

PROFESSIONAL NEWSLETTER JUNE 2025

I. NEW TAX REGULATIONS EFFECTIVE FROM JULY 1, 2025

1. Major change regarding tax identification numbers from July 1, 2025

From July 1, 2025, pursuant to Article 35 of the Law on Tax Administration 2019, individual tax identification numbers will be replaced by personal identification numbers. This regulation applies to taxpayers, tax authorities, and other relevant agencies, organizations, and individuals involved in the use of tax identification numbers.

2. Addition of non-taxable value-added tax (VAT) entities

The 2024 Law on Value-Added Tax introduces a new VAT exemption. Specifically, imported goods donated or sponsored for the purposes of natural disaster, epidemic, or war prevention and control shall be exempt from VAT.

3. Amendment to VAT taxable price for imported goods

According to Article 7 of the 2024 Law on Value-Added Tax, the taxable price for imported goods shall be determined by the total of the following components: = customs valuation for import tax purposes (pursuant to the Law on Export and Import Duties) + import duty + any additional import duties (if applicable) + special consumption tax (if applicable) + environmental protection tax (if applicable).

4. Detailed guidance on correcting input VAT declaration errors

Under Point đ, Clause 1, Article 14 of the 2024 Law on Value-Added Tax, in cases where a business entity discovers errors in the declaration or deduction of input VAT, it is allowed to make supplementary declarations prior to the announcement of a tax inspection or audit decision by the competent authority. Specifically:

+ If the supplementary declaration results in an increase in tax payable or a reduction in refundable tax, the taxpayer must declare in the period in which the error arose. Additionally, the taxpayer must fully pay the additional tax amount or return the over-refunded tax, along with any late payment interest (if applicable), to the state budget.

+ If the supplementary declaration results in a reduction of tax payable, or merely adjusts the deductible VAT amount carried forward to the next period, the taxpayer may declare in the period the error is discovered.

5. Addition of VAT refund eligibility

Pursuant to Article 14 of the 2024 Law on Value-Added Tax, a new case of VAT refund is added as follows: A business entity engaged exclusively in the production of goods or provision of services subject to the 5% VAT rate is entitled to a VAT refund if, after 12 months or 4 quarters, it has an outstanding input VAT amount of VND 300 million or more that has not yet been fully credited.

6. Amendment to input VAT deduction conditions: mandatory non-cash payment requirement

Effective from July 1, 2025, under Decree No. 181/2025/ND-CP, all transactions for the purchase of goods or services with a value of VND 5 million or more (including VAT)—whether for domestic or imported goods and services—must be supported by non-cash payment documents to qualify for input VAT deduction.

7. Adjustment of value-added tax (VAT) rates for certain goods and services

According to Article 9 of the 2024 Law on Value-Added Tax, VAT rates for certain goods and services are adjusted as follows:

7.1. Addition of new entities eligible for 0% VAT rate

The new law expands the scope of goods and services eligible for the 0% VAT rate, including:

- + International transportation services;
- + Construction and installation works performed overseas or in non-tariff zones;
- + Goods sold in airport isolation areas to foreigners or Vietnamese citizens who have completed exit procedures; goods sold at duty-free shops;
- + Exported services, including: leasing of vehicles for use outside the territory of Vietnam; aviation and maritime services provided directly to international transportation activities or through agents.

7.2. Reclassification of certain products from VAT-Exempt to 5% VAT rate

The following products, previously exempt from VAT, will now be subject to a 5% VAT rate:

- + Fertilizers;
- + Fishing vessels operating in marine areas.

7.3. Reclassification of certain products from 5% to 10% VAT rate

Certain goods and services previously subject to a 5% VAT rate will now be subject to the standard 10% VAT rate, including:

- + Unprocessed forestry products;
- + Sugar and by-products from sugar production (molasses, bagasse, filter cake);
- + Specialized equipment and instruments for teaching, research, and scientific experimentation;
- + Cultural, exhibition, sports, and artistic performance activities; film production; importation, distribution, and screening of films.

8. Addition of VAT regulation for promotional goods

Pursuant to the new provisions under Article 7 of the 2024 Law on Value-Added Tax, from July 1, 2025, the taxable value for VAT purposes shall be zero (0) for goods and services used for promotional purposes, provided that the conditions prescribed by the laws on commerce are met.

II. NEW REGULATIONS ON TAX ADMINISTRATION EFFECTIVE FROM JULY 1, 2025

Principles of Tax Administration (Article 5 of the Law on Tax Administration 2019, as amended in 2024): From July 1, 2025, tax administration shall adhere to the following principles:

- + Reform of administrative procedures and application of modern information technology in tax administration;

- + Application of international tax administration practices, including:
 - ⇒ The principle that the substance of activities and transactions shall determine tax obligations;
 - ⇒ The principle of risk-based tax administration;
 - ⇒ And other principles in conformity with the specific conditions of Vietnam.
- + Application of priority measures in tax procedures for exported and imported goods in accordance with the provisions of the customs law and regulations of the Government.

1. Additional subjects required to use e-invoices

From June 1, 2025, foreign suppliers without a permanent establishment in Vietnam but conducting e-commerce business, digital platform-based business, or cross-border service provision, if voluntarily registering to use e-invoices, must use value-added tax (VAT) invoices.

2. Business households and individual businesses may authorize third parties to issue e-invoices

From June 1, 2025, the scope of sellers allowed to authorize third parties to issue e-invoices is expanded to include business households and individual businesses.

3. Additional regulations on types of invoices applicable to export processing enterprises and electronic commercial invoices

a) Additional regulations on types of invoices for export processing enterprises

In cases where export processing enterprises conduct business activities other than processing for export, the type of invoice used depends on the VAT declaration method:

- + If declaring VAT under the direct method → use sales invoices.
- + If declaring VAT under the credit method → use VAT invoices.

b) Electronic commercial invoices

This type of invoice applies to organizations, enterprises, and individuals exporting goods or providing services abroad. A condition for using this type of invoice is the capability to transfer invoice data to the tax authority through electronic means.

4. Additional regulations on the time of invoice issuance (from June 1, 2025)

The new law provides clearer regulations on the time of invoice issuance in certain specific cases:

- + For exported goods:
 - ⇒ The seller may determine the time of invoice issuance, but no later than the next working day from the date the goods are cleared through customs.
- + For services provided to foreign organizations and individuals:
 - ⇒ The time of invoice issuance is the same as for domestic services – it is the time the service provision is completed, regardless of whether payment has been received.
- + Additional provisions on the time of invoice issuance for other specific cases.

5. Additional mandatory information on e-invoices (from June 1, 2025)

From June 1, 2025, several new mandatory details are required on e-invoices, including:

- + Buyer's information: Addition of personal identification number or code of budget-related units.
- + Name of goods or services: To be specified more clearly in particular sectors such as food & beverage and transportation services.

- + Revisions to invoice contents in industries such as: Electricity and water; Telecommunications and information technology; Television services; Postal and delivery services; Banking, securities, and insurance.

- + Cases where some information may be exempt from e-invoices: For businesses operating in casinos or prize-winning electronic games, the following may be omitted: Name, address, tax code of the buyer, and buyer's digital signature.

6. Clarification of cases where the time of invoice issuance differs from the time of digital signature

- + In cases where the time of invoice issuance and the time of digital signing are different:
- + Digital signing and data submission to the tax authority (for both invoices with and without tax authority code) must be completed no later than the next working day from the date of invoice issuance (except for cases of summary table issuance as regulated).
- + The seller declares tax based on the date of invoice issuance.
- + The buyer declares tax based on the time of receipt of a valid invoice with correct and complete form and content as prescribed.

7. Expansion of subjects required to use e-invoices generated from cash registers

From June 1, 2025, the scope of entities required to use e-invoices generated from cash registers connected to the tax authority's database is expanded to include:

- + Business households and individual businesses with annual revenue from VND 1 billion or more as prescribed in Clause 1, Article 51 of the Law on Tax Administration No. 38/2019/QH14.
- + Business households and individual businesses as stipulated in Clause 2, Article 90 and Clause 3, Article 91 of the 2019 Law on Tax Administration.
- + Enterprises selling goods or providing services directly to consumers.

8. Abolishment of the regulation on cancellation of issued incorrect invoices

- + From June 1, 2025: The regulation on cancellation of issued incorrect invoices is no longer applicable. Instead, in order to revise or replace incorrect invoices, the following is required:
- + A written agreement between the seller and the buyer (if the buyer is an organization, business household, or individual business, etc.). If the buyer is a regular individual, the seller only needs to notify directly or post the information on the website.
- + Additional provision allowing one invoice to be issued to replace or adjust multiple incorrect invoices if they are from the same month and issued to the same buyer.

III. RESOLUTION NO. 198/2025/QH15 ON TAX EXEMPTION AND REDUCTION, EFFECTIVE FROM JUNE 1, 2025

- + Exemption from personal income tax and corporate income tax for income earned from the transfer of shares, contributed capital, rights to contribute capital, rights to purchase shares or contributed capital in innovative start-up enterprises;
- + Exemption from personal income tax for 02 years and a 50% reduction of payable tax for the following 04 years, applied to income from salaries and wages received by experts and scientists working at innovative start-up enterprises, research and development centers, innovation centers, and intermediary organizations supporting innovation start-ups;
- + Corporate income tax exemption for small and medium-sized enterprises for 03 years from the date of issuance of the first enterprise registration certificate;

+ Training and retraining expenses incurred by large enterprises for small and medium-sized enterprises participating in supply chains shall be deductible expenses when determining taxable income for corporate income tax purposes.

IV. RESOLUTION NO. 204/2025/QH15 ON A 2% VALUE-ADDED TAX (VAT) REDUCTION, APPLICABLE FROM JULY 1, 2025 TO DECEMBER 31, 2026

Pursuant to Resolution No. 204/2025/QH15, from July 1, 2025 to the end of December 31, 2026, the VAT rate shall be reduced by 2%, from 10% to 8%, applicable to groups of goods and services specified in Clause 3, Article 9 of the Law on Value-Added Tax 2024.

This 2% VAT reduction policy shall not apply to the following groups of goods and services: telecommunications, financial activities, banking, securities, insurance, real estate business, metal products, mining products (excluding coal), and goods and services subject to special consumption tax (excluding gasoline).

V. LAW ON SOCIAL INSURANCE 2024 (REPLACING THE LAW ON SOCIAL INSURANCE 2014), EFFECTIVE FROM JULY 1, 2025: MINIMUM 15 YEARS OF CONTRIBUTION TO BE ELIGIBLE FOR PENSION

Under the Law on Social Insurance 2024, employees are eligible to receive a monthly pension if they have paid social insurance contributions for at least 15 years (reduced from the previous requirement of 20 years), provided that they also meet one of the following conditions:

- + Have reached the retirement age as prescribed in Clause 2, Article 169 of the Labour Code;
- + Have reached the retirement age as prescribed in Clause 3, Article 169 of the Labour Code and have a total period of compulsory social insurance contributions of at least 15 years while working in occupations or jobs that are classified as heavy, hazardous, dangerous, or especially heavy, hazardous, or dangerous;
- + Are up to 10 years younger than the retirement age prescribed in Clause 2, Article 169 of the Labour Code and have worked for at least 15 years in underground coal mining, as regulated by the Government;
- + Have been infected with HIV/AIDS due to occupational accidents while performing assigned duties.

