



Grant Thornton Vietnam's News brief

Resolution on Global Minimum Tax application in Vietnam

December 2023

On 29 November 2023, the Vietnamese National Assembly has approved Resolution No. 107/2023/QH15 on Global Minimum Tax (GMT) application in Vietnam in accordance with Global anti-base erosion model (GloBE) rules.

Resolution No. 107/2023/QH15 will come into effect from
01 January 2024 and GMT regulations will apply from tax year 2024.

Impacted taxpayers

Constituent entity/entities (CEs) [of multinational enterprise\(s\) \(MNEs\)](#) with consolidated revenue from [EUR](#) 750 million for at least 2 of 4 fiscal years preceding the current fiscal year (certain exceptions are also provided).

Application of GMT

Qualified Domestic Minimum Top-up Tax (QDMTT) and Income Inclusion Rules (IIR) were introduced and summarized as follows:



	QDMTT	IIR
Impacted taxpayer	Vietnamese CE(s) of Multinational enterprises (MNEs)	Vietnamese CE(s); Classifying as: <ul style="list-style-type: none"> • Ultimate parent entity • Partially owned parent entity • Intermediary parent entity Owning overseas CE(s) subject to low tax rate
De minimis rules (QDMTT and jurisdiction IIR to be considered nil)	Per Vietnamese CE(s): <ul style="list-style-type: none"> • Average GloBE revenue under EUR10 million; and • Average Vietnamese GloBE income under 1 million EUR or there is a loss 	Per each jurisdiction: <ul style="list-style-type: none"> • Jurisdictional average GloBE revenue under EUR 10 million; and • Jurisdictional average GloBE income under EUR1 million or there is a loss
Filing requirement	<ul style="list-style-type: none"> • Informational return on GMT • Declaration on top-up tax • Explanation on differences arising from adoption of different of (i) accounting standards and (ii) fiscal year end 	

	QDMTT	IIR
Filing deadline	12 months after fiscal year -end	<ul style="list-style-type: none"> • 18 months after fiscal- year end (for the first year) • 15 months after fiscal year -end (for subsequent year)
GMT filer in Vietnam (in the case of more than one CE in Vietnam)	<ul style="list-style-type: none"> • Subject to MNE’s assignment (within 30 days from fiscal -year end) • Assigned CE will submit annual filing requirements and top-up tax to the Central Budget • Tax authority will assign filer in cases where there are absence of notification of assignment from MNE 	
Threshold under transitional period (Applied for fiscal years from 31 December 2026 backward but not including fiscal years end after 30 June 2028)	<p>Jurisdictional top-up tax to be considered nil if:</p> <ul style="list-style-type: none"> • Country-by-country profitability report (CbCR) have been prepared and reported total revenue under EUR10 million and pre-tax profit under EUR1 million or losses are incurred • Jurisdictional simplified effective tax rate at or above 15% for 2023 and 2024, 16% for 2025 and 17% for 2026 • Jurisdictional pre-tax profit (loss) equal or lower than Substance-based Income Exclusion (per GloBE rules) according to CbCR <p>In the event of failure of submission of GMT filing requirements, administrative penalties will be waived during this transitional period.</p>	



Recommendation from Grant Thornton Vietnam

- Review the Vietnamese CE(s) financial position and qualification for GMT application
- Evaluate impacts from and estimate additional top-up tax arising from GMT application
- Collaborate with headquarters and tax consultants for proper actions for GMT

Grant Thornton (Vietnam) Limited will continue to update on further development of GMT in Vietnam on our subsequent materials. Should you need to further clarification on the above matters, please do not hesitate to contact us for discussion.

Contact

Please study the newly issued regulations and review the internal compliance procedures in order to comply with the regulations on customs tax as well as reduce errors in the process of filing and preparing documents that could lead to additional tax obligations or administrative penalty.
Please contact the experts of Grant Thornton Vietnam for in-depth advice if you have any inquiries during the implementation of tax and customs compliance.

Please visit our [Tax Hub](#) to view more information

Head Office in Hanoi

18th Floor, Hoa Binh International Office Building
106 Hoang Quoc Viet Street, Cau Giay District, Hanoi, Vietnam
T + 84 24 3850 1686
F + 84 24 3850 1688

grantthornton.com.vn

Hoang Khoi

National Head of Tax Services
D +84 24 3850 1618
E khoi.hoang@vn.gt.com

Ho Chi Minh City Office

14th Floor, Pearl Plaza, 561A Dien Bien Phu Street
Binh Thanh District, Ho Chi Minh City, Vietnam
T + 84 28 3910 9100
F + 84 28 3910 9101

Valerie – Teo Liang Tuan

Tax Partner
D +84 28 3910 9235
E valerie.teo@vn.gt.com

Do Vu Bao Khanh

Senior Manager
Tax Services
D +84 28 3910 9277
E Khanh.Do@vn.gt.com