



TAXFLASH

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If you require any further information, please do not hesitate to contact us.

CORPORATE INCOME TAX (CIT)

Provision for Losses from investment

According to Official Letter No. 3196/CT-CS issued by the Tax Department on 15 August 2025:

- Provision is not allowed if there is insufficient evidence to prove a decline in the value of the investment.
- Expenses related to the reduction of charter capital in a subsidiary are not deductible.

Entities with capital investments in other businesses should pay attention when making provisions for investment losses to minimize the risk of non-deductible expenses for corporate income tax purposes.

Global Minimum Tax

According to Notice No. 405/TB-VPCP issued by the Government Office on 7 August 2025:

- The Government will issue a Decree guiding the implementation of Resolution 107/2023/QH15.
- A proposal will be submitted to the National Assembly to exempt QDMTT for BOT power projects with Government Guarantees (GGU).

For more detailed information on global minimum tax regulations under OECD Pillar 2, please refer to our Taxflash No 08/2025.

Deductibility of Deemed Import Duties

Official Letter No. 3138/CT-CS of the Tax Department dated August 13, 2025 allows the Company to charge reasonable fees when determining corporate income tax and deducting input VAT for imported publications that meet the prescribed conditions.



VALUE-ADDED TAX (VAT) AND INVOICES

Invoices Issued Per Transaction

According to Tax Department's Official Letter No. 3012/CT-CS dated 7 August 2025, businesses under enforcement measures may still issue invoices per transaction, but must immediately remit at least 18% of the revenue into the State Budget.

VAT Rate for services rendered to EPEs

Official Letter No. 10530/HAN-QLDN4 from Hanoi Department of Tax dated 13 August 2025 provides that audit, accounting, and consulting services provided to organizations in non-tariff zones but not consumed within or not directly serving export production are not eligible for the 0% VAT rate.

Earlier, on 22 July 2025, the Ministry of Finance issued an Official Letter No 2292/CST-GTGT providing that only the services directly rendered to organisations in the non tariff zone, consumed therein, serving for export activities and not for other activities will qualify 0% VAT rate.

Deferred Payments for Goods Purchased

According to Official Letter No. 434/VLO-QLDN2 from Vinh Long Tax Department dated 21 August 2025, taxpayers are not allowed to claim input VAT for goods or services purchased under deferred payment terms without proper non cash payment documents at the due date, though after the due date, VAT adjustment has been made and non cash payment document is available. Taxpayers should pay attention to the payment term/deadline as specified in the contract and/or the appendix to contract to minimise tax risks.

Invoices for Business Households

Official Letter No. 3153/CT-NVT dated 13 August 2025 provides that business households should retain purchase invoices and supporting documents to ensure legal origin and ownership, and be ready to provide upon request by the regulatory authorities.

Internal Asset Transfers

According to Tax Department's Official Letter No. 3145/CT-CS dated 13 August 2025, internal transfers of assets from a company to its business locations do not require invoices, only transfer orders and supporting documents proving asset origin.



PERSONAL INCOME TAX (PIT)

Government Office's Conclusion on the Draft Personal Income Tax (PIT) Law

According to Notice No. 397/TB-VPCP issued by the Government Office on 5 August 2025:

- Continue studying the timing and tax calculation method for bonus shares and shares distributed from dividends/profits, ensuring alignment with the nature of the income, as well as fairness, appropriateness, and efficiency.
- General agreement with the Ministry of Finance's proposal on real estate and securities taxation methods, aiming to avoid disruptions to the securities market during Vietnam's push to upgrade its stock market classification.
- Regarding the dependent relief: supported Option 2 as presented by the Ministry of Finance.
- Review taxable income and exemptions/reductions (e.g. income from corporate bonds, investments in supplementary pension funds, unemployment benefits, etc.).

The Government is expected to submit the revised Personal Income Tax Law to the National Assembly in October 2025.

Draft Personal Income Tax Law

The Ministry of Finance recently published a Draft Personal Income Tax Law (replacement version), proposing a number of significant amendments focused on broadening the tax base, adjusting deductions and tax brackets, and introducing new exemptions/reductions to promote priority sectors.

Key highlights of the Draft Law include:

1. Taxable Income

The scope of taxable income is expanded to include: E-commerce Digital platforms, Domain name transfers, Digital assets, Carbon credits, Auctioned vehicle license plates

2. Tax Rates

- Capital income: 5% of net income
- Capital transfers: 20% of capital gains or 2% of sales proceeds
- Securities: 20% of gains or 0.1% of sales proceeds per transaction
- Real estate: 20% of gains or 2%–10% of sales proceeds, depending on the holding period

3. Relief

- Self relief: VND 15.5 million
- Dependent relief: VND 6.2 million for each dependent.

4. Progressive Tax Rates

- Reduced to 5 tiers, with a maximum rate of 35%
- The reduction in tax brackets is intended to simplify tax administration, facilitate declaration and calculation, and align with international personal income tax reform trends.

5. Tax Exemptions/Reductions

- Green bond interest
- Income from agricultural cooperatives
- Income from scientific and technological activities
- Start-up projects
- High-tech workforce

6. Tax Administration Procedures

- Introduce withholding at source for e-commerce platforms and organizations making cross-border income payments

• Expand electronic tax filing and payment
Further updates on this topic will be provided in upcoming Taxflash. If you would like more information or an assessment of how the new PIT Law may affect your situation, please contact us.

Mid-shift Meal Allowance

According to Clause 9, Article 34 of Decree No. 44/2025/NĐ-CP dated 28 February 2025 and Official Letter No. 915/BNI-QLDN1 dated 22 July 2025 of Bac Ninh Tax on PIT treatment of mid-shift meal allowances effective from 15 June 2025:

- If meals are arranged (including purchases) for employees by the employer:: Not included in the employee's PIT-taxable income
- If cash allowance is provided: Only the excess of the amount specified in the company's internal policy limit is included in PIT-taxable income

Dependent Registration

According to Official Letter No. 2821/CT-CS from the Tax Department dated 30 July 2025:

- Dependents only need to be registered and supported with documentation once during the period they are eligible for deductions
- When changing workplaces, dependents can be re-registered for deductions during the current tax filing period at the new workplace (due to lack of system integration)
- In the future, information on dependent deductions will be able to be stored and retrieved via tax identification numbers or personal ID numbers.

TAX POLICIES & MANAGEMENT



Supplementary Tax Filings

Official Letter No. 3034/CT-CS dated 8 August 2025 of the tax department provides as follows:

- Before 1 January 2025: If a tax audit or inspection conclusion has been issued, any supplementary filing that reduces tax payable or increases deductible/input tax, or increases tax exemptions/reductions/refunds must follow the tax appeal procedures.
- From 1 January 2025 onwards: Taxpayers may submit supplementary tax returns within 10 years from the deadline of the original return, provided it is before any audit/inspection decision is announced, and not related to a period or scope already covered by a tax audit/inspection.

Temporary Exit Ban

According to Tax Department's Official Letter No. 2915/CT-CS dated 4 August 2025, individuals with overdue tax debts who attempt to leave the country for permanent residence or relocation abroad may be subject to temporary exit bans.



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