods eligible for extension. The application must be submitted no later than 02 November 2026.

Circular No. 95/2026/TT-BTC – New Guidance on Tax Treaties, MAP and APA

On 1 July 2026, the Ministry of Finance issued Circular No. 95/2026/TT-BTC (“Circular 95”), providing guidance on the implementation of tax treaties for the avoidance of double taxation, Mutual Agreement Procedures (“MAP”), and Advance Pricing Agreements (“APA”) for enterprises having related-party transactions.

Circular 95 took effect from 1 July 2026 and replaces Circular No. 205/2013/TT-BTC on the implementation of tax treaties and Circular No. 45/2021/TT-BTC on APA procedures. The Circular consists of five chapters and 84 articles and also provides guidance on exchange of information and assistance in tax collection.

1. Updates on the application of tax treaties

Circular 95 largely inherits the previous guidance under Circular 205, while introducing several notable amendments and clarifications.

Electronic submission of MAP and APA dossiers

Applications for MAP and APA, explanations, supplementary information and documents, as well as notifications of processing results, are generally required to be submitted electronically. Paper submission remains available where documents are too large, use specialized formats or cannot satisfy the technical requirements of the electronic system.

Clarification of individuals and entities eligible for treaty benefits

Circular 95 clarifies that tax treaties may apply to individuals and entities who are residents of Vietnam, residents of the relevant treaty partner, or residents of both jurisdictions. Additional guidance is also provided for determining the tax residence and tax obligations of dual-resident individuals, including cases where the two jurisdictions apply different tax-year periods.

Strengthened conditions for entitlement to treaty benefits

Circular 95 further clarifies circumstances in which treaty benefits may be denied. In particular, it reinforces the principle that tax treaties should not create opportunities for income to escape taxation in both contracting jurisdictions and provides more detailed guidance on cases where a person will not be regarded as the **beneficial owner** for treaty purposes.

Expansion of the definition of immovable property

For treaty purposes, the definition of immovable property is expanded to include assets recognised as immovable property under the Land Law, Law on Real Estate Business and other relevant regulations. This includes, among others, the value of land use rights, rights under land lease agreements and future-formed real estate.

Permanent establishment for e-commerce and digital platforms

To align with the 2025 Corporate Income Tax Law, Circular 95 provides that an e-commerce platform or digital platform through which a foreign enterprise carries out all or part of its activities of supplying goods or services in Vietnam may constitute a permanent establishment in Vietnam where the prescribed conditions are satisfied.

Treaty rates for dividends, interest, royalties and technical service fees

Circular 95 clarifies that where the beneficial owner of dividends, interest, royalties or technical service fees is a resident of the relevant treaty partner, the Vietnamese tax rate applied to such income must not exceed the maximum rate provided under the applicable tax treaty.

2. New guidance on direct and indirect transfers of assets

Circular 95 supplements the guidance on determining tax obligations in respect of income from asset transfers, including direct and indirect capital transfers.

For this purpose, the ratio of the remaining value of immovable property to the total remaining value of assets of the enterprise whose capital is directly or indirectly transferred is determined based on the simple average of such ratios at the following three points in time:

- the date of the asset transfer;
- the beginning of the tax year immediately preceding the year of transfer; and
- the end of the tax year immediately preceding the year of transfer.

The value of immovable property is determined based on the enterprise's audited statement of financial position at the beginning and at the end of the tax year immediately preceding the year of transfer, and the statement of financial position prepared by the enterprise as at the transfer date.

3. Exchange of information and assistance in tax collection

Circular 95 introduces specific provisions governing the **exchange of tax information** between the Vietnam Tax Department and the competent authorities of treaty partners.

The rules cover, among other matters:

- exchange and collection of information under tax treaties;

- domestic collection and verification of information;
- automatic exchange of tax information; and
- confidentiality and permitted use of exchanged information.

Circular 95 also introduces rules on assistance in tax collection between Vietnam and treaty partners. In general, the Vietnamese tax authorities may assist a treaty partner in notifying and pursuing outstanding tax debts, while giving priority to tax debts arising in Vietnam. Assistance may be refused in certain circumstances, including where the tax debt is under dispute or where the requested measures would be inconsistent with Vietnamese law or administrative practice.

4. More detailed Mutual Agreement Procedure (“MAP”) framework

Circular 95 codifies and further develops the MAP procedures previously set out under Decision No. 2049/QĐ-TCT, taking into account OECD MAP guidance and practical experience.

Notable changes include:

Grounds for rejecting a MAP request

The Vietnamese competent authority may reject a MAP application in certain cases, including where the application:

- falls outside its jurisdiction;
- is submitted after the applicable deadline;
- does not satisfy the taxpayer's required obligations;
- relates to a taxpayer undergoing a tax audit where no official tax audit minutes have yet been issued;
- shows indications that MAP is being used for tax avoidance purposes; or
- concerns a tax liability already determined consistently with the applicable tax treaty.

Clearer MAP processing procedures

Circular 95 sets out the MAP process from receipt and review of the application through analysis, exchange of position papers, negotiations with the other competent authority, taxpayer confirmation and final implementation.

Where Vietnam considers that the case can be resolved consistently with the relevant treaty without consultation with the other contracting jurisdiction, the Vietnam Tax Department may also resolve the case unilaterally.

Taxpayer's acceptance of a MAP outcome

Where the competent authorities reach a common agreement, the taxpayer will be asked to confirm whether it accepts or rejects the proposed agreement. The taxpayer generally cannot accept only part of the MAP outcome for selected issues or tax periods.

Where implementation of a MAP agreement results in tax, late-payment interest or penalties already paid exceeding the final amount payable, the tax authorities will adjust the taxpayer's liabilities and process the resulting overpayment in accordance with the tax administration regulations.

5. Updates to the Advance Pricing Agreement (“APA”) mechanism

Circular 95 also revises the APA framework previously governed by Decree No. 126/2020/ND-CP and Circular No. 45/2021/TT-BTC.

Clarification of bilateral and multilateral APAs

Circular 95 clarifies that bilateral and multilateral APAs are agreements between competent tax authorities under the relevant tax treaty for determining the transfer pricing methodology applicable to the covered related-party transactions.

Optional pre-filing consultation

Taxpayers may hold a preliminary consultation with the tax authority before formally submitting an APA application. However, such consultation is **not mandatory**.

Electronic APA filing

Circular 95 removes the previous requirements on the number of physical dossier sets, consistent with the transition toward electronic submission. Detailed information required for an APA application is prescribed in **Form No. 01/APA-DN**.

Enhanced ongoing compliance requirements

Taxpayers are required to notify the tax authorities of changes affecting the critical assumptions underlying an APA and, where necessary, request amendment or cancellation of the APA.

Circular 95 also expressly requires taxpayers to submit an **annual APA compliance report**, together with the relevant information required for monitoring the implementation of the APA.

APA extension

An APA may be extended for a period of up to **three years**. The extension is subject to an assessment of whether the arm's-length range or profit margin remains consistent with the critical assumptions applicable to the APA during the proposed extension period.

APA application period of up to five tax years

A notable change under Circular 95 is that a taxpayer may request an APA for a continuous period of up to five tax years, commencing from the year in which the APA application is submitted or the immediately following tax year.

This does not increase the maximum effective term of a signed APA beyond three years. Rather, it is intended to ensure that where the APA negotiation process takes a significant amount of time, the signed APA can still have a practical application period of up to three years.

6. Transitional provisions

Circular 95 applies from 1 July 2026.

APA applications submitted before the effective date of Circular 95 that have not yet been concluded, and for which the proposed APA period has not yet expired, will continue to be processed in accordance with the Law on Tax Administration No. 108/2025/QH15 and Circular 95.

Overall, Circular 95 provides a more comprehensive framework for the application of Vietnam's tax treaties, particularly in relation to treaty entitlement, indirect transfers, exchange of information, MAP and APA procedures. Enterprises engaging in significant cross-border transactions or related-party transactions should review the new requirements and assess whether their existing treaty benefit applications, transfer pricing arrangements and APA/MAP procedures need to be updated.

Official Letters

Official Letter No. 2697/CT-CS dated 28 April 2026 on eligible payroll costs for Qualified Domestic Minimum Top-up Tax (“QDMTT”)

On 28 April 2026, the Vietnam Tax Department issued Official Letter No. 2697/CT-CS (“OL 2697”), providing guidance on eligible payroll costs for calculating the substance-based income exclusion under the QDMTT rules.

Under Decree No. 236/2025/ND-CP, eligible payroll costs generally include salaries and wages, employer-borne payroll taxes and social security contributions, allowances, bonuses, health insurance, pension contributions, share-based compensation and other benefits provided directly to eligible employees.

Notably, OL 2697 clarifies that in-kind rewards provided to employees and allowances or welfare benefits provided for employees’ children, families and relatives may also qualify as eligible payroll costs, provided that the relevant conditions under Decree No. 236/2025/ND-CP are satisfied.

Accordingly, qualifying expenses may be taken into account in determining the payroll carve-out for QDMTT purposes.

Official Letter No. 20010/CHQ-GSQL dated 7 August 2026 on customs inspection and supervision conditions applicable to Export Processing Enterprises (“EPEs”)

On 7 August 2026, the Department of Customs issued Official Letter No. 20010/CHQ-GSQL (“OL 20010”), providing guidance on customs inspection and supervision conditions and the application of tax policies to EPEs operating as non-tariff zones.

Under the prevailing regulations, EPEs must satisfy the prescribed customs inspection and supervision conditions, including requirements on physical separation and other conditions for customs supervision, in order to qualify for the tax policies applicable to non-tariff zones.

Notably, OL 20010 clarifies that where an EPE no longer satisfies one or more of the prescribed customs inspection and supervision conditions, it will not be eligible for the tax policies applicable to non-tariff zones.

The customs authority is required to determine the specific period during which the EPE failed to satisfy the relevant conditions, based on the actual circumstances of each case, for appropriate tax and customs treatment.

Official Letter No. 1927/CT-KTr dated 31 March 2026 on enhanced tax management for long-term loss-making and low-margin enterprises

On 31 March 2026, the Vietnam Tax Department issued Official Letter No. 1927/CT-KTr (“OL 1927”), instructing tax authorities to strengthen tax management and audits of enterprises reporting continuous losses or low profit margins.

Enterprises reporting losses for several years while continuing to expand their operations or increase capital are considered a significant tax risk indicator and may be selected for targeted tax audits. In particular, enterprises with revenue of VND 1,000 billion or more that reported consecutive losses in 2023 and 2024 are subject to further risk assessment based on their 2025 CIT finalisation data.

During tax audits, the tax authorities are instructed to focus on the reasonableness of revenue, expenses and profits; revenue and VAT recognition; input and output VAT; and COGS, selling and administrative expenses. Particular attention will also be given to related-party transactions, including intra-group interest, management and technical service fees, royalties and franchise fees, as well as related-party purchase and sale prices, to assess their consistency with the arm’s-length principle.

Accordingly, long-term loss-making or low-margin enterprises should review their tax positions and supporting documentation, particularly for significant expenses and related-party transactions, in anticipation of increased tax scrutiny in 2026.

Official Letter No. 3705/CT-CS dated 5 June 2026 on tax treatment of labour subleasing activities

On 5 June 2026, the Vietnam Tax Department issued Official Letter No. 3705/CT-CS (“OL 3705”), providing guidance on the tax and invoice treatment of labour subleasing activities.

Notably, in assessing the relevant tax treatment, the tax authorities refer not only to the applicable CIT and VAT regulations, but also to the labour subleasing requirements under Decree No. 145/2020/ND-CP, including the prescribed list of jobs permitted for labour subleasing, as well as the classification of business activities under Decision No. 27/2018/QD-TTg and, from 15 November 2025, Decision No. 36/2025/QD-TTg.

Accordingly, where a labour subleasing arrangement does not comply with the applicable labour and specialized regulations, there may be a risk that the related CIT deductibility and input VAT credit/refund could be challenged by the tax authorities. Enterprises using labour subleasing arrangements should therefore review both the nature of the outsourced positions and the relevant business activities, in addition to maintaining appropriate invoices and supporting documents.

Official Letter No. 4413/CT-CS dated 30 June 2026 on VAT refund for exported goods

On 30 June 2026, the Vietnam Tax Department issued Official Letter No. 4413/CT-CS (“OL 4413”), providing guidance on VAT refunds for exported goods.

In the case addressed by the Official Letter, the enterprise imported goods under customs code A12 (import for business) and exported goods under code B11 (export for business), without declaring the relevant exported product codes and imported raw material codes on the customs declarations. The customs procedures were treated as ordinary import and export for business purposes rather than import of materials for production of goods for export.

The Vietnam Tax Department therefore concluded that there was insufficient basis to determine that imported material under customs code A12 is qualified for the exported goods for VAT refund treatment under the VAT regulations.

Accordingly, enterprises engaged in export manufacturing should ensure that the customs declaration type and relevant information on imported materials and exported products are properly declared and consistent with the actual nature of the transactions to support their VAT refund claims.

Note)

A12 – Business Production Import → General Import for Domestic Production

A12 applies when Vietnamese enterprises import the following goods for use in production in Vietnam.

- Raw materials and auxiliary materials
- Components
- Machinery and equipment for production
- Imported goods for the implementation of investment projects

For example, a general manufacturing enterprise that imports raw materials from overseas for production and sale in Vietnam would normally use A12.

The key differences from other customs declaration codes are as follows:

Code	Purpose
A11	General commercial import for consumption or sale
A12	Import of raw materials, machinery and equipment for use in domestic production in Vietnam
A41	Import for direct sale in Vietnam without going through a production process, under the right to import
E31	Import of raw materials for the production of exported goods, where the conditions for import duty exemption are satisfied
E11/E13	Import of raw materials or other goods by export processing enterprises (EPEs/DNCXs)

In particular, the fact that goods are imported under A12 does not, by itself, mean that they are exempt from import duty or import VAT. In principle, import duty and import VAT are applicable, unless separate exemption conditions, such as investment incentives or an applicable duty-exemption list, are satisfied.

Official Letter No. 4195/CT-CS dated 23 June 2026 on VAT refund for terminated investment projects

On 23 June 2026, the Vietnam Tax Department issued Official Letter No. 4195/CT-CS (“OL 4195”) providing guidance on VAT refunds for terminated investment projects.

Where an investment project terminates before generating output VAT from its principal business activities, the enterprise is required to repay the VAT previously refunded for the project.

Any late payment interest should be determined based on the reasons for the project termination and the relevant provisions of the Law on Tax Administration.

Official Letter No. 3897/CT-CS dated 11 June 2026 on CIT exemption for foreign-invested SMEs

On 11 June 2026, the Vietnam Tax Department issued Official Letter No. 3897/CT-CS (“Official Letter 3897”) clarifying the three-year CIT exemption for newly established small and medium-sized enterprises (“SMEs”) under Decree No. 20/2026/ND-CP.

Notably, a foreign-invested enterprise established under Vietnamese law may also qualify for the three-year CIT exemption, provided that it meets the applicable SME criteria. The exemption does

not apply to enterprises newly established through merger, consolidation, division, separation, change of ownership or conversion of enterprise type, or certain newly established enterprises whose key owners/representatives have participated in other existing or recently dissolved enterprises. Certain income specified under Clause 3, Article 18 of the 2025 CIT Law is also excluded from the exemption.

Official Letter No. 820/CST-TN dated 6 April 2026 on reduced CIT rates for foreign-invested enterprises

On 6 April 2026, the Tax Policy Department issued Official Letter No. 820/CST-TN (“Official Letter 820”) clarifying the application of the 15% and 17% CIT rates under Decree No. 320/2025/ND-CP to foreign-invested enterprises.

A 100% foreign-invested enterprise established under Vietnamese law may apply the 15% CIT rate where its annual revenue does not exceed VND 3 billion, or the 17% CIT rate where its annual revenue exceeds VND 3 billion but does not exceed VND 50 billion.

However, where the enterprise has related parties established under Vietnamese law, such related parties must also satisfy the relevant revenue thresholds for the reduced CIT rates to apply.

For the 2025 tax period, specific transitional rules apply where the enterprise’s tax year commenced after the effective date of the 2025 CIT Law.

It is noted that Official Letter 820 specifically refers to related enterprises established under Vietnamese law when assessing the above revenue conditions. Accordingly, based on the wording of the Official Letter, foreign related enterprises established under foreign laws appear to fall outside this particular revenue test. Nevertheless, as the Official Letter was issued in response to specific taxpayers, enterprises with overseas related parties may consider adopting a prudent approach pending further guidance or practice from the tax authorities.

*The above information is for reference only, not specific consulting advice.
For more detailed guidance, please do not hesitate to contact our Office.*

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