

PROFESSIONAL NEWSLETTER APRIL 2025

B. OFFICIAL LETTER FOR GUIDANCE AND RESPONSES

1. Government. Decree No. 82/2025/ND-CP dated April 2, 2025

Re: Deferral of value-added tax, corporate income tax, Personal income tax and Land rent in 2025

1. VAT (except for VAT on imports)

a) Deferral is granted to VAT (including VAT distributed to provinces other than the province in which the taxpayer is headquartered, separately incurred VAT) incurred during the period from February to June 2025 (for monthly declared VAT), and tax periods of the first quarter (Q1), and the second quarter (Q2) of 2025 (for quarterly declared VAT) payable by the enterprises and organizations mentioned in Article 3 of this Decree. Deferral period shall be 06 months for VAT incurred during February, March, and Q1 of 2025; 05 months for VAT incurred during April, May, June, and Q2 of 2025. These deferral periods begin from the deadline for payment of VAT prescribed by regulations of law on tax administration.

Enterprises and organizations that are eligible for deferral shall complete and submit the monthly/quarterly VAT return in accordance with applicable laws but are not required to pay the VAT specified in the VAT return. Deadlines for payment of monthly/quarterly VAT: The deadline for payment of VAT of February 2025 is September 20, 2025.

The deadline for payment of VAT of March 2025 is October 20, 2025.

The deadline for payment of VAT of April 2025 is October 20, 2025.

The deadline for payment of VAT of May 2025 is November 20, 2025.

The deadline for payment of VAT of June 2025 is December 20, 2025.

The deadline for payment of VAT of Q1 2025 is October 31, 2025.

The deadline for payment of VAT of Q2 2025 is December 31, 2025.

b) In case an enterprise or organization mentioned in Article 3 of this Decree has branches or affiliated units that separately declare VAT to their supervisory tax authorities, these branches or affiliated units are also eligible for VAT deferral. In case a branch or affiliated unit of an enterprise or organization mentioned in Clause 1, Clause 2 or Clause 3 Article 3 of this Decree does not operate in the business line eligible for tax deferral, it is not eligible for VAT deferral.

2. CIT

a) Deferral will be granted to provisional CIT of Q1 and Q2 2025 payable by the enterprises and organizations specified in Article 3 of this Decree. Deferral period shall be 05 months from the deadline for payment of CIT according to regulations of law on tax administration.

b) In case an enterprise or organization mentioned in Article 3 of this Decree has branches or affiliated units that separately declare CIT to their supervisory tax authorities, these branches or affiliated units are also eligible for CIT deferral. In case a branch or affiliated unit of an enterprise or organization mentioned in Clause 1, Clause 2 or Clause 3 Article 3 of this Decree does not operate in the business line eligible for tax deferral, it is not eligible for CIT deferral.

3. VAT and PIT payable by household businesses and individual businesses

Deferral will be granted to VAT and PIT of 2025 payable by household businesses and individual businesses operating in the business lines specified in Clause 1, Clause 2 and Clause 3 Article 3 of this Decree Household businesses and individual businesses shall pay the deferred tax specified in this clause by December 31, 2025.

4. Land rents

Deferral shall be granted to 50% of annual land rents incurred in 2025 (the first installment in 2025) payable by enterprises, organizations, households, household businesses, individuals specified in Article 3 of this Decree that are directly leasing land from the State under Decisions or Contracts of competent authorities. Deferral period shall be 06 months from May 31, 2025.

This also applies to any enterprise, organization, household, household business or individual that has multiple land lease decisions or contracts with the State and has various business operations, including those in the business lines specified in Clause 1, Clause 2 and Clause 3 Article 3 of this Decree.

5. In case an enterprise, organization, household, household business or individual has various business operations including those in the business lines specified in Clause 1, Clause 2 and Clause 3 Article 3 of this Decree: the enterprise or organization will be granted deferral of the entire amount of VAT, CIT payable; the household business or individual business will be granted deferral of the entire amount of VAT, PIT payable as instructed in this Decree.

**2. Tax Department. Official Dispatch No. 393/CT-CS dated April 1, 2025
Re: Inheritance of Incentives upon Enterprise Transformation**

- At Clauses 2 and 5, Article 3 of the Government's Decree No. 101/2006/ND-CP dated September 21, 2006, providing for the re-registration, transformation, and registration for new investment certificates of foreign-invested enterprises under the provisions of the Enterprise Law and the Investment Law.

2. "Enterprise transformation" means the transformation of the type of enterprise by a foreign-invested enterprise under the Enterprise Law and the Investment Law for which a new investment certificate is granted."

5. "Transformed enterprise" means a foreign-invested enterprise which changes its form under the Enterprise Law and the Investment Law and is granted a new investment certificate."

- At Article 14 of the aforementioned Decree No. 101/2006/ND-CP provides that:

"Article 14.- Rights and obligations of transformed enterprises

1. Transformed enterprises shall take over all legitimate rights and interests, and be liable for unpaid debts, labor contracts and other obligations of pre-transformed enterprises.

2. A transformed enterprise is entitled to operate under its investment certificate; to continue to enjoy investment preferences stated in the investment license, for licensed investment projects in which foreign investors hold at least 30% of the charter capital; and to other rights specified in the Enterprise Law and the Investment Law.

3. A transformed enterprise has the obligations defined in the Enterprise Law and the Investment Law."

Point 5, Section II, Part E of Circular No. 134/2007/TT-BTC dated November 23, 2007, of the Ministry of Finance, guiding the implementation of the Government's Decree No. 24/2007/ND-CP of February 14, 2007, detailing the implementation of the Law on Enterprise Income Tax, provides that:

“5. During the period of enjoying enterprise income tax incentives, if a business establishment is reorganized (divided, split, merged or consolidated) or has its ownership transformed according to law, the new business establishment, which is resulted from the above change, will continue enjoy enterprise income tax incentives as before for the remaining period of these incentives, provided that it still satisfies the conditions for enjoying investment incentives.”

3. Sub-Department of Taxation – Region VI. Official Dispatch No. 1638/CCTKV06-QLDN1 dated April 21, 2025

Re: Value-Added Tax Refund

Pursuant to Article 19 of the Law on Export and Import Duties dated April 16, 2016, which provides for tax refund:

“Article 19. Tax refund

1. Cases of tax refund:

- a) Any taxpayer who has paid export duty or import duty but has no exports or imports, or the quantity of exports or imports is smaller than the quantity on which duty is paid;
- b) Any taxpayer who has paid export duty but the exports have to be re-imported shall receive a refund of export duty and does not have to pay import duty;
- c) Any taxpayer who has paid import duty but the imports have to be re-exported shall receive a refund of import duty and does not have to pay export duty;
- d) Any taxpayer who has paid tax on goods imported to serve manufacture or business operation and they have been used for manufacture of exports and the products are already exported;

...

2. Tax on the goods specified in Point a through c of Clause 1 of this Article shall be refunded if such goods have not been used or undergone working or processing.

3. The procedures for tax refund shall comply with regulations of law on tax administration.”

Pursuant to Article 36 of the Government's Decree No. 134/2016/ND-CP dated September 1, 2016, detailing a number of articles and providing measures for the implementation of the Law on Export and Import Duties:

“Article 36. Refund of duties on goods initially imported for business operation but eventually used for manufacture of domestic exports

1. Paid import duties on goods that are initially imported for business operation but eventually used for manufacture of goods that have been exported into a foreign country or a free trade zone shall be refunded.

2. Import duties on the following imports are refundable:

- a) Raw materials, supplies (including those for manufacture of packages of exports), components, semi-finished products imported incorporated into the exports or used during the manufacture of exports without being incorporated into the exports;
- b) Imported finished products that are attached on exports or packed with exports as a whole;
- c) Components and parts imported for repair of exports under warranty.

3. Basis for determination of eligibility for duty exemption:

- a) The manufacturer of exports has a factory where exports are manufactured in Vietnam; owns or has the right to use machinery and equipment at the factory which is suitable for the raw materials, supplies and components imported for manufacture of exports;
- b) The value or quantity of imported raw materials, supplies and components on which import duties are refundable is the actual value or quantity of raw materials, supplies and components used for the manufacture of the products that are exported in reality;
- c) The exported products are declared as domestic exports;
- d) The manufacturer directly imports goods and exports the products or authorizes another entity to do so.

The taxpayer shall provide truthful information about the exports derived from the imported goods on the customs declaration.

4. Where a type of raw materials, supplies or components is used to manufacture more than one type of products but only one of them is exported, import duties shall be refunded according to the ratio of the quantity of raw materials, supplies or components incorporated into the exported products to the total value of products manufactured.

... ”

Pursuant to Article 2 of Circular No. 25/2018/TT-BTC dated March 16, 2018 (amending and supplementing Clause 4, Article 18 of Circular No. 219/2013/TT-BTC dated December 31, 2013 of the Ministry of Finance, as amended and supplemented by Circular No. 130/2016/TT-BTC dated August 12, 2016 of the Ministry of Finance):

“a) In a month (in case of monthly declaration) or quarter (in case of quarterly declaration), if the input VAT on exported goods/services (including goods that are imported and subsequently exported to non-tariff areas and the goods that are imported and subsequently exported to other countries) of a business establishment remains at least 300 million dong after being offset against, it shall be refunded by month or quarter. If such input VAT is less than 300 million dong, it shall be offset against in the next month/quarter.

In a month/quarter, if a business establishment has both exported goods/services and goods/services sold domestically, input VAT on purchases used for manufacturing of exported goods/services shall be separately recorded. Otherwise, input VAT shall be determined according to the ratio of revenue from exported goods/services to total revenue from goods/services accrued from the tax period succeeding the period in which tax is refunded to the current period in which tax refund is claimed.

If the input VAT on exported goods and services (including the input VAT separately recorded and the input VAT determined through the aforementioned ratio) remains at least 300 million dong after having been deducted from VAT on goods and services sold domestically, the business establishment shall receive a refund of VAT on exported goods and services. The refunded amount of VAT on exported goods and services shall not exceed the revenue from such exported goods and services multiplied by (x) 10%.

...

b) VAT will not be refunded if the goods are imported and then exported outside a customs-controlled area in accordance with regulations of law on customs or the goods are exported outside the customs control area in accordance with regulations of law on customs.

... ”