



NEWSLETTER

VIETNAM

TAX COMPLIANCE

 Phu Quoc Island, Vietnam  N2NC

UPDATE 2026

IN THIS ISSUE

This issue summarizes recent updates in Vietnam's tax realm, including new Value-Added Tax (VAT) and Corporate Income Tax (CIT) laws for local entities, along with related decrees and circulars outlining implementation.

Additionally, entities should be aware of new penalties for invoice violations. The revised decree introduces a progressive fine structure based on the quantity of non-compliant invoices, underscoring the importance of adherence in invoice issuance.

On non-tax matters, the exemption of the business license fee (the annual registration fee) reflects a solid commitment from Vietnamese Government to fostering economic growth and hope for business success.

Finally, including in this issue is the helicopter's view of recent tax filing updates. With the shift to digital-first transformation, all declarations are now submitted online, removing the burden of paper filing and manual archiving.

HIGHLIGHT



VALUE-ADDED TAX

-  New rulings on Value-Added Tax

CORPORATE INCOME TAX

-  New rulings on Corporate Income Tax

INVOICE ADMINISTRATION

-  New rulings relating to invoice adjustment
-  Penalties on invoice violation

BUSINESS LICENSE FEE

-  BLF exemption onward

COMPLIANCE FILINGS

-  Digital transformation

WEF TIMELINE

VIETNAM TAX REGULATION 2026

1 Jun 2025**DECREE 70/2025/ND-CP**

Invoice adjustment, time
to issue VAT invoice,
invoice description

**1 Jul 2025****VAT REGULATIONS**

VAT 8% up to 31 Dec 2026

LAW ON VAT NO. 48/QH15 & RULINGS

Guiding VAT implementation

**1 Oct 2025****LAW ON CIT NO. 67/QH15**

New CIT rulings
introduce incentive rate
for business

**15 Dec 2025****DECREE 320/2025/ND-CP**

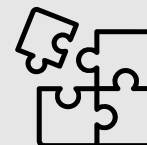
Guiding CIT
implementation for
local entities

**1 Jan 2026****RESOLUTION 198/2025/QH15**

BLF exemption from 2026

AMENDED LAW ON VAT NO. 149/QH15

Amending certain points in
VAT Law No. 48/QH15

**16 Jan 2026****DECREE 310/2025/ND-CP**

Penalties on invoice
violation



VALUE-ADDED TAX

8% VAT (down from 10%) applied up to 31 December 2026

New regulations on Value-Added Tax wef 1 July 2025

8% VAT APPLICABLE FROM 1 JAN TO 31 DEC 2026



Decree 174/2025/ND-CP



From 1 July 2025
To 31 December 2026



8% VAT (down from 10%) is still applied to all goods and services up to 31 Dec 2026, EXCEPT certain business activities.

Basically, 8% VAT is still applied to all goods and services up to 31 Dec 2026, EXCEPT:

- Financial activities, banking, securities, insurance
- Real estate business
- Metals and prefabricated metal products, mining products
- Goods and services subject to special consuming tax (SCT)

One significant change in this newly issued is that additional business activities such as **transportation, logistics, IT** are also subject to VAT rate reduction.

Continuing reduction of VAT rate to 8% reflects the Vietnam Government's commitment to fostering economic growth & release tax burden for business

NEW REGULATIONS ON VALUE-ADDED TAX



VAT Law No. 48/2024/QH15
Decree 181/2025/ND-CP
Circular 69/2025/TT-BTC
Amended VAT Law No. 149/QH15



From 1 July 2025, except amend
VAT Law No. 149 is from 1 Jan 2026



- Objects subject to certain VAT rate
- 0% VAT rate for exported goods and services
- Conditions for Input VAT deduction

OBJECTS SUBJECT TO CERTAIN VAT RATE

5%	Fertilizer	10%	Pre-processed turpentine
	Specialized machinery or equipment servicing agricultural production		Sugar and by-products in sugar production
	Business that buys raw products of cultivation and husbandry; aquaculture or fishing which have not yet been processed or which have only been semi-processed and resell to other business (*)		Equipment and instruments for teaching, research and scientific experiments
			Cultural activities, exhibitions, physical training and sports; performing arts except folk traditions; film production

(*) From 1 Jan 2026, this is not subject to VAT, input VAT is deductible (Amended VAT Law No. 149/QH15)

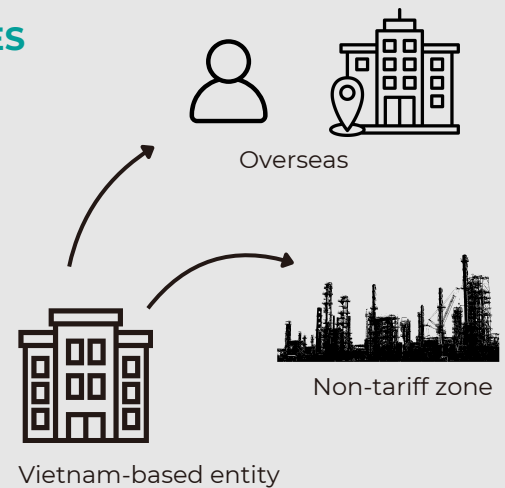
0% VAT RATE FOR EXPORTED GOODS AND SERVICES

Certain conditions for 0% VAT rate:

- Supplied directly to organizations or individuals overseas, **AND**
- Consumed outside of Vietnam;

OR

- Supplied to organizations located in non-tariff zones, **AND**
- Consumed within these zones to directly serve production and business activities.



Additional exported goods and services eligible for the 0% VAT rate:

- Digital content products supplied to foreign parties, with documentation and evidence proving consumption outside of Vietnam as stipulated by the Government.

Digital content products



Text



Audio



stored and transmitted on network environments to provide to foreign parties



Data



Image

Evidence of consumption outside of Vietnam

- Information regarding the residence status of the foreign party (delivery, payment address etc.)
- Information about accessibility (IP address, SIM phone etc.)

INPUT VAT DEDUCTION

Declaring input VAT invoice when having errors, omission:

- Additional declaring in the period in which the **error occurred** (month or quarter) if it results in an increase in tax payable or a decrease in refundable tax.
- Additional declaring in the period in which the **error is detected** (month or quarter) if it results in a decrease in tax payable or an increase in refundable tax

Reducing the threshold of non-cash payment as a mandatory conditions for deductible input VAT

- Any purchase of goods or service with the value from **VND5,000,000 (equivalent to USD190)**, including applicable VAT, must be supported by non-cash payment documentation.
- Non-cash payment documents are defined under Decree No. 52/2024/ND-CP by Government (credit card, bank transfer etc.)



The new value-added tax regulations enhance transparency and tax compliance, while supporting businesses in the agriculture, aquaculture, and fisheries sectors through adjustments to tax rates.

CORPORATE INCOME TAX

New regulations on Corporate Income Tax (CIT) and guidance rulings wef 1 October 2025, applicable retrospectively for FY2025



Law No. 67/2025/QH15
Decree 320/2025/ND-CP



Law No. 67 | 1 Oct 2025
Decree 320 | 15 Dec 2025
Applicable to FY2025



- Defining taxpayers and taxable income
- Deductible expense and non-cash payment document
- CIT standard rate and tax incentives

TAXPAYERS AND TAXABLE INCOME



Taxpayers

Domestic and foreign enterprises derive income through productions or business activities

Regular income



Income from production and business activities involving goods and services

Other income



Income from capital, real estate transfers, intellectual property rights, interest on deposits, collection of bad debt etc.

Tax-exempt



Income from agriculture in specially difficult areas, humanitarian aid etc.

DEDUCTIBLE EXPENSE & NON-CASH PAYMENT

Required conditions for expenditure to be treated as deductible items for CIT purpose

- Actual incurred and related to business activities
- Supported by legal document
- Non-cash payment for any expenses from **VND5,000,000 (equivalent to USD190)**. Non-cash payment vouchers must comply with regulations under VAT law.

(*) For enterprises located in extremely difficult areas

CIT RATE & TAX INCENTIVES

Standard Rate: 20%



Preferential rates for SMEs (based on the preceding year's revenue)

- 15% | Annual revenue \leq VND3 billion.
- 17% | VND3 billion $<$ annual revenue $<$ VND50 billion



Incentive with certain condition (*)

- 4-year exemption, 9-year 50% reduction
- 2-year exemption, 4-year 50% reduction

The new CIT Law provides preferential rates for small and micro-sized enterprises while promoting the green economy and digital transformation, supporting business growth and national development goals.

INVOICE ADMINISTRATION

Invoice adjustment wef 1 June 2025

Penalties on invoice violation wef 16 January 2026

INVOICE ADJUSTMENT



Decree 70/2025/ND-CP



From 1 June 2025



- Invoice adjustment when having mistake, error
- Invoice description
- Invoice issuance timing
- No “invoice cancellation” is applied for adjustment

INVOICE ADJUSTMENT

(*) Reference of Regulations & Effective timeline

Article 19, Decree 123/2020 wef 1 July 2022

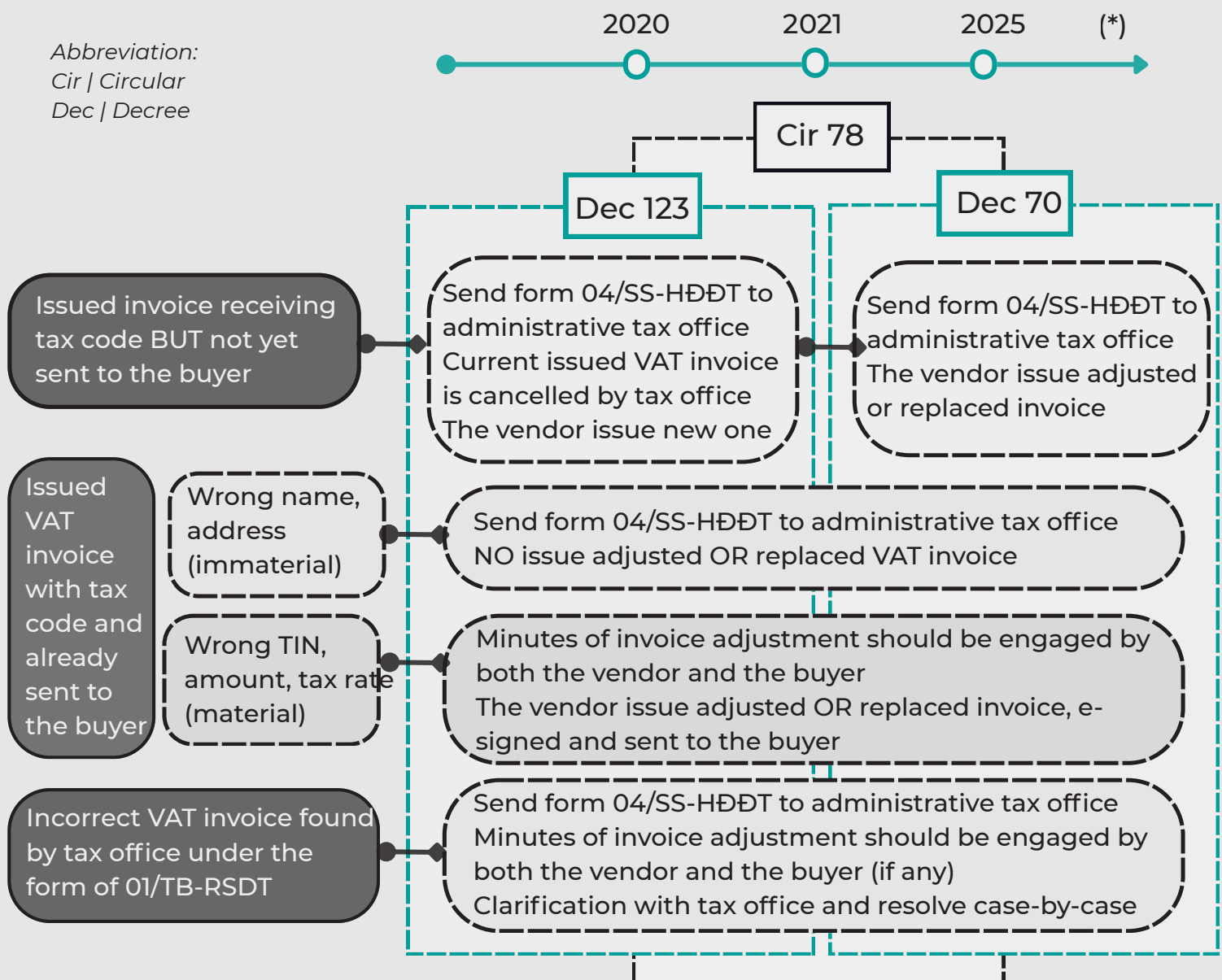
Article 7, Circular 78/2021 wef 1 July 2022

Decree 70/2025 amending Decree 123/2020 wef 1 Jun 2025

Abbreviation:

Cir | Circular

Dec | Decree



INVOICE DESCRIPTION


- For food and beverage services, the invoice must specify the names of each dish (do not use generic terms such as “foods & drinks”).
- For transportation services, the invoice must clearly state the vehicle license plate number and the route, including “the pick-up” and “drop-off” point

INVOICE ISSUANCE TIMING

When providing services: issue the invoice at the time the service is completed.

ELIMINATION OF INVOICE CANCELLATION/VOIDING

- This is a crucial change in this Decree, aims to reduce the fraudulent action when handling errors on issued invoices.
- Businesses can now choose between using an **adjustment invoice** or a **replacement invoice** to correct mistakes.

CONTENT	ADJUSTMENT INVOICE	REPLACEMENT INVOICE
Required input	Adjustment for invoice Form No... symbol... number... date... month... year	Replacing for invoice Form No... symbol... number... date... month... year
Amended content	<p>For content errors: Tax code, specifications, product name => input the correct content accurately.</p> <p>For errors in value (amount, tax rate, unit price, total amount etc.)</p> <ul style="list-style-type: none"> • Clearly state the adjustment increase or decrease • Increase (+) decrease (-) 	<p>Input fully and accurately of a new regular invoice</p> 
Invoice issuance	<p>The seller signs the new e-invoice to adjust or replace the erroneous electronic invoice</p> <p>The vendor sends the amended invoice to the buyer</p>	

Decree 70 accelerates the application of digital transformation technology in invoice issuance by **allowing e-invoices to be issued directly from cash registers** (specifically for F&B and consumer goods sectors that require high-volume invoicing). This helps businesses save costs, minimize the risk of errors, and increase transparency in expense recording for buyers.

Additionally, Decree 70 provides clear and flexible guidance on **handling errors during invoice issuance**. Businesses can now choose between using an **adjustment invoice** or a **replacement invoice** to correct mistakes. Notably, the "invoice cancellation" (voiding) procedure is no longer applicable

PENALTIES ON INVOICE VIOLATION



Decree 310/2025/ND-CP



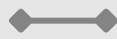
- Penalties in invoice violation
- Principles for applying fines with aggravating and mitigating circumstances in invoice violation
- Transitional provision



From 16 January 2026

PENALTIES ON INVOICE VIOLATION & PRINCIPLES FOR APPLYING FINES

Before 16 January 2026



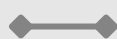
Decree 125/2020/ND-CP

VIOLATION	COMMON PENALTY
Untimely issuance of invoices	Warning (if it does not result in late tax payment) or VND4-8 million
Loss, damage, or burning of invoices	VND4-8 million (lower brackets apply if invoices are recovered or if mitigating circumstances exist).
Failure to issue an invoice upon sale	VND10-20 million
Use of illegal or counterfeit invoices	VND20-50 million (provided the violation does not warrant criminal prosecution)
Late submission of issuance notices	Warning or VND2-5 million, depending on the number of days delayed.

Currently, the principles for administrative penalty on invoice violation when having aggravating or mitigating circumstances:

- **1 Mitigating:** Average fine - 10%
- **1 Aggravating:** Average fine + 10%
- **Limits:** Penalties must remain within the prescribed minimum and maximum range of the fine bracket

From 16 January 2026



Decree 310/2025/ND-CP

The penalties under this Decree have been adjusted to more clearly distinguish between **untimely issuance** and **failure to issue an invoice**, as well as between **invoices for regular sales** and those for **gifts or donations**.

Fines are applied according to a “**progressive principle**” based on the number of non-compliant invoices.

The specific fine structure is categorized as follows:

A | Number of non-compliant invoice

<div>Penalties amount</div> <div>A</div>	Invoice for regular goods and service trading	
	Untimely issuance	Failure to issue an invoice
1	VND500,000 - 1,500,000 (USD23 - 80)	VND1,000,000 - 2,000,000 (USD38 - 75)
$2 \leq A < 10$	VND2,000,000 - 5,000,000 (USD75 - 190)	VND2,000,000 - 10,000,000 (USD75 - 380)
$10 \leq A < 20$	VND5,000,000 - 15,000,000 (USD190 - 570)	VND10,000,000 - 30,000,000 (USD380 - 1,135)
$20 \leq A < 50$	VND15,000,000 - 30,000,000 (USD570 - 1,135)	VND30,000,000 - 50,000,000 (USD1,135 - 1,895)
$50 \leq A < 100$	VND30,000,000 - 50,000,000 (USD1,135 - 1,895)	VND60,000,000 - 80,000,000 (USD2,275 - 3,030)
$A \geq 100$	VND50,000,000 - 70,000,000 (USD1,895 - 2,650)	Up to VND80,000,000 (Up to USD3,030)

<div>Penalties amount</div> <div>A</div>	Invoice for goods and services for gifts, donation	
	Untimely issuance	Failure to issue an invoice
1	Warning fine	Warning fine
$2 \leq A < 10$	VND500,000 - 1,500,000 (USD23 - 80)	VND1,000,000 - 2,000,000 (USD38 - 75)
$10 \leq A < 50$	VND2,000,000 - 5,000,000 (USD75 - 190)	VND2,000,000 - 10,000,000 (USD75 - 380)
$50 \leq A < 100$	VND5,000,000 - 15,000,000 (USD190 - 570)	VND10,000,000 - 30,000,000 (USD380 - 1,135)
$A \geq 100$	VND15,000,000 - 30,000,000 (USD570 - 1,135)	VND30,000,000 - 50,000,000 (USD1,135 - 1,895)

From 16 Jan 2026, the principles for administrative penalty on invoice violation:

- **1 Mitigating:** Average fine - 10% | **2+ Mitigating:** Minimum fine of bracket
- **1 Aggravating:** Average fine + 10% | **2+ Aggravating:** Maximum fine of bracket

TRANSITIONAL PROVISION

For invoice violations committed before January 16, 2026, but discovered after that date, the regulations of Decree 310/2025 shall apply.

Decree 310/2025 introduce certain new concepts relating to violation sanction:

Behavior-Based Fines: Penalties are now based on the nature of the violation rather than cumulative per invoice, preventing the burden of fines.

Accurate Liability: Clearly distinguishes responsibilities among taxpayers and third parties to ensure penalties are applied to the correct party

Exemption Clauses: administrative sanctions exempt from force majeure events

BUSINESS LICENSE FEE

Exemption of business license fee (BLF) from 1 January 2026 following Resolution 198/2025/QH15



Resolution 198/2025/QH15



BLF exemption for current Vietnam-based enterprise
No BLF initial declaration for newly established entities



From 1 January 2026

From 1 Jan 2026, BLF is no longer applied for Vietnam-based enterprise. Newly established entities from 2026 is also not required to submit BLF initial declaration.

Before 1 Jan 2026

Level	Charter	BLF (VND)	BLF (USD)
1	Under VND 10 billion	2 million	80
2	From 10 billion VND and above	3 million	115
3	Representative office, branch	1 million	40

After 1 Jan 2026



BLF exemption for current Vietnam-based enterprise

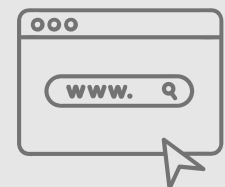


BLF initial declaration for newly established entities is no longer required

COMPLIANCE FILINGS

As Vietnam advances the implementation of digital technology for enterprise monitoring, online filing for periodical compliance is now mandated across all areas, including tax declarations and license amendments.

With respect to tax submission, all businesses are required to file online through the official portal **dichvucong.gdt.gov.vn**. The current one **thudientu.gdt.gov.vn** shall be shut down once the transition is completed



To lower cyber fraud risks, Vietnam-based companies must obtain an **organizational identification number** after administrative boundaries merge, achieved via **VNeID application** of the legal representative of the company. This **unique ID** will be served as an identification code for all future online transactions.



Vietnam's "dual reform"—the abolition of the Business License Fee and the National Digital Transformation program—significantly lowers market barriers and modernizes compliance.

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