

## PROFESSIONAL NEWSLETTER JULY 2025

### I. POLICY ON ENTERPRISE LAW

Law No. 76/2025/QH15 dated June 17, 2025, has amended and supplemented certain articles of the Law on Enterprises. This Law takes effect from July 1, 2025, and includes several notable amendments and supplements as follows:

#### 1. Amendment and supplementation of the definition and method for determining the market value of capital contributions and shares

- For listed shares or shares registered for trading on the securities trading system:  
The market value is determined by one of the following methods:
  - + The average price over the most recent consecutive 30 days;
  - + An agreed price between the buyer and the seller;
  - + A price determined by a valuation organization.
- For unlisted shares or shares not registered for trading on the securities trading system: The market value is determined by one of the following methods:
  - + The most recent transaction price;
  - + An agreed price between the buyer and the seller;
  - + A price determined by a valuation organization.

#### 2. Addition of the definition of “Beneficial owner of a legal entity”

- A beneficial owner is an individual who actually owns the charter capital or has controlling power over the enterprise, except in the following cases:
  - + The authorized representative of the owner at an enterprise wholly owned by the State;
  - + The representative of state capital at joint stock companies or multi-member limited liability companies in accordance with regulations on management and investment of state capital in enterprises.

#### 3. Addition of the obligation to notify changes in beneficial ownership

- Enterprises are required to notify the business registration authority upon changes in beneficial ownership information, except for:
  - + Listed companies;
  - + Companies registered for securities trading.

#### 4. Right to access information on beneficial ownership

- Competent state authorities have the right to request the Business Registration Authority to provide information on beneficial ownership stored in the National Business Registration Information System.
- The provision of such information is free of charge and serves the purpose of anti-money laundering.

**5. Return of capital contributions to shareholders**

- A company may only return part of the contributed capital to shareholders in proportion to their shareholding ratio when:
  - + A resolution is passed by the General Meeting of Shareholders;
  - + The company has operated for at least two years from the date of business registration (excluding any period of registered business suspension).  
(This is an amendment from the previous regulation which only required two years of business operation without specifying other conditions.)

**6. Addition of cases for reduction of charter capital**

- A company may reduce its charter capital if:
  - + It returns contributed capital to shareholders upon request and in accordance with the conditions stated in the shares;
  - + This applies to shareholders holding redeemable preferred shares as regulated by the Law on Enterprises and the company's Charter.

**7. Addition of conditions for private placement of bonds by joint-stock companies that are not public companies**

- New condition:
  - + The total liabilities (including the value of the proposed bond issuance) must not exceed 5 times the equity, based on:
    - + The audited financial statements of the fiscal year immediately preceding the year of issuance.
- Exceptions – this condition does not apply to:
  - + State-owned enterprises;
  - + Enterprises issuing bonds to implement real estate projects;
  - + Credit institutions;
  - + Insurance, reinsurance, and insurance brokerage enterprises;
  - + Securities companies.

**II. TAX POLICY**

**1. Guidance on the implementation of certain regulations on invoices and documents under Circular No. 32/2025/TT-BTC dated May 31, 2025 of the Ministry of Finance (Effective from June 1, 2025)**

- This Circular provides guidance on the implementation of certain provisions of:
  - + The Law on Tax Administration 2019;
  - + Decree No. 123/2020/NĐ-CP;
  - + Decree No. 70/2025/NĐ-CP.
- Key regulations include provisions related to invoices and documents as follows:

***1.1. Transition from invoices without codes to invoices with codes:***

- Taxpayers currently using electronic invoices without codes may voluntarily switch to using electronic invoices with tax codes issued by the tax authority.

***1.2. Mandatory cases for switching to invoices with codes:***

- Taxpayers eligible to use invoices without codes but identified as high tax risk must switch to invoices with codes within 10 working days from the date of notification by the tax authority.
- After 12 months from the date of switching to invoices with codes, if the taxpayer wishes to resume using invoices without codes, they must complete procedures for changing their e-invoice usage information.

***1.3. For enterprises with multiple business activities:***

- Enterprises are allowed to:
  - + Register to use e-invoices generated from cash registers for direct sales to consumers;
  - + Use electronic invoices with or without codes for other business activities.

***1.4. Application of e-invoices in special cases:***

- For business activities that involve:
  - + Frequent transactions;
  - + Large volumes;
  - + Need for frequent reconciliation;
  - + Activities such as financial leasing...

**2. Tax administration for households and individuals doing business on e-commerce and digital platforms (Based on Decree No. 117/2025/NĐ-CP dated June 9, 2025; Effective from July 1, 2025)**

***2.1. Responsibilities of digital platform operators:***

- Deduct and remit VAT and Personal Income Tax (PIT) on behalf of individuals and households using the platform.
- Time of deduction: when a transaction is successfully confirmed and paid.
- Deduction rate: based on the revenue of each transaction; if the type of business cannot be identified, the highest deduction rate shall apply.
- Monthly tax declaration: with the ability to offset taxes of cancelled or refunded transactions.
- Provide annual electronic tax withholding certificates to business individuals and households.

***2.2. Obligations of business households and individuals:***

- No need to declare or pay tax if it has already been withheld and remitted by the platform.
- Self-declaration and payment required when:
  - + Operating on platforms without payment functions, the taxpayer must declare and pay taxes electronically.
- Non-resident individuals still have to pay tax based on a percentage of revenue, if not using a platform with payment functionality.
- Must provide tax code or personal identification information to the platform to fulfill tax obligations.

**2.3. Tax refund:**

- Business households and individuals may apply for a tax refund if, during the year:
  - + Their revenue is classified as not subject to VAT and PIT, even though tax has been withheld or voluntarily paid.
- Tax refund application must follow Form No. 03/CNKD-TMĐT.

**III. OFFICIAL LETTERS GUIDING AND CLARIFYING TAX POLICIES**

**1. Tax incentives in the fields of education, training, and non-agricultural land use**

- **Official letter No. 1430/CT-CS dated May 28, 2025:**
  - + Enterprises operating in the field of education and training, if they meet the requirements regarding the list of types, scale, and standards of socialized establishments in education, vocational training, healthcare, culture, sports, and environment, may enjoy Corporate Income Tax (CIT) incentives for income derived from training activities at those institutions.
  
- **Official letter No. 1455/CT-CS dated May 28, 2025:**

Land used for educational activities that meet the criteria for socialization, in accordance with the Prime Minister's decision, is entitled to:

  - + Exemption from non-agricultural land use tax for land used by socialized establishments;
  - + 50% reduction in land use tax for land used in investment projects in incentivized sectors.

**2. Corporate income tax (CIT) policies**

- **Official letter No. 1482/CT-CS dated May 30, 2025:**
  - + If an investment project area is reclassified into a tax-incentive zone after January 1, 2015, the enterprise is entitled to CIT incentives for the remaining period starting from the tax period in which the reclassification occurred.
  - + If a company's project is determined to be an expansion investment project, the company may choose one of the following CIT incentive methods:
    - ⇒ Apply the same CIT incentives as the existing project; or
    - ⇒ Apply tax exemption/reduction to the additional income from the expansion, equivalent to the incentives applicable to new investment projects in the same location or sector.
  
- **Official letter No. 1581/CT-CS dated June 5, 2025:**
  - + Financial contributions to the Vietnam Environmental Protection Fund for product/package recycling that are not related to business activities are not deductible for CIT purposes.

**3. Value added tax (VAT)**

- **Official letter No. 1456/CT-CS dated May 28, 2025:**
  - + If a company submits a supplemental return that reduces refundable VAT, it must:
    - ⇒ Repay the excess refunded VAT;
    - ⇒ Pay late payment interest, if applicable, as per tax regulations.

- **Official letter No. 1592/CT-NVT dated June 5, 2025:**
  - + If a company submits a supplemental VAT return that only increases or decreases the amount of uncredited VAT, it must:
    - ⇒ File a supplemental declaration;
    - ⇒ Report adjustments as follows: Box [38] for increases; Box [37] for decreases, on the VAT return of the current tax period (still within the filing deadline).
  
- **Official letter No. 1593/CT-CS dated June 5, 2025:**
  - + Income from leasing out agricultural land for planting:
    - ⇒ If the products are unprocessed or only basically processed ⇒ Not subject to VAT.
  - + If the activity is essentially land leasing for business purposes
    - ⇒ Must declare and pay VAT as per the VAT Law.
  
- **Official letter No. 1393/CCTKV18-QLDN2 dated April 29, 2025 (Tax Department – Region XVIII):**
  - + Out-of-province construction companies executing projects in another locality: Must declare and pay 1% temporary VAT in the local province (under Article 13 of Circular 80/2021/TT-BTC).
  - + No need to prepare VAT allocation tables for multi-province business if meeting conditions under Point c, Clause 2, Article 11 of Decree 126/2020/NĐ-CP.
  
- **Official letter No. 1132/BNI-QLDN2 dated July 24, 2025 (Tax Department – Region V):**
  - + For companies producing metal structures: If the products fall under industry code 25110 – "Metal structures" (per Decision No. 43/2018/QĐ-TTg), and are not listed in Appendix I of Decree 174/2025/NĐ-CP ⇒ Eligible for VAT reduction.
  - + For companies producing iron and steel products: If the products fall under industry code 24100 – "Iron and steel products", and are listed in Appendix I ⇒ Not eligible for VAT reduction.
  
- 4. Personal income tax (PIT)**
  - **Official letter No. 1580/CT-CS dated June 5, 2025:**
    - + If the family deduction for dependents (e.g. biological mother or child) was not applied in 2023, it may be retrospectively applied from the month the obligation to support arose, provided that:
      - ⇒ The tax finalization is done; and
      - ⇒ The dependents are properly registered in accordance with regulations.
  - **Official letter No. 672/CCTKV.XV-QLDN5 dated May 5, 2025 (Tax Department – Region XV):**
    - + If the company incorrectly registered the dependent's tax code, it must:
      - ⇒ File an adjustment using Form 20-ĐK-TH-TCT;
      - ⇒ Submit via the eTax system: <https://thuedientu.gdt.gov.vn>;
      - ⇒ The incorrect deduction will be disallowed, and PIT must be recalculated accordingly.

**5. Land lease and land rental exemptions/reductions**

– **Official letter No. 1687/CT-CS dated June 10, 2025:**

- + Enterprises are entitled to land rent exemption/reduction only after completing the procedures for such incentives.
- + Any delay in completing procedures results in forfeiture of exemption/reduction for the delayed period.

**6. Conversion of financial statements in foreign currency**

– **Official letter No. 7902/CCTKV.XVI-QLDN2 dated May 19, 2025 (Tax Department – Region XVI):**

- + If a company prepares its financial statements in foreign currency, it must:
  - ⇒ Convert them to Vietnamese dong (VND) when disclosing to the public and submitting to State authorities in Vietnam.
- + Conversion must comply with Clause 2, Article 107 of Circular 200/2014/TT-BTC.

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