



# November 2025 Newsletter

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**KMC CONSULTING COMPANY LIMITED**

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## **1 The increment adjustment to the family circumstance-based deductions in PIT**

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***Resolution No. 110/2025/UBTVQH15 dated 17 October 2025 issued by the Standing Committee of the National Assembly regarding the increment adjustment to the family circumstance-based deductions for PIT:***

Accordingly, the new deduction amounts are as follows:

- Deduction for the taxpayer: VND 15.5 million per month (equivalent to VND 186 million per year);
- Deduction for each dependent: VND 6.2 million per month.

This Resolution shall take effect from 01 January 2026 and be applied from the tax year 2026.

## **2 The PIT declaration for foreign experts**

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***OL No. 6031/DON-QLDN1 dated 07 November 2025 issued by the Dong Nai Provincial Tax Department regarding the PIT declaration for foreign experts:***

- In the case where the foreign expert is a resident individual in Vietnam and has income sourced from abroad, the individual shall directly declare tax under Point a, Clause 8, Article 11 of Decree No. 126/2020/ND-CP. The individual shall file the tax declaration using Form No. 02/KK-TNCN – PIT Declaration (applicable to resident and non-resident individuals earning income from salaries and wages who directly declare tax with the tax authority).*
- With respect to income arising in Vietnam, the Company shall, based on the period of work in Vietnam as stated in the employment contract or dispatch decision assigning the foreign expert to work in Vietnam, make provisional withholding of tax according to Partial Progressive Tariff (for individuals working in Vietnam for 183 days or more in a tax year) or according to the flat tax rate (for individuals working in Vietnam for less than 183 days in a tax year) by Clause 1, Article 25 of Circular No. 111/2013/TT-BTC. The Company shall declare tax using Form No. 05/KK-TNCN – PIT Declaration (applicable to organizations and individuals paying income from salaries and wages).*

## **2 The PIT declaration for foreign experts**

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***OL No. 6031/DON-QLDN1 dated 07 November 2025 issued by the Dong Nai Provincial Tax Department regarding the PIT declaration for foreign experts:***

- In the case where a resident individual earns salary or wage income from two or more sources, including cases where the individual concurrently has income subject to direct declaration and income paid by an organization that has already withheld tax, the individual should directly file the annual PIT finalization with the tax authority upon the tax finalization deadline in accordance with Point b, Clause 8, Article 11 of Decree No. 126/2020/ND-CP.*

## **3 Lunch and mid-shift meal allowances in determining PIT for taxpayers**

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***OL No. 5106/CT-CS dated 12 November 2025 issued by the Tax Department regarding lunch and mid-shift meal allowances in determining PIT for taxpayers:***

According to Article 103 of the Labor Code, incentive regimes for employees may be agreed upon in labor contracts, collective labor agreements, or specified in the employer's internal regulations. With respect, mid-shift meal regime for employees, members of the management board, board members, and supervisors in state-owned enterprises shall be applied by Clause 9, Article 34 of Decree No. 44/2025/ND-CP dated 28 February 2025 of the Government from 1 January 2025 to 31 July 2025 and in accordance with the provisions of the Labor Code from 1 August 2025 onward.



## **4** VAT reduction for construction activities

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***OL No. 4891/CT-CS dated 5 November 2025 issued by the Tax Department regarding regarding value-added tax:***

Regarding the determination of VAT reduction for construction activities under the provisions of Decree No. 15/2022/NĐ-CP, the Ministry of Finance has issued OL No.7460/BTC-TCT dated 29 July 2022 in response to the Ministry of Construction (reference attachments). Accordingly, in cases where construction and installation activities have acceptance, handover time of the works, work items, and completed quantities/volume of construction and installation determined from 1 February 2022 to 31 December 2022 regardless of whether payment has been received or not, the activities are eligible for VAT reduction following the provisions of Decree No. 15/2022/NĐ-CP.

Regarding the taxable price, the provisions under Clause 1, Article 7 of Circular No.219/2013/TT-BTC shall apply.

## **5 VAT policies**

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***OL No. 4968/CT-CS dated 5 November 2025 issued by the Tax Department regarding VAT:***

In case a Company does not directly engage in afforestation but purchases plantation timber from other organizations or individuals and subsequently processes (chops or grinds) into woodchip products for sale, the woodchip products sold at the commercial trading stage are subject to VAT at the rate of 10%.

## **6 The VAT declaration for investment projects**

***OL No. 2743/QNG-QLDN1 dated 6 November 2025 issued by the Quang Ngai Provincial Tax Department regarding the VAT declaration for investment projects:***

- For input VAT amounts that are ineligible for VAT refund under an investment project, taxpayers should declare the investment input VAT together with the regular VAT dossier Form No. 01/GTGT (applicable to taxpayers adopting the deductible method engaged in production and business activities).
- In cases where the Company has input VAT of the investment project eligible for refund by the regulations but does not apply for a VAT refund and wishes to carry forward to VAT from production and business activities, the Company is permitted to carry forward the input VAT to continue declaring and deducting against the output VAT of production and business activities once the project is put into operation.

## **7** VAT policies

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***OL No. 5094/CT-CS dated 11 November 2025 issued by the Tax Department regarding VAT policy:***

The Company has exported goods or services in the month or quarter, and the input VAT that has not yet been deducted is 300 million or more, the Company are entitled to a VAT refund on a monthly or quarterly basis. The refundable VAT for exported goods or services shall not exceed 10% of the revenue from exported goods or services in the period. Input VAT determined for exported goods or services but has not refunded due to exceeding the 10% threshold of export revenue in a previous refund period shall be carried forward to the next tax period to determine the refundable VAT for exported goods or services in the following period.



## **8** VAT policies

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***OL No. 5282/CT-CS dated 18 November 2025 issued by the Tax Department regarding VAT policy:***

- In case the taxpayer has been suspending invoice usage due to enforcement measures, submits a written request to use invoices and falls under the circumstance of a grant on a transaction basis, the tax authority shall issue e-invoices with the tax authority's code for each transaction. The taxpayer should be fully responsible for the accuracy of all information on each e-invoice issued with the tax authority's code for each transaction. The issuance of invoices and the declaration for determining tax obligations in cases of invoices with tax authority's codes on a transaction basis shall comply with Clause 10, Article 1 of Decree No.70/2025/NĐ-CP.

## **8** VAT policies

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***OL No. 5282/CT-CS dated 18 November 2025 issued by the Tax Department regarding VAT policy:***

- In cases where invoice usage suspension measure has been enforcing and the taxpayer submits a written request to use invoices to generate revenue for paying salaries and covering expenses necessary to ensure the continuous of business operations, the tax authority shall allow the taxpayer to continue using invoices on a transaction basis with commitment that the taxpayer immediately remits at least 18% of the revenue stated on each invoice into the state budget under Point d, Clause 4, Article 34 of Decree No. 126/2020/NĐ-CP.

## **9** VAT policies

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### ***OL No. 5487/CT-CS dated 25 November 2025 issued by the Tax Department regarding VAT policy:***

Regarding deferred or installment payments for goods and services with a value of VND 5 million or more:

- In cases where the Company does not have non-cash payment documents at the payment time stipulated in the contract or appendix, the Company should declare a decremental adjustment to input VAT deductible corresponding to the portion of goods and services without non-cash payment documents in the tax period of the payment obligation arising under the contract or appendix;
- In cases where the Company obtains non-cash payment documents after declaring and decrementally adjusting the deductible input VAT, the Company shall declare the deductible input VAT for the portion of goods and services with non-cash payment documents in accordance with applicable regulations.

### ***OL No. 5485/CT-CS dated 25 November 2025 issued by the Tax Department regarding VAT policy:***

- In case a business establishment, which has been registered and registered to declare VAT under the deduction method, has a new investment project in the investment stage and accumulated input VAT on goods and services arising during the stage not yet been fully deducted from VND 300 million or more, the establishment shall be entitled to a VAT refund.
- The business establishment should prepare a separate VAT declaration dossier for the investment project, as well as offset the input VAT on goods and services purchased for the investment project against the output VAT payable (if any) from its ongoing production and business activities in the same tax period. After offsetting, if the remaining deductible input VAT of the investment project is VND 300 million or more, the establishment shall be eligible for a VAT refund.



## **11** VAT policies

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***OL No. 5489/CT-CS dated 25 November 2025 issued by the Tax Department regarding VAT policy:***

Input VAT on goods and services used for the production and operation of VAT goods and services shall be fully deductible.

In case where the Company has both exported and domestically consumed goods and services in the same month or quarter, the Company should separately account for input VAT used for the production and operation of exported goods and services.

When separately accounting is not possible, the input VAT on exported goods and services shall be determined based on the ratio of revenue from exports to the total revenue of taxable goods and services in the tax refund period.

## **12** The invoice type when liquidating an automobile of EPEs

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***OL No. 6361/DON-QLDN1 dated 14 November 2025 issued by the Dong Nai Provincial Tax Department regarding the type of invoice used when liquidating an automobile for EPEs:***

In the case where the EPEs Company liquidates a used automobile into the domestic market following the regulations of the customs authority, the Company should issue a sales invoice under Clause 2, Article 8 of Decree No. 123/2020/ND-CP dated 19 October 2020 of the Government (as amended and supplemented Point b, Clause 5, Article 1 of Decree No.70/2025/ND-CP dated 20 March 2025 of the Government).

The Company should declare and pay VAT under the direct method by Form No. 04/GTGT, Appendix II promulgated together with Circular No. 80/2021/TT-BTC dated 29 September 2021 of the MOF.

## **13** Guidance on contributing charter capital

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***OL No. 5348/CT-CS dated 20 November 2025 issued by the Tax Department regarding guidance on contributing charter capital:***

Pursuant to the principle of VAT refund, a business entity that has fully contributed the charter capital at the time of submitting the VAT refund dossiers is considered eligible for VAT refund related to the investment project.

Otherwise, when the charter capital has not fully contributed, the business entity shall not be eligible for a VAT refund on the investment project.

## **14** The notification of enterprises without business operations

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***OL No. 2731/VPCQCSĐT dated 30 September 2025 issued by the Police Investigation Agency under the Tuyen Quang Provincial publishes the enterprises without business operations:***

The Police Investigation Agency of Tuyen Quang Provincial is currently investigating the case of “Illegal trading of invoices” that occurred during the 2022–2024 period in Chiem Hoa District and several other provinces and cities pursuant to Decision on Prosecution No.61/QĐ dated 30 September 2024.

Determinative through investigation: From 2022 to 2024, Nguyen Minh Tuan (born in 1986, residing in Ho Chi Minh City) and Le Long Hau (born in 1996, residing in Dong Nai Province) purchased, newly established, and hired collaborators to use 237 “shell” companies without actual business operations, on purpose of selling false electronic VAT invoices to numerous enterprises nationwide for illicit profit.



## **14** The notification of enterprises without business operations

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***OL No. 2731/VPCQCSĐT dated 30 September 2025 issued by the Police Investigation Agency under the Tuyen Quang Provincial publishes the enterprises without business operations:***

Among the 237 companies referenced, 225 companies are registered with headquarters in Ho Chi Minh City and under the jurisdiction of local tax units managed by the Ho Chi Minh City Tax Department (refer to attached list).

To ensure a coordinated approach and avoid overlapping jurisdiction in the investigation, the Police Investigation Agency of Tuyen Quang Province respectfully requests that the Ho Chi Minh City Tax Department inform its subordinate tax units regarding the list of 225 companies and notify them that these entities are currently under investigation.

## **14** The notification of enterprises without business operations

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***OL No. 2731/VPCQCSĐT dated 30 September 2025 issued by the Police Investigation Agency under the Tuyen Quang Provincial publishes the enterprises without business operations:***

Enterprises are recommended to proactively review and reconcile their purchasing and selling activities in relation to the attached list of “shell” companies. In case the engagement in transactions with these companies is identified, the enterprise may pose significant risks of potential denial of input VAT deductions and disallowance of expenses for CIT purposes in line with current legal regulations.

# Abbreviations

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