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TAX FLASH

ISSUE No. 02/2026

INTRODUCTION

UHY Vietnam is pleased to present Tax Flash No. 02/2026, highlighting significant tax and legal developments recently introduced in Vietnam, together with key regulatory changes that may have implications for your business.

We hope our Tax Flash provides you with timely insights into the latest legislative developments and supports you in evaluating their potential impact on your business operations and compliance obligations.

Should you need further information or assistance in applying these regulations, please do not hesitate to contact UHY for a detailed discussion.

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IN THIS ISSUE

Significant tax policy developments of the period

Decree 245/2026/ND-CP

Issued on 27 June 2026, effective from 27 June 2026 until the end of 30 December 2026.

Eligible taxpayers

- Enterprises and organisations (including branches and affiliated units filing separately), business households and business individuals operating in the sectors listed in Appendix I of Decree 245/2026.
- Small and micro enterprises under the Law on Support for SMEs 2017 & Decree 80/2021.
- Multi-sector operations including a sector in Appendix I: the entire VAT, CIT and PIT payable is eligible for extension.

Up to 05 months

VAT & PIT of business households and business individuals (not applicable to VAT at importation)

03 / 02 months

Provisional CIT of Quarter II/2026 (03 months) and Quarter III/2026 (02 months)

05 months

50% of the land rental payable for the first installment of 2026 (annual land rental payment)

General notes

- Taxpayers continue to file tax returns in accordance with prevailing regulations.
- No late payment interest is charged on the extended tax and land rental amounts during the extension period.

Extended payment deadlines & procedures

Tax / land rental	Tax period	Extension period	Extended deadline
VAT; PIT of business households and business individuals	May 2026	Up to 05 months	**20 November 2026**
	June, July, August, September 2026		**21 December 2026**
	Quarter II/2026		**02 November 2026**
	Quarter III/2026		**30 December 2026**
Provisional CIT	Quarter II/2026	03 months	**02 November 2026**
	Quarter III/2026	02 months	**30 December 2026**
Land rental (50% of the first installment payable in 2026)	Year 2026	05 months	**02 November 2026**

02 Nov 2026 — Deadline for the Request for extension (form in Appendix II)

Procedures for the extension

- Taxpayers continue to file tax returns as legally required.
- Submit the Request for extension once for all extended periods — together with the monthly/quarterly tax return or no later than 2 November 2026; requests submitted after this date are not eligible.
- The tax authority is not required to notify acceptance; if a taxpayer is found ineligible, it will notify in writing and the taxpayer must pay the full tax, land rental and late payment interest.
- No late payment interest is charged on the extended amounts during the extension period.

Decree 253/2026 & Circular 87/2026

On 30 June 2026, the Government issued Decree 253/2026 detailing the implementation of the PIT Law. On same day, the Ministry of Finance isued Circular 87/2026/TT-BTC. Notable points include:

Mid-shift and lunch allowances

730,000 → **1.2 million** VND/employee/month

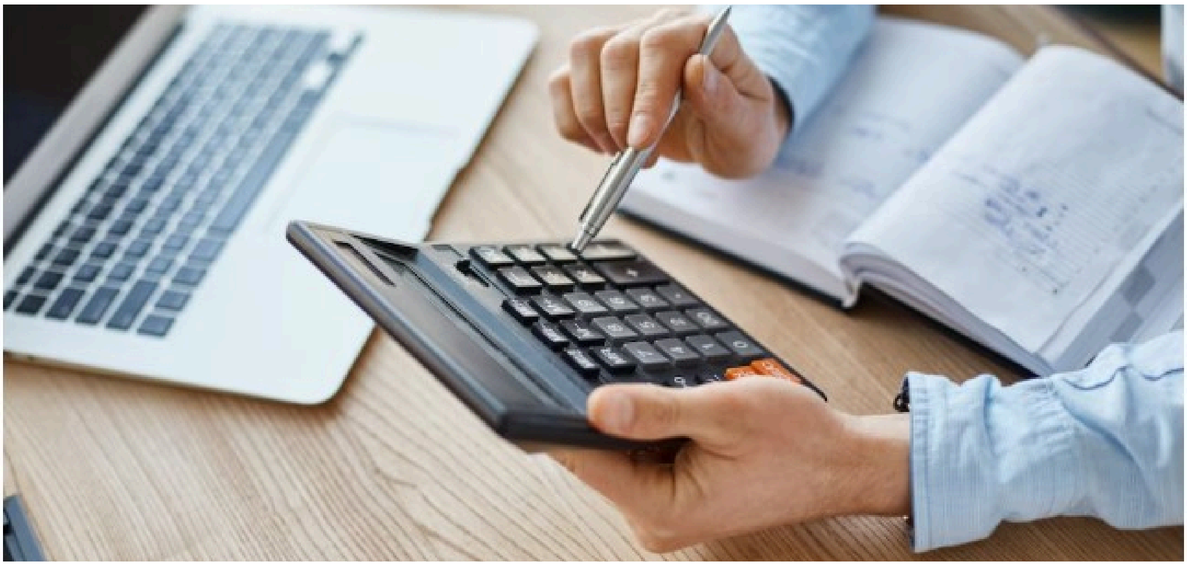
- The new exempt cap applies from 1 July 2026; any excess remains subject to PIT.
- Where the enterprise organises the mid-shift meal itself: non-taxable.

Housing benefits

- Accommodation built by the employer (including electricity, water and related services): non-taxable, regardless of location.
- Rent, electricity and water paid by the employer: included in taxable income at the actual amount paid, capped at 15% of total taxable income (excluding rent, utilities and related services).

15%

Non-taxable / tax-exempt income — other new points



Severance and job-loss allowances

- Amounts paid in excess of statutory levels but under the enterprise's internal policies: not included in the employee's taxable income.

Payment for unused annual leave

- Exempt if paid under Clause 3, Article 113 of the Labour Code, the Law on Cadres and Civil Servants and the Law on Public Employees.
- Amounts exceeding statutory limits: included in taxable income.

Transfer of open-ended fund certificates — PIT exempt if held for at least 2 years from the purchase date

- Applies to open-ended fund certificates established under securities law; the holding period is determined at the time of sale.
- Fund certificates acquired before 1 July 2026 and transferred from 1 July 2026: still exempt if held for at least 2 years.
- Where purchased at different times: the first-in, first-out (FIFO) principle applies to determine the holding period.

Voluntary pension fund

3 million VND/month

Maximum deduction, covering both employer contributions for the employee and the employee's own contributions (if any).

Medical & education expenses

47 million VND/year (maximum)

- Medical: ≤ 23 million VND/year, domestic medical examination and treatment covered by health insurance.
- Education: ≤ 24 million VND/year, tuition from pre-school to university and vocational training.

Conditions for deduction of medical and education expenses

(i) Invoices and supporting documents as prescribed; medical expenses also require a statement of medical costs under Ministry of Health regulations.

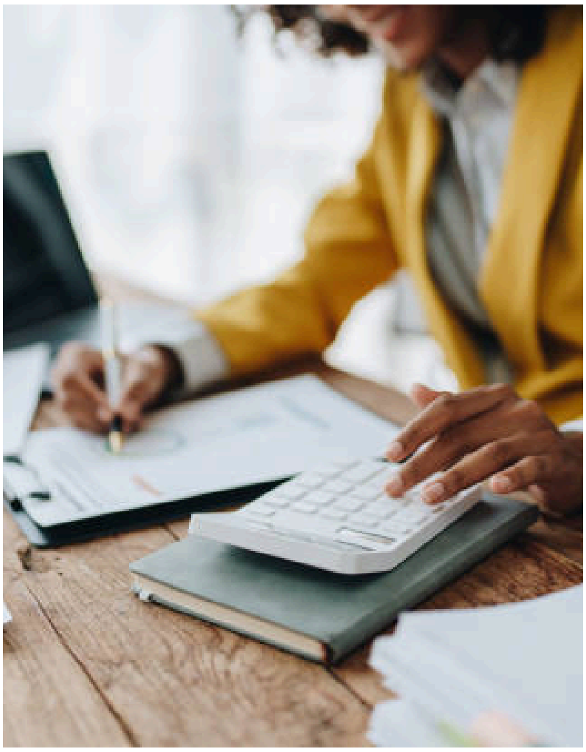
(ii) Invoices and documents must show the information of the taxpayer or the dependant.

(iii) Not paid from other sources: sponsorship, support, payment on behalf, State budget, social/health insurance funds or any form of insurance payout.

New categories of taxable income & transitional provisions

New other taxable income (Article 16)

- Transfer of Vietnamese national ".vn" domain names.
- Transfer of greenhouse gas emission reduction results and carbon credits (except the first transfer by the individual granted or recognised).
- Transfer of auctioned vehicle registration plates.
- Transfer of digital assets: virtual assets, crypto assets and other digital assets.



10% withholding threshold on irregular income

VND 2 million → 5 million
per payment

Effective date

1 July 2026

For business income and income from wages and salaries of resident individuals: applicable from the 2026 tax year.

Declarations before & after 1 July 2026

- Tax years up to 2025: deadlines for registering and filing dependant supporting documents follow the previous regulations.
- PIT on employment income already declared and paid for 2026 from 1 January to before 1 July 2026 under the old rules: no need to re-file monthly/quarterly returns — adjustments (if any) at the 2026 annual finalisation.

Notable guidance from the tax authorities on CIT

Top-up CIT — global minimum tax

Official Letter No.2697/CT-CS dated 28 April 2026 (referring to Decree 236/2025/ND-CP)

- Payroll costs included in the substance-based income exclusion must meet the criteria for eligible payroll costs and eligible employees;
- And constitute direct, separate personal benefits for employees (Point 6.2, Section II, Appendix II, Decree 236/2025).

Overseas entertainment expenses

Official Letter No.4879/QNG-QLDN1 dated 22 June 2026 of the Quang Ngai Tax Department

- Deductible when determining taxable income if all conditions in Clause 1, Article 9 of CIT Law No. 67/2025/QH15 are satisfied;
- And they do not fall within the non-deductible expenses under Article 10 of Decree 320/2026/ND-CP.

Illegal use of invoices

Official Letter No.1527/AGI-NVDTP dated 19 June 2026 — An Giang Tax Department

- Illegal use of invoices to record expenses: not entitled to CIT incentives for the corresponding tax year;
- And subject to administrative penalties under Article 17 of Decree 125/2020/ND-CP.

Carbon credits & VAT refunds on construction services for EPEs

VAT on carbon credit transactions

Official Letter No. 2401/CT-CS dated 15 April 2026 of the Tax Department (referring to Official Letter No. 683/BTC-CST dated 19 January 2026 of the Ministry of Finance)

The transfer of carbon credits is treated as a supply of services.

10%

Services consumed in Vietnam — subject to VAT

0%

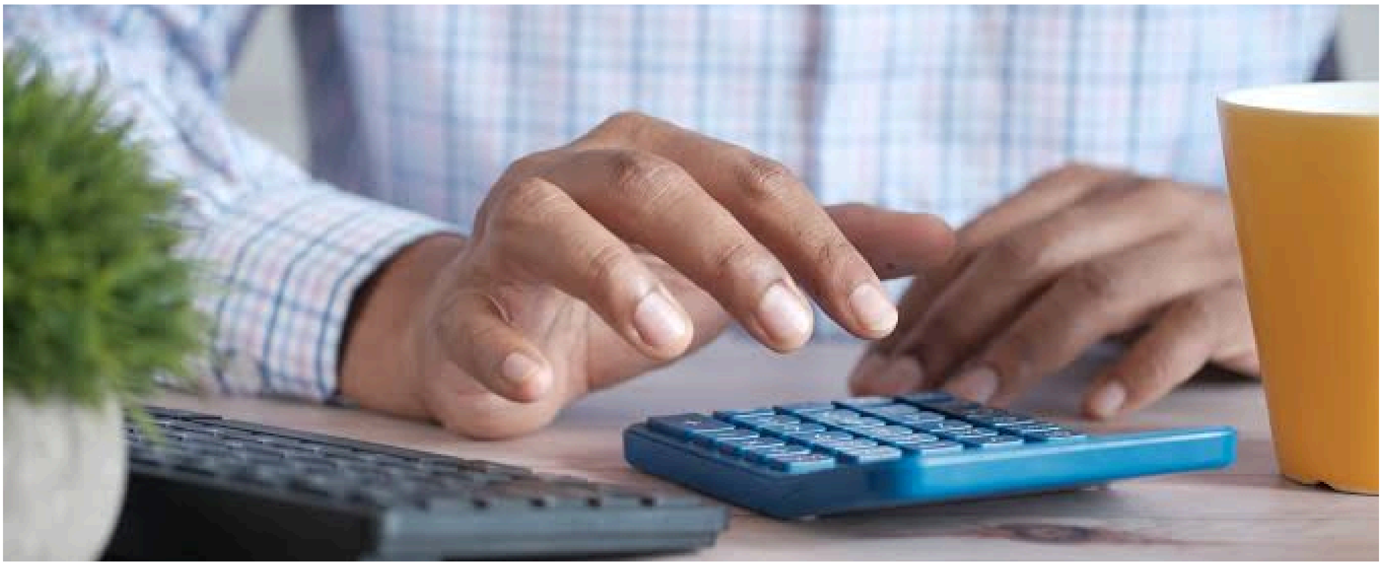
Determined to be exported services

VAT refunds — construction services for EPEs

Official Letter No. 2689/CT-CS dated 24 April 2026 of the Tax Department (referring to Official Letter No. 2782/CT-CS dated 30 July 2025 and Official Letter No. 873/TC-CTCS dated 26 February 2025 of the Tax Department)

- VAT refunds for domestic enterprises providing construction services to export processing enterprises are not tied to the EPE's construction permit.
- Reason: prevailing VAT law does not stipulate a construction permit or land documents as a condition for refunds on exported goods and services.

Decree 144/2026/ND-CP amending Decree 181/2025/ND-CP



Issued on 5 May 2026 — three notable groups of amendments:

Objects not subject to VAT

- Sale of certificates of deposit: not subject to VAT — no longer limited to transactions between non-credit institutions.
- Insurance brokerage commissions are added to the objects not subject to VAT.

Allocation of creditable input VAT

- Revenue of credit institutions, foreign bank branches, securities activities and insurance business: determined under the respective specialised laws.
- Total revenue used as the allocation basis includes revenue not subject to VAT declaration and calculation.

Input VAT credit for deferred and installment payments

- Input VAT may be declared and credited before the contractual payment due date.
- At the due date without supporting non-cash payment evidence: Adjust input VAT already credited, and make suplementary declaration and credit for the adjusted input VAT upon availability of supporting documents.

Bank payment documents for export VAT refunds

Official Letter No. 3251/CT-CS dated 21 May 2026 of the Tax Department

- Transfer of money from the importer's account to the exporter's account under the contract; the document is the credit note of the exporter's bank.
- Export entrustment: the entrustor must have bank payment documents and this payment method must be stipulated in the contract.
- Payment received from an enterprise in Vietnam other than the importer: the condition for input VAT credit and refund is not satisfied.

VAT policy where EPEs sell goods into the domestic market

Official Letter 3292/CT-CS dated 21 May 2026 of the Tax Department

- Sale of products manufactured by the EPE into the domestic market (not another business activity): treated as goods imported from a non-tariff zone; use sales invoices “For organisations and individuals in non-tariff zones”.
- Where the EPE has other business activities: it becomes a VAT payer for such activities; it uses electronic sales invoices or electronic VAT invoices depending on its declaration method.

Decree 252/2026/ND-CP — expanded exit suspension due to tax debts

Issued on 30 June 2026, guiding the Law on Tax Administration 2025. Thresholds applicable to taxpayers subject to enforcement of administrative decisions on tax administration:

≥ VND 50 million

tax debts overdue ≥ 120 days

Business individuals and heads of business households

≥ VND 500 million

tax debts overdue ≥ 120 days

Beneficial owners and legal representatives of enterprises, cooperatives and unions of cooperatives

Notification process

- At least 30 days in advance, the tax authority sends a notice of the intended exit suspension via the tax administration information system to the taxpayer's electronic tax transaction account.

Other additional groups

- Entities no longer operating at their registered address that, 120 days after the notice, have not reinstated or deactivated their tax code.
- Foreign individuals with overdue tax debts; Vietnamese citizens emigrating or residing overseas with overdue tax debts before leaving Vietnam.

Decree 252/2026/ND-CP — other new points

Effective: 1 July 2026

Standardised tax registration deadlines

The Decree standardises deadlines for tax registration procedures, including initial registration, registration changes, business suspension notifications and tax code deactivation filings.

Masking personal identification numbers upon disclosure

Only the full name and the last 04 digits of the identification number (ID card/passport) are disclosed; the remaining characters must be masked or encrypted (Article 4).

Invoice issuance during enforcement

The Decree provides additional guidance on the conditions under which taxpayers subject to enforcement through suspension of invoice use may continue to obtain invoices on a case-by-case basis.

Protecting taxpayers during tax system failures

The tax authority must confirm and publicly announce the incident; taxpayers may file electronically after restoration or in person/by post without being treated as late; erroneous auto-issued documents must be withdrawn or corrected.

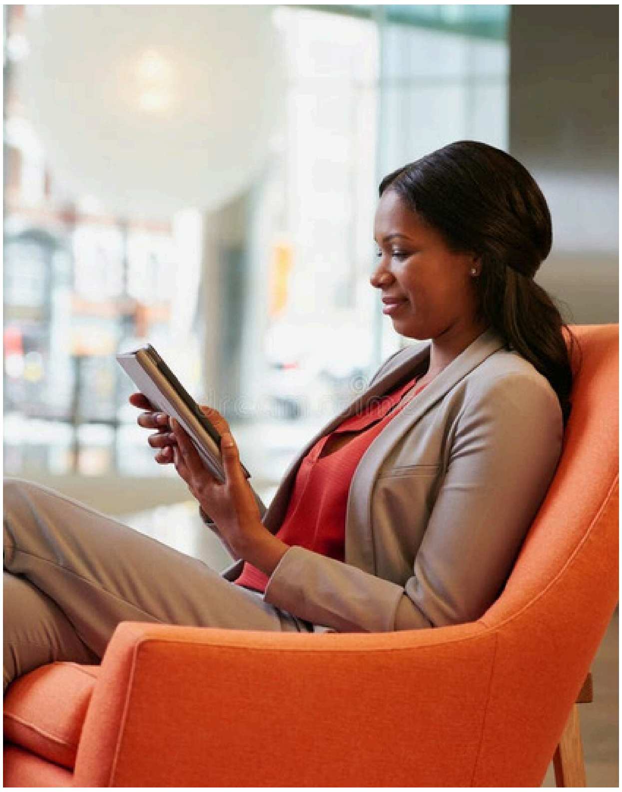
Replacement of a series of old decrees

The replaces a number of existing decrees guiding the Law on Tax Administration, consolidating tax administration rules into a more streamlined and unified legal framework.

Decree 254/2026/ND-CP on electronic invoices and documents (1/2)

Cases exempt from e-invoices from 1 July 2026 (Article 7)

- Business households and individuals: sales subject to purchase listings; real estate leasing; supply of digital content overseas; lottery, insurance and multi-level marketing agents already subject to withholding.
- Reinsurance fees, deposit-taking, financial activities, debt sales, foreign currency and derivatives; capital contribution in assets; internal asset transfers upon division, separation, consolidation or merger; machinery lent for processing free of charge.
- Goods circulated internally for production and business; receipts of compensation in cash, bonuses, collections on behalf, etc.



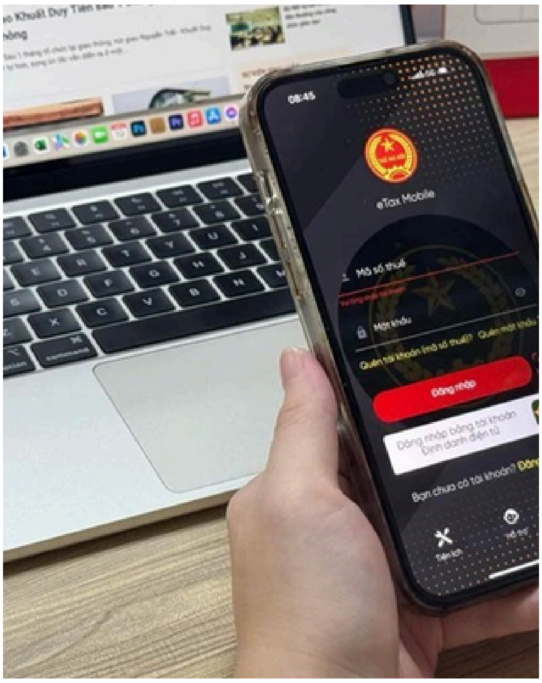
Revised invoice issuance timing

- Receipt of a deposit (Civil Code 2015) for a service contract: no invoice is required yet.
- More services may be reconciled and invoiced within 7 days: digital technology, digital platforms, IT, e-advertising, insurance, security, industrial catering, passenger transport for enterprises and organisations, etc.
- Healthcare providers: may issue a consolidated invoice at the end of the day for medical services (subject to conditions).
- Transactions outside office hours without automatic invoicing software: no later than the following working day.

Decree 254/2026/ND-CP on electronic invoices (2/2)

Data sharing with the Tax Department

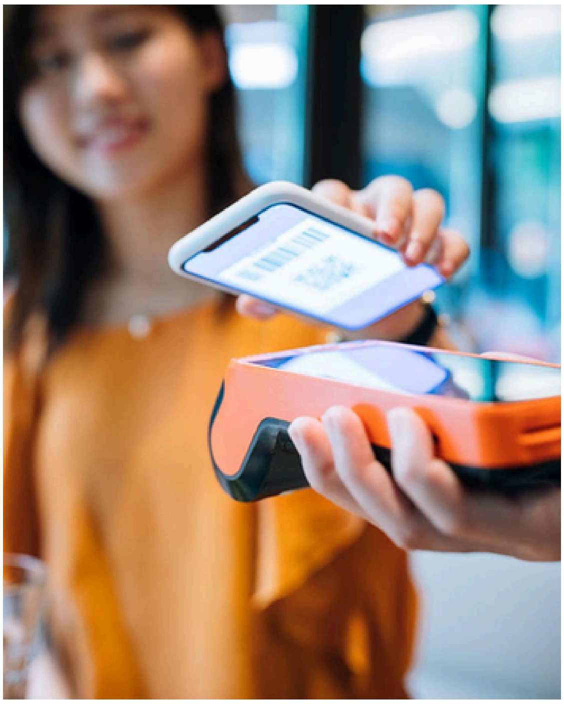
Market surveillance, land, geology & minerals, police, transport and health authorities must connect and share data to build the e-invoice database.



Reward for reporting failure to issue invoices — up to VND 10 million per case

The reward is ≤ 10% of the penalty, capped at VND 10 million per case, where the information is truthful, sufficiently substantiated and the tax authority has issued a penalty decision. Reporting channels: eTax Mobile, the National Public Service Portal, email and the tax authority's electronic systems.

Effective: 1 July 2026



Destruction of unused pre-printed invoices

They must be destroyed under Ministry of Finance procedures. Self-printed and pre-printed paper receipts may be used until 31 December 2026; from 1 January 2027, electronic receipts in the standard format apply.

New requirements on invoice content

State the name, code and address of each business location (business households sharing one tax code; petroleum enterprises state the code of each outlet). Where the buyer provides no details: state "Sold to consumers"; for foreign customers: state the passport number and nationality.

Circular 21/2026/TT-BTC, biometric authentication & quarterly PIT declaration

Circular 21/2026/TT-BTC amending Circular 80/2021

- Updates dossiers and procedures and replaces forms — including Form 05/TNDN (capital transfers by foreign investors) in line with the CIT Law and Decree 320/2025.
- Transition: capital transfer contracts signed before 15 December 2025 are declared using Form 05/TNDN of Circular 80/2021.
- Effective: 17 March 2026.

Biometric authentication for e-invoice registration

Official Letter No. 3078/CT-NVT dated 15 May 2026 of the Tax Department:

- Legal representatives must complete biometric authentication on eTax Mobile, linked to a level-2 VNeID account, when newly registering or changing e-invoice usage information.
- Not yet applicable to foreign legal representatives who do not yet meet level-2 electronic identification requirements.

Quarterly PIT declaration

- Resolution 66.16/NQ-CP (7 April 2026) & Decision 109/QD-BTC (8 May 2026): the PIT declaration procedure and Form 05/KK-TNCN — applicable to organisations and individuals withholding PIT on wages and salaries — switch to quarterly declaration periods.
- Effective: 15 April 2026 – 28 February 2027.

Decree 255/2026/ND-CP on tax administration for related-party transactions (1/2)

Issued on 30 June 2026, replacing Decree 132/2020/ND-CP and Decree 20/2025/ND-CP.

Clarified definitions & transfer pricing documentation

- Key concepts are aligned with the Law on Tax Administration: Ultimate Parent Entity (UPE) and the application of double tax treaties.
- Transfer pricing documentation must be prepared no later than the CIT finalisation deadline and retained for submission upon request.

Hierarchy for the use of comparable data

1. Publicly available official sources (stock exchanges, commodity exchanges, national databases)
2. Commercial databases
3. Tax authority databases

Expanded transfer pricing documentation exemptions

Revenue below VND 200 billion → below VND 500 billion

(subject to the prescribed conditions) — the “simple functions” criterion is also removed, widening the range of enterprises eligible for the exemption.

Decree 255/2026/ND-CP on tax administration for related-party transactions 21/2)

Consolidated revenue threshold for CbCR filing

VND 18 trillion → ***EUR 750 million***

(converted at the State Bank of Vietnam exchange rate)

Enhanced CbCR framework — closer to international practice

- CbCR must be submitted in XML format within 12 months after the fiscal year-end of the Ultimate Parent Entity (UPE) — where a local filing obligation arises in Vietnam.
- A one-time notification of the CbCR filing entity is introduced using Form 01/TB-BCLN; updates are required only when the information changes.
- CbCR serves transfer pricing risk assessment purposes only — it may not be used as the sole basis for tax adjustments.

Effective date & transitional provisions

- Effective from 1 July 2026, applicable from the 2026 CIT period.
- Decree 132/2020/ND-CP and Decree 20/2025/ND-CP cease to have effect from 1 July 2026.
- Enterprises eligible for the transitional provisions under Article 3 of Decree 20/2025/ND-CP may continue to apply them for the remaining period.

Effective: 1 July 2026

Decree 161/2026/ND-CP — adjustment of the statutory base salary from 1 July 2026

STATUTORY BASE SALARY

2,340,000 → 2,530,000

VND / month

Cap on salary for compulsory SI and HI contributions: VND 50,600,000/month (= 20 times the base salary)

- Decree 161/2026/ND-CP was issued on 15 May 2026 and takes effect from 1 July 2026.
- Enterprises should review SI and HI contributions for employees whose salaries are near or above the new cap.

Law 09/2026/QH16 amending the Laws on PIT, VAT, CIT and SCT

Passed by the National Assembly on 24 April 2026 — notable new points:

Revenue threshold exempt from PIT & VAT

- The Government is authorised to stipulate the annual revenue threshold exempt from PIT and VAT for resident individuals with income from production and business, in line with socio-economic conditions in each period.

Revenue threshold exempt from CIT

- The Government is authorised to stipulate the annual revenue threshold eligible for CIT exemption, in line with socio-economic conditions in each period.

Extended SCT roadmap for electric vehicles

- The roadmap for increasing SCT rates on battery-powered motor vehicles with fewer than 24 seats is extended from 2027 to 2031.

Effective: 24 April 2026. However, the amendments on PIT, VAT and CIT take effect from 1 January 2026.

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