



May 2025 Newsletter

KMC CONSULTING COMPANY LIMITED

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Content

<u>1</u>	OL No. 5141/CCTKV. XVI-QLDN2 dated 05 May 2025 issued by the XVI Tax Sub-Department on PIT policies	PIT
<u>2</u>	OL No. 5142/CCTKV.XVI-QLDN2 dated 5 May 2025 promulgated by the XVI Tax Sub-Department on tax policies for business trip allowances	PIT
<u>3</u>	OL No. 1105/CT-CS dated 09 May 2025 issued by the Department of Taxation on tax policies for brokerage commission expenses	PIT
<u>4</u>	OL No. 7813/CCTKV.XVI-QLDN2 dated 16 May 2025 from the XVI Tax Sub-Department regarding PIT policy for health insurance and life insurance premiums	PIT
<u>5</u>	OL No. 817/CCTKV.XV-QLDN5 dated 13 May 2025 issued by the XV Tax Sub-Department regarding the PIT policy	PIT
<u>6</u>	OL No. 1073/CT-CS dated 7 May 2025 of the Department of Taxation guiding the collection of CIT on free samples	CIT

Content

<u>7</u>	OL No. 1105/CT-CS dated 09 May 2025 issued by the Department of Taxation on tax policies for brokerage commission expenses	CIT
<u>8</u>	OL No. 1408/CT-CS dated 26 May 2025 issued by the XV Tax Sub-Department regarding CIT policy related to expenses for brokerage, advertising, marketing, and project management incurred after the successful sale of a resort villa guidance	CIT
<u>9</u>	OL No. 1430/CT-CS 2025 dated 28 May 2025, issued by the Tax Department regarding preferential corporate income tax (CIT) policies for the Company's training activities, the guidance	CIT
<u>10</u>	OL No. 733/CCTKVII-QLDN1 dated 6 May 2025 issued by the XVII Tax Sub-Department guidance on the determination of VAT rates for the collection of water bills and sanitation waste fees	VAT
<u>11</u>	OL No. 1089/CT-CS dated 8 May 2025 of the Department of Taxation guiding the VAT policy	VAT
<u>12</u>	OL No. 1160/CT-CS dated 13 May 2025 issued by the Tax Department regarding tax policy	VAT
<u>13</u>	OL No. 1928/CCTKV15-QLDN3-DON dated 5 May 2025 issued by the Regional Tax Sub-Department XV regarding tax policy	VAT

Content

<u>14</u>	OL No. 2521/CCTKV15-QLDN3-DON dated 20 May 2025 issued by the XV Tax Sub-Department regarding VAT refund	VAT
<u>15</u>	OL No. 2223/CCTKV18-QLDN2 dated 23 May 2025 issued by the XVI Tax Sub-Department regarding tax policy	FCT
<u>16</u>	According to Notification No. 08/TB-TMĐT dated 16 May 2025 issued by the E-Commerce Tax Sub-Department regarding the change of the directly managing tax authority for foreign suppliers	OTH
<u>17</u>	OL No. 7902/CCTKV.XVI-QLDN2 dated 19 May 2025 issued by the XVI Tax Sub-Department regarding the conversion of financial statements from USD to VND	OTH
<u>18</u>	OL No. 2921/ĐTTNG-QLDN 2025 issued by the Tax Department of Thai Nguyen City under the Tax Sub-Department of Region VII, provides guidance on the issuance of electronic invoices (e-invoices) by Decree No. 70/2025/NĐ-CP	INV

1 Personal income tax for the unemployment allowance

OL No. 5141/CCTKV. XVI-QLDN2 dated 05 May 2025 issued by the XVI Tax Sub-Department on PIT policies:

In case the Company pays the unemployment allowance to the employees who quits their job following the subjects and levels prescribed by the Labor Code and the Law on Social Insurance, the allowance is not included in the PIT taxable income from salary and remuneration under the guidance in Item b.6. Point b, Clause 2, Article 2 of Circular No.111/2013/TT-BTC.

For the unemployment allowance for employees who leave their jobs at a level higher than the one specified in the Labor Code No.45/2019/QH14 of the National Assembly, the Company shall calculate it together with salaries and wages to deduct PIT according to the Partial Progressive Tariff before payment. Suppose the allowance is paid at the level prescribed by the Labor Code and the Law on Social Insurance. In that case, it shall be included in the deductible expenses when determining income subject to CIT by the provisions of Article 4 of Circular No. 96/2015/TT-BTC.

2

Personal income tax for the company has fixed expenses for employees to serve the Company's production and business activities

OL No. 5142/CCTKV.XVI-QLDN2 dated 5 May 2025 promulgated by the XVI Tax Sub-Department on tax policies for business trip allowances as follows:

In case the Company has paid fixed business allowances for employees to serve the Company business and production activities, which specified in the Company's internal policies, the presumptive of allowance for employees actual go on business trips is appropriate as prescribed at Point dd.4, Clause 2, Article 2 of Circular 111/2013/TT-BTC is not included in the employee's taxable income.

3 Personal income tax for brokerage commission expenses

OL No. 1105/CT-CS dated 09 May 2025 issued by the Department of Taxation on tax policies for brokerage commission expenses is as follows:

In case an individual does not have a business registration and signs a contract with the Company as prescribed, and is not subject to the application of Article 2 of Circular No. 40/2021/TT-BTC, the individual's income is determined as income from wages and wages as prescribed at Point c, Clause 2, Article 2 of Circular No. 111/2013/TT-BTC dated 15 August 2013 of the Ministry of Finance. The company is responsible for tax deduction and tax declaration according to the guidance at Point i, Clause 1, Article 25 of Circular No. 111/2013/TT-BTC dated 15 August 2013 of the Ministry of Finance.

3 Personal income tax for brokerage commission expenses

OL No. 1105/CT-CS dated 09 May 2025 issued by the Department of Taxation on tax policies for brokerage commission expenses is as follows:

In case an individual who signs a contract with the Company is an individual who satisfies the conditions for traders: individuals conducting commercial activities independently and regularly and having business registration in the form of business households in the same business line with a service contract, the individual's income is determined as income from business as prescribed in Article 2 of Circular No. 40/2021/TT-BTC dated 01 June 2021 of the Ministry of Finance.

Therefore, based on the agreement between the Company and the individual, it is determined that the individual does not register for business or meets the conditions for traders; based on the nature of the signed contract to determine the type of taxable income from business or salaries and wages as a basis for tax calculation, tax declaration and payment as prescribed.

4 Personal income tax for health insurance and life insurance premiums

OL No. 7813/CCTKV.XVI-QLDN2 dated 16 May 2025 from the XVI Tax Sub-Department regarding PIT policy for health insurance and life insurance premiums as follows:

In the case where a company purchases non-mandatory insurance products for its employees without value accumulation, the corresponding insurance premium amount shall not be included in the employee's taxable income for PIT purposes under regulations.

In the case where a company purchases life insurance, which is non-mandatory insurance with value accumulation for employees, as described by the company, the insurance premium shall be considered as taxable income when determining the PIT obligations of employees.

5 Personal income tax for meal and transportation costs to the employees

OL No. 817/CCTKV.XV-QLDN5 dated 13 May 2025 issued by the XV Tax Sub-Department regarding the PIT policy as:

In the case where a Company pays meal and transportation expenses for the employees of prospective customers when inviting them to Vietnam with the intention of becoming their supplier and seeking business orders, these customer employees are not subject to PIT under the provisions of Article 2 of Circular No. 119/2014/TT-BTC dated 25 August 2014 issued by the Ministry of Finance.

6 Corporate income tax (CIT) on non-payment samples

OL No. 1073/CT-CS dated 7 May 2025 of the Department of Taxation guiding the collection of CIT on free samples as follows:

In principle, enterprises with investment projects eligible for CIT incentives due to meeting the locality preferential conditions, the preferential income is one arising from the production and business activities of investment projects in the preferential areas, except for incomes not eligible for incentives under the provisions of the Law on CIT. Incomes that are not arising in the preferential area or are not from production and business activities of investment projects are ineligible for CIT incentives.

7 Corporate income tax for brokerage commission expenses

OL No. 1105/CT-CS dated 09 May 2025 issued by the Department of Taxation on tax policies for brokerage commission expenses is as follows:

For foreign organisations and individuals providing brokerage services: selling goods or providing services to Vietnamese organisations and individuals, and these services are performed abroad, are not subject to FCT as prescribed in Clause 4, Article 2 of Circular No. 103/2014/TT-BTC.

In case the Company has brokerage commission expenses, which meet the conditions for inclusion in deductible expenses and are excluded from the non-deductible expenses under the Law on CIT, the Company may include the mentioned brokerage expenses in deductible expenses when calculating CIT.

8 Corporate income tax policy related to expenses for brokerage, advertising, marketing, and project management

OL No. 1408/CT-CS dated 26 May 2025 issued by the XV Tax Sub-Department regarding CIT policy related to expenses for brokerage, advertising, marketing, and project management incurred after the successful sale of a resort villa guidance as follows:

In cases where the Company incurs real estate brokerage commissions and fees paid to individuals or organizations legally authorized to provide real estate brokerage services under Articles 61, 62, and 63 of the Law on Real Estate Business No. 29/2023/QH15, and such expenses meet the conditions for deductible expenses and excluded from the non-deductible expenses under the CIT regulations, then the Company is allowed to include brokerage expenses as deductible for CIT purposes.

9 Corporate income tax incentives for training activities

OL No. 1430/CT-CS 2025 dated 28 May 2025, issued by the Tax Department regarding preferential corporate income tax (CIT) policies for the Company's training activities, the guidance is as follows:

For income derived from training activities at the Company's training facilities: In cases where the Company operates in the field of education and training and meets the conditions specified in Section II of the List of types, criteria, scale, and standards of establishments eligible for socialization in the fields of education and training, vocational training, healthcare, culture, sports, and environment, then income from training activities at the Company's training facilities shall be eligible for CIT incentives by regulations.

For income derived from joint training activities conducted in cooperation with schools: If the training activities are conducted outside of the Company's training facilities and do not meet the regulatory requirements regarding type, criteria, scale, and standards, then the income from such activities shall not be eligible for CIT incentives applicable to socialized activities. The Company is responsible for declaring and paying CIT on this income.

Determining the VAT rates for the collection of water bills and sanitation waste fees

OL No. 733/CCTKVII-QLDN1 dated 6 May 2025 issued by the XVII Tax Sub-Department guidance on the determination of VAT rates for the collection of water bills and sanitation waste fees as follows:

In case the Company dealing in different types of goods and services has different VAT rates, the Company must declare VAT at each tax rate prescribed for each type of goods and services. If the Company fails to determine each tax rate, the Company has to calculate and pay tax according to the highest tax rate of the goods and services they produce and trade. The contents of the invoice, inscribed with the tax rate of each type of goods and services, shall comply with the provisions of Point b, Clause 6, Article 10 of Decree No. 123/2020/ND-CP dated 19 October 2020 of the Government.

Determining the VAT rates for the collection of water bills and sanitation waste fees

OL No. 733/CCTKVII-QLDN1 dated 6 May 2025 issued by the XVII Tax Sub-Department guidance on the determination of VAT rates for the collection of water bills and sanitation waste fees as follows:

If services with product industry codes (according to Decision No. 43/2018/QD-TTg dated 1 November 2018 of the Prime Minister) belong to the group of services currently subject to the tax rate of 10% and are not included in Appendices I, II, III issued together with the Government's Decree No. 180/2024/ND-CP dated 31 December 2024, they are eligible for VAT reduction under the provisions of this Decree.

11 Policy on Value Added Tax

OL No. 1089/CT-CS dated 8 May 2025 of the Department of Taxation guiding the VAT policy as follows:

The Company that has both exported and domestic goods sales and services providing (subject to or not to VAT) must separately account for the input VAT amounts for export activities, domestic sales activities not subject to VAT and domestic sales activities subject to VAT.

In case separate accounting is not possible, the input VAT for unseparately accounted export activities is determined as follows:

The Company shall determine the deductible input VAT for taxable VAT activities that cannot be separately accounted (serving for export activities and domestic sales activities subject to VAT) according to the provisions of Clause 2, Article 14 of Circular No. 219/2013/TT-BTC (amended, supplemented at Point a, Clause 9, Article 1 of Circular No. 26/2015/TT-BTC dated 27 February 2015 of the Ministry of Finance).

11 Policy on Value Added Tax

OL No. 1089/CT-CS dated 8 May 2025 of the Department of Taxation guiding the VAT policy as follows:

When determining the input VAT of export activities that cannot be separately accounted, the Company shall allocate according to the ratio between the revenue of exported goods and services to the total revenue of goods and services subject to VAT (including revenue of taxable goods, services sold domestically and exported) of VAT declaration periods from the following period of the previous tax refund to the current tax refund application.

12 Policy on Value Added Tax

OL No. 1160/CT-CS dated 13 May 2025 issued by the Tax Department regarding tax policy is as follows:

Regarding VAT and invoices:

If the collateral asset being sold is an asset under a secured transaction that has been registered with the competent authority by the laws on registration of secured transactions, and the handling of the collateralized asset is conducted in compliance with the laws on secured transactions, then it is not subject to VAT as specified in Clause 3, Article 1 of Circular No. 26/2015/TT-BTC mentioned above.

In cases where the asset being sold is not a collateral asset under the laws on secured transactions, then it is subject to VAT as prescribed.

12 Policy on Value Added Tax

OL No. 1160/CT-CS dated 13 May 2025 issued by the Tax Department regarding tax policy is as follows:

Regarding Corporate Income Tax (CIT):

It is requested that the Long An Tax Department (now the XVII Tax Sub-Department) base on specific documents and records, and refer to the aforementioned regulations to coordinate with the Long An Provincial Civil Judgment Enforcement Department and the organization authorized to conduct asset auctions to carry out the declaration, withholding, and remittance of CIT and PIT on behalf of the concerned parties into the State budget under Clause 6, Article 8 of Decree No. 126/2020/NĐ-CP, Clause 5, Article 17 of Circular No. 78/2014/TT-BTC, and Clause 7, Article 2 of Law No. 71/2014/QH13.

13 Policy on Value Added Tax

OL No. 1928/CCTKV15-QLDN3-DON dated 5 May 2025 issued by the Regional Tax Sub-Department XV regarding tax policy is as follows:

In cases where a company pays tax under the deductible method and has a new investment project (including investment projects divided into multiple investment phases or categories) as regulated by the Law on Investment, the Company should declare VAT separately (using Form 02/GTGT as per Circular No. 80/2021/TT-BTC) for the investment project and offset the input VAT of the investment project against the VAT payable from ongoing production and business activities. After offsetting, if the accumulated input VAT of the investment project has not yet been deducted and reaches VND 300 million or more, the Company is eligible for a VAT refund.

13 Policy on Value Added Tax

OL No. 1928/CCTKV15-QLDN3-DON dated 5 May 2025 issued by the Regional Tax Sub-Department XV regarding tax policy is as follows:

The Company may declare the remaining deductible VAT, that has not been claimed for refund of the investment project to continue further deduction (refers to VAT amount is deductible, ineligible for a refund, non-refund which has been separately declared on the investment project) when the investment project commences operations, into item (39a) on Form 01/GTGT as stipulated in Circular No. 80/2021/TT-BTC.

14 Policy on Value Added Tax

OL No. 2521/CCTKV15-QLDN3-DON dated 20 May 2025 issued by the XV Tax Sub-Department regarding VAT refund is as follows:

In cases where a Company sells goods to a foreign trader presence in Vietnam and is instructed to deliver the goods to a third party being a Vietnamese enterprise via a bonded warehouse, the transactions do not meet the conditions for exported goods sold to organizations or individuals abroad and consumed outside of Vietnam, or goods sold to organizations or individuals in non-tariff zones and consumed within non-tariff zones. Therefore, the cases are not considered exported goods eligible for the 0% VAT rate as prescribed in Clause 1, Article 9 of Circular No. 219/2013/TT-BTC.

15 Guidelines on Foreign Contractor Tax

OL No. 2223/CCTKV18-QLDN2 dated 23 May 2025 issued by the XVI Tax Sub-Department regarding tax policy as follows:

In the case where the Company signs a sales brokerage contract with an individual who is working and residing abroad and does not meet the conditions stipulated in Clause 1, Article 1 of Circular No. 111/2013/TT-BTC, the individual shall be considered a non-resident in Vietnam by Clause 2, Article 1 of Circular No. 111/2013/TT-BTC issued by the Ministry of Finance. For non-resident individuals earning taxable income from wages or salaries, the PIT rate of 20% shall apply, as stipulated in Clause 1, Article 18 of Circular No. 111/2013/TT-BTC.

In the case where the Company signs a contract with an individual for the brokerage of goods sales or services provision abroad and satisfies the conditions stipulated in Clause 4, Article 2 of Circular No. 103/2014/TT-BTC, the income from brokerage activities is not subject to FCT.

16 The change of the directly managing tax authority for foreign suppliers

According to Notification No. 08/TB-TMĐT dated 16 May 2025 issued by the E-Commerce Tax Sub-Department regarding the change of the directly managing tax authority for foreign suppliers, the following adjustments apply:

- From 19 May 2025, the directly managing tax authority for the Company will be adjusted as follows:
 - o Managing Tax Authority: From Large Enterprises Tax Sub-Department → E-Commerce Tax Sub-Department
 - o Main Responsible Division: From Tax Declaration – Accounting and Database Division → Digital Tax Administration Division No. 1

All procedures related to tax registration, declaration, payment, and information exchange by taxpayers will continue to be carried out via the electronic portal for foreign suppliers (website: <https://etaxvn.gdt.gov.vn/nccnn/>).

16 The change of the directly managing tax authority for foreign suppliers

According to Notification No. 08/TB-TMĐT dated 16 May 2025 issued by the E-Commerce Tax Sub-Department regarding the change of the directly managing tax authority for foreign suppliers, the following adjustments apply:

- Contact information of the E-Commerce Tax Sub-Department:
 - o Tax authority code: 3034411
 - o Address: 3rd Floor, General Department of Taxation Headquarters, No. 1A Nguyen Cong Tru Street, Pham Dinh Ho Ward, Hai Ba Trung District, Hanoi, Vietnam
 - o Support hotline: +84.386.068.927
 - o Support email: ntanh10@gdt.gov.vn

Should the Company encounter any difficulties in fulfilling tax obligations in Vietnam, please do not hesitate to contact the above-mentioned office for timely guidance and assistance.

17 The conversion of financial statements from USD to VND

OL No. 7902/CCTKV.XVI-QLDN2 dated 19 May 2025 issued by the XVI Tax Sub-Department regarding the conversion of financial statements from USD to VND is as follows:

In cases where a Company prepares its financial statements in a foreign currency, the Company must convert the financial statements into Vietnamese Dong when publicly disclosing and submitting to the relevant State management authorities in Vietnam. The conversion of financial statements from a foreign currency into VND must comply with the provisions set out in Clause 2, Article 107 of Circular No. 200/2014/TT-BTC issued by the Ministry of Finance.

Guidance on the issuance of electronic invoices (e-invoices) by Decree No. 70/2025/NĐ-CP

OL No. 2921/ĐTTNG-QLDN 2025 issued by the Tax Department of Thai Nguyen City under the Tax Sub-Department of Region VII, provides guidance on the issuance of electronic invoices (e-invoices) by Decree No. 70/2025/NĐ-CP as follows:

When issuing e-invoices for the sale of goods or provision of services to buyers (especially households or individual business entities), taxpayers are required to include the buyer's tax identification number (TIN) or citizen identification number, except in specific cases of goods or services provided to individual consumers as stipulated in Point c, Clause 14, Article 10 of Decree No. 123/2020/NĐ-CP dated 19 October 2020 (applicable from 1 June 2025, pursuant to Point d, Clause 7, Article 1 of Decree No. 70/2025/NĐ-CP dated 20 March 2025). These exceptions include e-invoices for sales at supermarkets or commercial centers and e-invoices for fuel sales to non-business individual customers.

Guidance on the issuance of electronic invoices (e-invoices) by Decree No. 70/2025/NĐ-CP

OL No. 2921/ĐTTNG-QLDN 2025 issued by the Tax Department of Thai Nguyen City under the Tax Sub-Department of Region VII, provides guidance on the issuance of electronic invoices (e-invoices) by Decree No. 70/2025/NĐ-CP as follows:

In cases where issued invoices contain errors, adjustments or replacements must be made by Article 19 of Decree No. 123/2020/NĐ-CP dated 19 October 2020 (as amended and supplemented by Clause 13, Article 1 of Decree No. 70/2025/NĐ-CP effective from 1 June 2025). Organizations and enterprises must proactively review their invoicing practices to ensure that all mandatory information is fully and accurately recorded.

If a taxpayer uses invoices or documents that do not include all the mandatory information as prescribed (in particular, failing to record the buyer's tax code for business entities with a TIN), the actions are deemed violations of the law on invoicing and constitute the illegal use of invoices and documents. These violations are subject to administrative penalties as stipulated by applicable legal regulations.

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		



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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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