



April 2025 Newsletter

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1 PIT finalization

OL No. 794/CCTKV.XVI/QLDN2 dated 31 March 2025 issued by the Regional Tax Department XVI regarding PIT finalization:

In cases where an individual earns income from salaries or wages under a labor contract of three months or more at a single location and is still employed by the Company but does not authorize the Company to finalize taxes on their behalf, the individual must declare and finalize their PIT with the tax authority. The Company should support by providing relevant data and withholding certificates to guide the individual in fulfilling their tax finalization obligations with the tax authority by the attached forms specified in Circular No.80/2021/TT-BTC dated 29 September 2021 issued by the Ministry of Finance.

2 Implement the provision of information on PIT paid on behalf of individuals

OL No. 894/CCTKV.XVI-QLDN2 dated 3 April 2025 issued by the Regional Tax Sub-Department XVI regarding deploying the provision of information on personal income tax paid on behalf of individuals:

According to Clause 2 of OL No. 828/TCT-KK dated 25 February 2025 issued by the General Department of Taxation regarding the implementation of providing information on personal income tax (PIT) paid on behalf of individuals.

"2. Information to be collected: The amount of PIT paid on behalf of each individual by the income-paying organization, as detailed in the PIT declaration, including: General information of the document for state budget payment; detailed information of each individual for whom the tax was declared and paid on their behalf (Tax Identification Number, taxpayer's name, amount of tax additionally paid, amount paid to the state budget, amount of tax overpaid known in advance and offset (if any))..."

Based on the above guidance, the provision of information is to be carried out electronically immediately after the tax payment is completed. The Company is requested to comply with the regulations and provide the information accordingly.

3 PIT policy for expenses after the termination of the labor contract

OL No. 1180/CCTKV.XVI-QLDN2 dated 8 April 2025 issued by the Regional Tax Sub-Department XVI regarding PIT policy for expenses after the termination of the labor contract.

In case the Company incurs payment of wages, remuneration and other expenses to employees after the termination of the labor contract, these payments shall be included in the employee's PIT taxable income as prescribed in Clause 2, Article 2 of Circular No.111/2013/TT-BTC. The Company shall deduct tax according to the provisions of Clause 1, Article 25 of Circular No. 111/2013/TT-BTC of the Ministry of Finance.

4 Determining PIT for individuals signing contracts to manage insurance agencies

OL No. 528/CT-CS dated 10 April 2025 issued by the Tax Department regarding determining PIT for individuals signed contracts to manage insurance agencies:

The principles for determining PIT are as follows:

- In cases where an individual works as an insurance agency manager but is not considered a business individual and does not fall under the scope of Article 2 of Circular No. 40/2021/TT-BTC, then the Company signs a labor contract with the individual under Article 13 of the Labor Code and the individual's income is classified as employment income (salary or wages) by Point c, Clause 2, Article 2 of Circular No. 111/2013/TT-BTC.
- In cases where an individual signs a contract to act as an insurance agency manager and is considered a business individual, then the income is classified as business income, and the individual must declare and pay tax following the Circular No. 40/2021/TT-BTC if the annual business income exceeds VND 100,000,000.

5 PIT policy

OL No. 532/CT-CS dated 10 April 2025 issued by the Tax Department regarding PIT policies:

- In cases where an individual signs a service contract with the Company but does not have a business registration as prescribed and is not subject to the application of Article 2 of Circular No. 40/2021/TT-BTC, the individual's income shall be considered as income from wages and salaries by Point c, Clause 2, Article 2 of Circular No. 111/2013/TT-BTC dated 15 August 2013 issued by the Ministry of Finance. The Company is responsible for withholding and declaring taxes as guided in Point i, Clause 1, Article 25 of the Circular No. 111/2013/TT-BTC.
- In cases where an individual signs a service contract with the Company and qualifies as a trader: the individual operates commercial activities independently and regularly, and has a business registration as a household business in the same business line as stated in the service contract - then the individual's income shall be considered business income under Article 2 of Circular No. 40/2021/TT-BTC dated 1 June 2021 of the Ministry of Finance.

6 PIT policy on severance allowance

OL No. 1741/CCTKV.XVI-QLDN2 dated 10 April 2025 issued by the Regional Tax Sub-Department XVI regarding the PIT policy on severance allowance.

Where the Company provides severance allowances under the provisions of the Labor Code and the Law on Social Insurance, the allowances are not subject to declare and pay personal income tax as stipulated at Point b.6, Clause 2, Article 2 of Circular No. 111/2013/TT-BTC of the Ministry of Finance regarding income from salaries and wages.

7 PIT policy

OL No. 632/CT-CS dated 16 April 2025 issued by the Regional Tax Sub-Department I regarding the PIT policies:

Income from wages and salaries for night shifts or overtime work, which is paid at a higher rate than the wages and salaries for daytime or regular working hours prescribed by the Labor Code, is exempt from personal income tax.

The determination of related-party relationships and deductible interest expenses

OL No. 195/CCTKV13-QLDN3 dated 25 March 2025 issued by the Regional Tax Sub-Department XIII regarding the determination of related-party relationships and deductible interest expenses:

Based on the above provisions, as of 2024, if the total loans carried over from 2023 and the additional loans in 2024 equal at least 10% of the owner's capital contribution as stipulated in Clause 2, Article 5 of Decree No. 132/2020/ND-CP, the company is considered to have a related-party relationship with the owner. The determination of the total deductible interest expenses when calculating corporate taxable income for businesses with related-party transactions shall be carried out under the provisions of Clause 3, Article 16 of Decree No. 132/2020/ND-CP.

9 CIT Policy

OL No. 393/CT-CS dated 1 April 2025 issued by the Tax Department regarding CIT policy:

The animal feed production company, after re-registering the business, changing the investor name, converting the business type, and transferring all shares, rights, and obligations of the foreign investor, continues to meet the conditions for CIT incentives before the conversion. Therefore, the animal feed production company is entitled to inherit the CIT incentives according to the investment license issued for the remaining period.

In case the income from animal feed manufacturing qualifies as income from processing in the agricultural sector in areas that are not classified as regions with difficult socio-economic conditions or areas with particularly difficult socio-economic conditions, this income will be subject to a tax rate of 15% from 2015.

During the same period, if the company is entitled to multiple tax incentives for the same income, the company may choose to apply the most beneficial tax incentive.

10 Determining CIT period for newly established companies

OL No. 1009/CCTKV.XVI-QLDN1 dated 4 April 2025, issued by the Regional Tax Sub-Department XVI regarding determining CIT period for newly established companies:

Where the Company was established under the initial Business Registration Certificate issued on 27 December 2024 and applied the calendar year as its tax period, then the Company's first CIT period is determined from 27 December 2024 to 31 December 2024. Since this period is shorter than 3 months, it shall be combined with the following tax year (2025) to form a single CIT period. The first or last CIT period must not exceed 15 months in total. The Company's accounting period must comply with the provisions of the Accounting Law No.88/2015/QH13 and Law No.56/2024/QH15 as mentioned above.

OL No. 514/CT-CS dated 9 April 2025 issued by the Tax Department regarding CIT policies:

From 1 January 2014, the CIT laws have stipulated that the entities eligible for CIT incentives are new or expansion investment projects that meet the preferential conditions in terms of investment sectors or locations and there are no provisions for CIT incentives applicable to the extension period of an investment project compared to the original investment project.

OL No. 634/CT-CS dated 14 April 2025 issued by the Tax Department regarding investment incentives:

- In case the Company has an investment project that meets the list of areas eligible for CIT incentives as stipulated in Decree No. 218/2013/NĐ-CP, the Company shall be entitled to CIT incentives based on the actual satisfactory conditions.
- In case the Company leases a factory for production and business purposes but the lessor has not yet met the conditions required to lease out the factory, then the factory rental expenses or depreciation expenses of the fixed asset being the factory (if depreciation is applied to this asset) are not yet eligible to be included as deductible expenses when determining the Company's corporate taxable income according to Article 4 of Circular No. 96/2015/TT-BTC dated 22 June 2015 of the Ministry of Finance (amending and supplementing Article 6 of Circular No. 78/2014/TT-BTC).

13 VAT refund for investment projects and CIT incentives

OL No. 306/CCTKV.XVI-QLDN4-TNI dated 21 April 2025 issued by the Regional Tax Department XVI regarding VAT refund for investment projects and CIT incentives:

- In case the Company has a new investment project that is still in the investment phase, not yet commenced operations, incurs input VAT on goods and services during the investment phase accumulates to VND 300 million or more has not yet been fully deducted, the VAT refund applicable is basically according to provisions of the laws on investment, construction, VAT, and actual conditions.*
- In case the Company applies the accounting regime, invoices, vouchers, declares and pays CIT on a declaration basis and meets the conditions for a new investment project as prescribed, the Company is entitled to CIT incentives based on the actual satisfactory conditions.*

13 VAT refund for investment projects and CIT incentives

- In the case, the Company is eligible for multiple tax incentives for the same income during the same period, the Company may choose to apply the most favorable incentive. During the period of CIT incentives, when the enterprise conducts multiple business and production activities, the Company should separately calculate the income from activities entitled to CIT incentives (including preferential tax rates, tax exemptions, and reductions) and the income from non-incentivized business activities in order to declare and pay tax separately.

14 CIT policy on securing assets for judgment enforcement

OL No. 852/CT-CS dated 25 April 2025 issued by the Tax Department regarding CIT policy on securing assets for judgment enforcement:

In case the Company has collateral loan assets that are land use rights and assets attached to land when the Judgment Enforcement Agency auctions the property to settle bad debts, the real estate transfer income must declare and pay CIT as prescribed and the Asset Auction Judgment Enforcement Agency shall declare and pay CIT on behalf of the Company according to the provisions of Clause 5, Article 17 of Circular 78/2014/TT-BTC dated 18 June 2014 of the Ministry of Finance.

- When the judgment enforcement agency auctions real estate to ensure judgment enforcement, the proceeds shall be handled according to the Government's Decree on distraint and auction of land use rights for judgment enforcement.
- Auction organizations should declare and deduct income tax from real estate transfer and remit it into the budget, clearly stating that the tax is remitted on behalf.
- If the cost of real estate cannot be determined, the cost price = debt payables under the judgment enforcement decision + transfer cost with valid invoices.

OL No. 927/CT-CS dated 28 April 2025 issued by the Tax Department regarding CIT policy:

In principle, when an enterprise has an investment project that is entitled to CIT incentives for the area, the income generated from implementing the project located in the preferential area is eligible for CIT incentives under the location preferential conditions.

In case, a company is enjoying CIT incentives on the preferential location but generates income from selling renewable energy certificates (RECs) that is not the activities of the investment project (wind power generation at the preferential location), then the income from selling RECs shall not be eligible for the CIT incentives granted to the investment project located in the preferential area.

OL No. 353/CT-CS dated 28 March 2025 issued by the Tax Department regarding VAT policy:

In case Vietnam International Bank's Debt and Asset Management One Member Limited Liability Company (the Company) engages in the purchase of loan collateral assets, specifically the value of land use rights and assets attached to the land (acquired through auction from enforcement sub-departments or by valuation units hired by the Company), the activity is considered a transfer of land use rights from organizations or individuals. The deductible land value is applied following Point a.4, Clause 3, Article 1 of Decree No. 49/2022/ND-CP dated 29 July 2022 of the Government.

17 VAT policy for export services of Export Processing Enterprises (“EPEs”)

OL No. 881/CCTKV.XVI-QLDN2 dated 2 April 2025 issued by the Regional Tax Sub-Department XVI regarding VAT policy for export services of EPEs as:

In case the Company provides services (repair of electronic boards... in factories of EPEs) to serve the export goods trading activities of EPEs, the VAT rate of 0% of export services shall be applied when not fall into the cases specified in Clause 3, Article 9 of Circular No. 219/2013/TT-BTC as amended in Clause 2, Article 1 of Circular No. 130/2016/TT-BTC mentioned above and meets the conditions specified in Clause 2, Article 9 of Circular No. 219/2013/TT-BTC dated 31 December 2013 of the Ministry of Finance.

18 Trade discounts and VAT calculation

OL No. 883/CCTKV XVI-QLDN2 dated 2 April 2025 issued by the Regional Tax Department XVI regarding trade discounts and VAT calculation:

- In case the Company provides commercial discounts to customers under the signed economic contract between both parties, the VAT taxable price is the selling price after applying the commercial discount.
- In case the commercial discount is based on the quantity or sales revenue of goods and services, the discount for goods already sold shall be adjusted on the invoice of the last purchase or the subsequent period.
- In case the discount is determined at the end of the discount program (or period), an adjustment invoice should be issued along with a list detailing the adjustment invoices, amount and tax. Based on the adjustment invoice, the seller and the buyer shall declare adjustments to their sales revenue, purchases, output VAT, and input VAT accordingly.

18 Trade discounts and VAT calculation

The company shall account for commercial discounts according to the guidelines in Circular No.200/2014/TT-BTC dated 22 December 2014 issued by the Ministry of Finance. The content on invoices shall comply with the provisions of Clause 6, Article 10 of Decree No. 123/2020/ND-CP.

OL No. 119/CCTKV17-QLDN1 dated 26 March 2025 issued by the Regional Tax Sub-Department XVII regarding VAT rates.

In cases the Company engages in the cold storage providing services business for unprocessed or preliminarily processed agricultural products, seafood, and aquatic products, a VAT rate of 5% shall be applied following Clauses 4 and 5, Article 10 of Circular No. 219/2013/TT-BTC, except for the cases specified in Clause 5, Article 5 of the same Circular.

OL No. 197/CCTKV17-QLDN1 dated 2 April 2025 issued by the Regional Tax Department XVII regarding VAT reduction policy:

In cases a company places an outsourcing order and the processing unit issues an invoice with VAT rate of 10% to the company, when the goods or services involved have a product code (according to Decision No. 43/2018/QĐ-TTg dated 1 November 2018 of the Prime Minister) that falls under the group of goods and services currently subject to the 10% VAT rate and are not listed in Appendices I, II, or III issued with Decree No. 180/2024/NĐ-CP dated 31 December 2024 by the Government, the goods and services are eligible for VAT reduction under the provisions of this Decree.

The VAT reduction for each type of goods and services specified in Clause 1, Article 1 of Decree No.180/2024/NĐ-CP is applied uniformly across the phases of importing, producing, processing, and commercial trading. The VAT reduction policy under Decree No. 180/2024/NĐ-CP is effective from 1 January 2025 until 30 June 2025.

OL No. 529/CT-CS dated 10 April 2025 issued by the Tax Department regarding VAT policy:

The Tax Department agrees with the proposal regarding the tax policy applicable to cloud computing services which shall be classified as telecommunications services starting from 1 January 2025 based on the Telecommunications Law No. 24/2023/QH15 dated 24 November 2023.

OL No. 531/CT-CS dated 10 April 2025 issued by the Tax Department regarding VAT policy:

In case Hoya Memory Disk Technology Co., Ltd. uses the office space, electricity, water, machinery, and factory equipment of Hoya Glass Disk Vietnam II Co., Ltd. which is an export processing enterprise (EPE), Hoya Glass Disk Vietnam II Co., Ltd. shall issue a sales invoice to Hoya Memory Disk Technology Co., Ltd. The invoice must clearly state: “For organizations and individuals in the non-tariff zone.”

The time of invoice issuance and VAT determination regarding the services provision between Hoya Memory Disk Technology Co., Ltd. and Hoya Glass Disk Vietnam II Co., Ltd. shall comply with the provisions of Clause 2, Article 9 of Decree No. 123/2020/NĐ-CP dated 19 October 2020 of the Government, and Clause 2, Article 8 of Circular No. 219/2013/TT-BTC dated 31 December 2013 of the Ministry of Finance.

23 Supplementary declaration of VAT and costs accounting for invalid invoices

OL No. 1731/CCTKV.XVI-QLDN2 dated 10 April 2025 issued by the Regional Tax Sub-Department XVI regarding the supplement declaration of VAT and expenses accounting for invalid invoices:

- In case the purchased VAT invoice of the Company in July 2022 period is determined to be invalid by the tax authority under regulations, the Company must submit a supplementary tax declaration dossier according to Article 47 of the Law on Tax Administration No. 38/2019/QH14 and Clause 4, Article 7 of Decree No. 126/2020/NĐ-CP.
- When the expenses of the Company meet the conditions prescribed in Article 4 of Circular No. 96/2015/TT-BTC dated 22 June 2015 (amending and supplementing Article 6 of Circular No. 78/2014/TT-BTC), the expenses may be accounted as deductible expenses when determining corporate taxable income.

23 Supplementary declaration of VAT and costs accounting for invalid invoices

- In case the Company incurs input VAT, the input VAT shall be declared and deducted to VAT payable in a particular tax period that its arising, regardless of the purchased goods have been put into use or are still in stock or not by Clause 8, Article 14 of Circular No. 219/2013/TT-BTC and meet the conditions in Clause 10, Article 1 of Circular No. 26/2015/TT-BTC as mentioned above.

OL No. 1740/CCTKV.XVI-QLDN2 dated 10 April 2025 issued by the Regional Tax Sub-Department XVI regarding VAT policy:

- In case the Company operates under the EPEs regime and only engages in export activities, the Company is not required to submit VAT declaration dossiers under Point c, Clause 3, Article 7 of Decree No. 126/2020/NĐ-CP.
- In case the Company operates under the EPEs regime, purchases goods or services and meets the conditions prescribed in Article 9 of Circular No. 219/2013/TT-BTC, the VAT rate of 0% shall apply.
- In case the Company implements a new investment project in an industrial park located in Thu Dau Mot City (a Class I urban area under Decision No. 1959/QĐ-TTĐ of the Prime Minister)-an area with favorable socio-economic conditions-the Company is not eligible for the incentive of 2 years of tax exemption and a 50% tax reduction for the following 4 years for income derived from the new investment project in the industrial park as stipulated in Clause 6, Article 1 of Decree No. 91/2014/NĐ-CP.

OL No. 831/CT-NVT dated 24 April 2025 issued by the Tax Department regarding VAT declaration:

In case the Corporation converts to a centralized accounting model at head office, the Company should directly issue output VAT invoices for production and business activities of branches in other provinces (except for units assigned to manage business cooperation contracts) and fully meet the conditions for deducting the input VAT of the entire operation of the branches by the Law on VAT, the Company may declare VAT centralized at the head office and allocate to the provincial where the production establishment is located as prescribed.

In case the branch directly sells goods and uses invoices registered with the direct tax management authority, monitors and fully accounts for output and input VAT, the branch shall declare and pay VAT to the direct tax management authority of the branch.

In case the Company is assigned to manage the business cooperation contract with an organization but does not establish its legal entity, the Company must separately declare VAT for the cooperation business as agreed upon in the contract.

26 Applying the Vietnam - Germany Tax Agreement to the Connect Fund

OL No. 910/CT-CS dated 28 April 2025 issued by the Tax Department regarding applying the Vietnam - Germany Tax Agreement to the Connect Fund:

In case a foreign company generates income from lending activities in Vietnam based on a loan agreement between the two parties, the income is subject to Foreign Contractor Tax under Circular No. 103/2014/TT-BTC dated 6 August 2014 issued by the Ministry of Finance.

Interest from loans arising in Vietnam and paid to the foreign company is not exempt from taxation in Vietnam as stipulated in Point a, Clause 3, Article 11 of the Vietnam–Germany Double Taxation Agreement and Article 20 of Circular No. 205/2013/TT-BTC dated 24 December 2013 issued by the Ministry of Finance.

27 The handling of overpaid taxes, late payment penalties, and excess payment

OL No. 885/CCTKV.XVI-QLDN2 dated 2 April 2025 issued by the Region Tax Department XVI regarding the handling of overpaid taxes, late payment penalties, and excess payment:

In case the Company has overpaid CIT and PIT, the Company is allowed to offset the overpaid amount against the tax payable for the next period with the same economic content (subsection) and within the same tax collection area.

The extension of the deadline for payment of Special Consumption Tax (SCT) on domestically manufactured or assembled automobiles

Decree No. 81/2025/NĐ-CP dated 2 April 2025 issued by the Government on the extension of the deadline for payment of Special Consumption Tax (SCT) on domestically manufactured or assembled automobiles:

- SCT Extension: Applicable to tax periods from February to June 2025.
- New payment deadline: The extended deadline is 20 November 2025 helping businesses ease financial pressure.
- Applicable entities: Enterprises engaged in the manufacturing or assembly of automobiles within Vietnam.
- Procedure: Enterprises must submit a Request for Extension Form to their direct tax management authority.
- Effective date: The Decree takes effect from 2 April 2025 and is applicable until 31 December 2025.

29 The extension of deadlines for payment of VAT, CIT, PIT, and land rent in 2025

Decree No. 82/2025/NĐ-CP dated 2 April 2025 issued by the Government on the extension of deadlines for payment of VAT, CIT, PIT, and land rent in 2025 as follows:

- Extension of VAT: Enterprises are granted an extension for the VAT payment for tax periods from February to June 2025. The extension period is 5 months from the end of the statutory deadline for tax payment.
- Extension of CIT: The estimated CIT payments for the first and second quarters of 2025 are extended for 5 months from the end of the statutory deadline for tax payment.
- Extension for business households and individuals: The deadlines for VAT and PIT payment arising in 2025 are extended until 31 December 2025.
- Extension of land rent: Enterprises, organizations, households, and individuals are granted a 6-month extension of 50% of the land rental in the first installment of 2025.

Note: To be eligible for the extension, taxpayers must submit a Request for Extension to their direct tax management authority using the form attached to the Decree.

Effective date: The Decree takes effect from the date of signing (2 April 2025).

30 The extension for auditing report submission

OL No. 925/CCTKV. XVI-QLDN2 dated 4 April 2025 issued by the Regional Tax Sub-Department XVI on the extension of auditing report submission:

In case the Company requests an extension for submitting audited financial statements in 2024 due to a change in the structure of the management apparatus, the Company does not fall into the cases of extension for submitting tax declaration dossiers.

31 Electronic documents

OL No. 84/CCTKV.XVII-QLDN1 dated 24 March 2025 issued by the Regional Tax Sub-Department XVII regarding electronic documents:

In cases the Company and foreign customers or suppliers agree to use electronic documents (such as electronic contracts) in their transactions, the Company should comply with the provisions of the Law on Electronic Transactions No. 51/2005/QH11, Decree No. 165/2018/NĐ-CP, and Decree No. 130/2018/NĐ-CP.

For electronic transactions established before the effective date of the Law on Electronic Transactions No. 20/2023/QH15 and remain incomplete as of that date, the transactions may continue to be executed under the provisions of Law No. 51/2005/QH11 and its guiding legal documents unless the parties agree to apply the provisions of Law No. 20/2023/QH15.

32 Tax policy on capital transfer associated with real estate

OL 512/CT-CS dated 9 April 2025 issued by the Tax Department regarding tax policy on capital transfer associated with real estate:

In case, an enterprise sells the entire Sole-Member Limited Liability Company (LLC) owned by an organization under the form of transferring a capital associated with real estate, the income from the capital transfer shall be handled under the provisions of Circular No. 78/2014/TT-BTC dated 18 June 2014. The declaration and payment of CIT for the capital transfer activity shall be carried out by Circular No. 151/2014/TT-BTC dated 10 October 2014 issued by the Ministry of Finance (the cost of capital is not determined by deducting depreciation of fixed assets).

In cases where the purchase or sale price of the transferred capital is not determined based on the usual market transaction value, the tax authority may consider determining the tax amount by imposition following Point đ, Clause 1, Article 50 of the Law on Tax Administration No. 38/2019/QH14 dated 13 June 2019.

Supplementing regulations on mandatory auditing for large-scale enterprises and limiting the time for auditors to sign reports

Decree No. 90/2025/NĐ-CP dated 14 April 2025 issued by the Government regarding the Decree amending and supplementing several articles of Decree No. 17/2012/NĐ-CP dated 13 March 2012 of the Government detailing and guiding the implementation of certain provisions of the Law on Independent Auditing as:

1. Supplementing certain points and clauses of Article 15 of Decree No. 17/2012/NĐ-CP, as follows:

Large-scale enterprises shall be subject to mandatory auditing if they meet at least 2 out of the following 3 criteria:

- Average more than 200 employees participating in social insurance per year;
- Annual revenue exceeding VND 300 billion;
- Total assets exceeding VND 100 billion at the end of the year

Supplementing regulations on mandatory auditing for large-scale enterprises and limiting the time for auditors to sign reports

Clarification of the principles for determining the above criteria:

- *Social insurance employees include all employees managed and paid by the unit who participate in social insurance.*
- *Average annual social insurance employees = total number of employees in 12 months divided by 12.*
- *Revenue and total assets are based on the financial statements of the preceding fiscal year.*

Enterprises previously classified as large-scale but failing to meet the criteria for two consecutive years shall be temporarily exempt from mandatory auditing until the conditions are met again.

Supplementing regulations on mandatory auditing for large-scale enterprises and limiting the time for auditors to sign reports

2. Amending and supplementing Clause 2, Article 16 of Decree No. 17/2012/NĐ-CP as follows:

Practising auditors are not allowed to sign audit reports for an audited entity for more than 05 consecutive years.

3. Transitional provisions

Practising auditors who signed audit reports for an entity before 1 January 2025 may continue signing for that entity following the new provisions in Article 2 of this Decree.

Enterprises with total revenue, total assets, and average annual social insurance employees in 2024 meeting the criteria of a large-scale enterprise under the new regulations shall be subject to mandatory auditing of financial statements starting from the fiscal year 2025 onward.

34 Land rental policies

OL No. 593/CT-CS dated 14 April 2025 issued by the Tax Department regarding land rental policies:

Under the provisions at Point a, Clause 1, Article 34 of Decree No. 103/2024/NĐ-CP dated 30 July 2024 issued by the Government regarding land use fees and land rental, the calculation of land rental when changing the purpose of land is specifically regulated. Accordingly, in the case of converting from agricultural land assigned by the State without collection of land use fees to non-agricultural land leased by the State with annual land rental payments, the land rental shall be calculated by Clause 1, Article 30 of Decree No. 103/2024/NĐ-CP.

35 Tax policy on the activities of transferring assets to deduct debt

OL 726/CT-CS dated 21 April 2025 issued by the Tax Department regarding tax policy on activities of transferring assets to deduct debt as:

In case, the handover of assets according to the Record of collateral handover to be offset the the debt obligation, is not to transfer rights and obligations with debt security measures as prescribed in the Civil Code No. 91/2015/QH13 and failing to carry out registration procedures with competent agencies following the law on guarantee transaction registration and recipients of debt deduction assets carry out procedures for transfer of ownership and use rights of the assets, the activity of transferring asset is subject to VAT and CIT declaration and payment under the Taxation Law.

36 The issuance of invoices for insurance fee reductions

OL No. 2991/CTBDU-TTHT dated 4 March 2025 issued by the Binh Duong Provincial Tax Department regarding the issuance of invoices for insurance fee reductions:

In cases, a Company participates in insurance, but the insurance Company must reduce fees for the customer due to objective reasons or under an agreement that the holder will receive a partial premium reduction if no loss occurs or the loss is lower than the rate stipulated in the insurance policy by the end of the insurance term, the Company shall handle the matter per Point đ, Clause 2, Article 9 of Circular No. 09/2011/TT-BTC.

The form and content of electronic invoices must comply with the provisions of Article 10 and Article 12 of Decree No. 123/2020/ND-CP.

37 Illegal invoice

OL No. 214/CT-CS dated 20 March 2025 issued by the Tax Department regarding the case of illegal invoices as:

In case the taxpayer uses the invoice during the time the tax authority issues a Notice of operating at an unregistered address to the taxpayer, the issued invoice is illegal.

38 The issuance of invoices for liquidating assets to the domestic by EPEs

OL No.326/CT-CS dated 27 March 2025 issued by the Tax Department regarding the invoice issuance for liquidating assets to domestic by EPEs as:

Regarding the issuance of invoices when EPEs liquidate assets into the domestic market, the General Department of Taxation issued OL No. 2312/TCT-CS dated 8 June 2023 in response to the Tax Departments of Tien Giang, Hai Phong, Hung Yen, Bac Ninh, Thai Nguyen, and Binh Duong (photocopy attached) as follow:

"In cases EPEs liquidate assets into the domestic market, they should use sales invoices (the type designated for organizations and individuals in non-tariff zones) accordingly to Clause 2, Article 8 of Decree No. 123/2020/ND-CP dated 19 October 2020 of the Government."

39 The issuance of VAT invoices to individual buyers

OL No.157/CCTKV17-QLDN1 dated 28 March 2025 issued by the Regional Tax Sub-Department XVII regarding the issuance of VAT invoices to individual buyers:

In cases where the Company sells goods to buyers, the buyer's name, address, and tax code shown on the invoice should comply with the provisions of Clause 5, Article 10 of Government Decree No. 123/2020/ND-CP. When the Company discovers any errors on the invoice, the Company should handle the erroneous invoice according to the provisions of Article 19 of Decree No. 123/2020/ND-CP of the Government.

40 The issuance of warehouse lease invoices

OL No. 451/CCTKV17-QLDN1 dated 18 April 2025 issued by the Region Tax Sub-Department XVII guidance on the invoice issuance of warehouse lease service:

In case, the Company leases a part of its factory at the registered address premises to another entity, the Company is required to issue VAT invoices following Clause 1, Article 4 and Clause 2, Article 9 of Decree No. 123/2020/NĐ-CP dated 19 October 2020 issued by the Government.

If the Company has not yet registered a business line with the licensing authority, the Company is advised to contact the competent authorities for further guidance.

Abbreviations

VAT	Value Added Tax	MOF	Ministry of Finance
PIT	Personal Income Tax	GDT	General Department of Taxation
CIT	Corporate Income Tax	MOIT	Ministry of Industry and Trade
FCT	Foreign Contractor Tax	MOLISA	Ministry of Labor, War Invalids and Social Affair
SCT	Special Consumption Tax	DPI	Department of Planning and Investment
IET	Import and Export Tax	SBV	The State Bank of Vietnam
OTH	Other	EPE	Export processing enterprises
OL	Official Letter	EPZ	Export Processing Zone
ACC	Accounting	IZ	Industrial Zone
LAB	Labor		



April 2025 Newsletter

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KMC's Newsletter aims to update and summarize the general provisions related to Taxation, Accounting, Investment and Labor in Vietnam. You should seek professional advice before making a decision.





Connect with us.

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