



Update on New Legal Documents and Key Policies on Taxation and Labor

July 2025



In this newsletter, Grant Thornton Vietnam would like to update our valued clients on newly issued legal policies and notable guidance in the areas of taxation and the issuance of work permits for foreign nationals, which have been issued recently and will take effect soon.

1. Circular No. 86/2024/TT-BTC dated December 23, 2024 on tax registration – abolishing the use of personal tax codes and introducing personal identification numbers as a replacement.

- ❖ The Ministry of Finance has issued Circular No. 86/2024/TT-BTC regulating tax administration (effective from February 6, 2025), replacing Circular No. 105/2020/TT-BTC, with the following key points:

Tax identification numbers previously issued by tax authorities to individuals, households, and household businesses will remain valid only until June 30, 2025. From July 1, 2025, taxpayers, tax authorities, and relevant agencies, organizations, and individuals involved in the use of tax codes under Article 35 of the Law on Tax Administration must use personal identification numbers instead of tax codes, specifically:



Personal tax codes will be replaced with personal identification numbers issued by the Ministry of Public Security under the law on identification.



The personal identification number of the household representative, household business representative, or individual business owner will also be used instead of the tax code for that household, household business, or individual business.



The personal identification number will completely replace the old tax code in all tax-related obligations, including declarations, adjustments, and registration of dependents for deduction purposes.



2. Corporate Income Tax Law No. 67/2025/QH15

2.1. Tax rates

Standard rate of 20%: Applies to most enterprises.

Preferential rate of 15%: Applies to enterprises with total annual revenue not exceeding VND 3 billion.

Preferential rate of 17%: Applies to enterprises with annual revenue above VND 3 billion and not exceeding VND 50 billion.

2. Corporate Income Tax Law No. 67/2025/QH15 (cont')

2.1. Tax rates (cont')

The 15% and 17% preferential rates under Clauses 2 and 3 of Article 10 of the amended Corporate Income Tax Law 2025 do not apply to the following types of income:

1

Income from capital transfers, equity transfers; real estate transfers except for social housing under Point t, Clause 2, Article 12 under the amended Corporate Income Tax Law 2025; revenue from investment project transfers (except mineral processing investment project transfers); transfer of rights to participate in investment projects; transfers of mineral exploration, exploitation, and processing rights; and income from business activities conducted outside Vietnam.

2

Income from oil and gas exploration, prospecting, and extraction; income from the exploration and mining of other rare resources and minerals.

3

Income from the production and trading of goods and services subject to Special Consumption Tax under the Law on Special Consumption Tax, except for automobile, aircraft, yacht assembly/manufacturing, and oil refining and petrochemical projects.

4

Enterprises that are subsidiaries or have related relationships where the related enterprise does not meet the conditions for applying the tax rates.

2. Corporate Income Tax Law No. 67/2025/QH15 (cont')

2.2. Additional business sectors eligible for corporate income tax incentives

Article 12 of the amended Corporate Income Tax Law 2025 adds several new sectors eligible for tax incentives, notably:

1

Production of cybersecurity products and provision of cybersecurity services meeting the legal requirements under cybersecurity law; production of key digital technology products and services, electronic equipment production under digital technology industry law; research and development, design, packaging, testing of semiconductor chip products; construction of artificial intelligence data centers.

2

Defense and security production and the manufacturing of industrial mobilization products; production of key chemical and mechanical products under legal provisions.

3

Automobile assembly and production; other digital technology product manufacturing.

4

Investment in and operation of technical infrastructure supporting small and medium enterprises (SMEs), incubation facilities for SMEs, and co-working spaces supporting innovative start-ups under the Law on Supporting Small and Medium Enterprises.

2. Corporate Income Tax Law No. 67/2025/QH15 (cont')

2.3. Change in minimum capital threshold for tax-incentivized production projects

Minimum investment capital for production projects eligible for tax incentives increases to VND 12,000 billion, with disbursement required within 5 years and the application of technology meeting standards under the Law on Investment.

2.4. Regional incentives updated as follows

Location-based incentives will no longer apply to standard industrial zones. However, economic zones, high-tech zones, high-tech agricultural zones, and concentrated digital technology zones will continue to enjoy incentives based on location.





2. Corporate Income Tax Law No. 67/2025/QH15 (cont')

2.5. Supplemented guidance related to e-commerce and digital technology platforms

Law No. 67 expands the scope of application to include foreign enterprises without a permanent establishment in Vietnam that supply goods/services via e-commerce platforms and digital technology platforms. The definition of "permanent establishment" has also been revised to include platforms through which foreign enterprises deliver goods or services in Vietnam.

2.6. Change in tax calculation method for capital transfers by foreign investors

Under current regulations, foreign enterprises are subject to a 20% tax on income from the transfer of shares in a joint stock company or capital contributions in a limited liability company. However, Law 67 stipulates that foreign enterprises will be taxed based on revenue instead of income (as previously regulated). The specific tax rate on revenue will be provided under the coming Government Decree. This means even if a transaction does not generate income, investors are still required to pay tax. Additionally, the new regulation does not exclude cases of indirect capital transfers.

2. Corporate Income Tax Law No. 67/2025/QH15 (cont')

2.7. New regulation on taxable income

Enterprises that are required to pay top-up tax on the total minimum taxable income (IIR) in accordance with the law may deduct the additional corporate income tax payable from the amount of corporate income tax payable in Vietnam.

2.8. Additional deductible expenses

- Supplementary expenses calculated as a percentage of actual R&D expenses incurred during the tax period.
- Certain expenses incurred for business operations but not corresponding to revenue generated during the period, as stipulated by the Government.
- Certain expenses for supporting the construction of public facilities that also serve the enterprise's business operations.
- Expenses related to the reduction of greenhouse gas emissions aimed at carbon neutrality and net-zero targets, as well as environmental pollution reduction, which are also connected to the enterprise's production and business activities.





2. Corporate Income Tax Law No. 67/2025/QH15 (cont')

2.9. Additional non-deductible expenses

1

Expenses that do not meet eligibility criteria or content under specialized regulations.

2

Interest expenses on business loans from non-credit institutions exceeding limits under the Civil Code.

3

The law also introduces the category "Other expenses" that are non-deductible, though details have not yet been clarified.

3. Law on Value-Added Tax No. 48/2024/QH15 effective from 1/7/2025 and Decree 181/2025/NĐ-CP and Circular 69/2025/TT-BTC guiding the Value-Added Tax (“VAT”)

3.1. Adjustment to VAT taxable subjects and VAT rates as follows

- Conversion from non-taxable or non-declarable subjects to VAT- taxable at the 5% rate, such as: products of planted forests, livestock, aquaculture, fishing that have not been processed into other products or only undergone simple processing, purchased by enterprises or cooperatives and then sold to other enterprises or cooperatives.
- Change from VAT-exempt to 5% VAT for items such as fertilizers, fishing vessels operating in marine waters, and specialized machinery and equipment used in agricultural production as specified by the Government.
- Change from 5% VAT to 10% VAT for items like unprocessed forest products, sugar and by-products, specialized equipment and tools used for teaching, research, and scientific experiments (except certain devices); and cultural, exhibition, sports, performing arts, film production, importation, distribution, and screening activities (excluding traditional folk art).
- Addition of export products that are resources or minerals either unprocessed or processed into other products, as VAT-exempt items according to a Government-issued list, aligning with state policy discouraging the export of raw resources and minerals.
- Removal of several VAT exempt categories such as: securities depository services, services organizing markets by stock exchanges or securities trading centers, and other securities-related business activities



3. Law on Value-Added Tax No. 48/2024/QH15 effective from 1/7/2025 and Decree 181/2025/NĐ-CP and Circular 69/2025/TT-BTC guiding the Value-Added Tax (“VAT”) (cont’)

3.2. Changes in conditions for VAT credit (Decree 181/NĐ-CP)

- The threshold requiring non-cash payment vouchers for purchased goods and services (including imports) is reduced to VND 5 million or more inclusive of VAT. Non-cash payment methods must comply with Decree 52/2024/NĐ-CP.
- This provision also applies to cases where goods and services are purchased multiple times a day but the total value exceeds VND 5 million — non-cash payment vouchers are still required.

3.3. Changes in conditions to apply 0% VAT for goods and services provided to non-tariff zones:

Goods and services provided to organizations in non-tariff zones, consumed within the non-tariff zones, and directly serving export production activities.

3. Law on Value-Added Tax No. 48/2024/QH15 effective from 1/7/2025 and Decree 181/2025/NĐ-CP and Circular 69/2025/TT-BTC guiding the Value-Added Tax (“VAT”) (cont’)

3.4. Changes to VAT refund cases



Business establishments that only produce goods or provide services subject to 5% VAT are eligible for VAT refunds if their uncredited input VAT reaches VND 300 million or more after 12 consecutive months or 4 consecutive quarters. Appendix III of Circular 69/2025/TT-BTC provides the method for determining the refundable tax amount in this case.



An additional case where VAT refund is not allowed has been added: goods that are imported and then re-exported to another country, where the goods were initially imported into Vietnam by the business and subsequently directly exported or exported under an entrustment arrangement. This does not include imported materials used for manufacturing or processing export goods.



3. Law on Value-Added Tax No. 48/2024/QH15 effective from 1/7/2025 and Decree 181/2025/NĐ-CP and Circular 69/2025/TT-BTC guiding the Value-Added Tax (“VAT”) (cont’)

3.5. Additional documentation procedures for determining VAT non-taxable subjects (Circular 69/2025/TT-BTC) for the following cases

For animal breed products, there must be a declaration of applied standards from the manufacturing facility and breed documentation in accordance with livestock law regulations.

For imported newspapers, magazines, bulletins, special publications, political books, textbooks, course books, legal documents, etc., a Certificate of Importation of Publications for Business issued by a competent authority, as regulated by publishing law, is required.

For goods and services sold to foreign organizations or individuals, or international organizations for humanitarian aid or non-refundable aid, there must be a written document from the foreign or international organization, as stipulated in Point b, Clause 11, Article 4 of Decree No. 181/2025/NĐ-CP.

For the transfer of industrial property rights to inventions, industrial designs, layout designs, trademarks, etc., there must be a decision granting a protection certificate from a competent state authority as prescribed by intellectual property law, or recognition of international registration under international treaties.

For the transfer of rights to plant varieties that involves intellectual property ownership, there must be a decision granting a Plant Variety Protection Certificate from a competent state authority under intellectual property law and a contract for the transfer of rights to the plant variety in accordance with legal regulations.

For imported goods donated or sponsored for disaster prevention, response, and recovery, there must be an approval document for the receipt of such donated or sponsored goods from the relevant receiving agencies or organizations.

3. Law on Value-Added Tax No. 48/2024/QH15 effective from 1/7/2025 and Decree 181/2025/NĐ-CP and Circular 69/2025/TT-BTC guiding the Value-Added Tax (“VAT”) (cont’)

3.6. Addition of detailed percentage rates for groups of goods and services subject to VAT calculation by fixed percentage in Appendix I of Circular 69/2025/TT-BT

3.7. Addition of provisions on prohibited acts related to VAT credit and refund from 1/7/2025 including

- Buying, selling, or brokering the purchase and sale of invoices;
- Creating fictitious transactions;
- Using illegal invoices or documents;
- Failing to transmit electronic invoice data to the tax authority;
- Tampering with or misusing the invoice information system;
- Giving, receiving, or brokering bribes related to invoices and documents;
- Colluding, covering up, or forming illicit connections between tax officials, tax authorities, businesses, importers, or among businesses and importers in the use of illegal invoices and documents.



4. Decree 128/2025/NĐ-CP stipulates the delegation and decentralization of state management authority in the field of internal affairs

The Government has issued Decree No. 128/2025/NĐ-CP (effective from July 1, 2025), which provides new regulations on the procedures for granting work permits to foreign nationals, with the following key changes:

Starting from July 1, 2025, under Decree 128/2025/NĐ-CP, the authority to issue work permits for foreigners will be transferred from the Ministry of Labor, Invalids and Social Affairs (MOLISA) to the Chairpersons of provincial-level People's Committees. This change also applies to the approval of labor demand, confirmation of work permit exemption, and the processes of issuance, reissuance, extension, or revocation of work permits.

Decree 128 also revises numerous administrative forms to align with the new decentralization. Terms such as "Ministry of Labor, Invalids and Social Affairs" or "Department of Employment" are replaced with "provincial People's Committee" or "Department of Home Affairs." These new forms will officially take effect on July 1, 2025.

This decentralization aims to shorten processing times, reduce the burden on central authorities, and make the process more convenient for businesses.



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



Bui Kim Ngan
Tax Director
D +84 24 3850 1716
E ngan.bui@vn.gt.com



Hoang Viet Dung
Tax Director
D +84 24 3850 1687
E dung.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



Nguyen Thu Phuong
Tax Director
D +84 28 3910 9237
E thuphuong.nguyen@vn.gt.com



Dang Hai Ha My
Tax Director
D +84 28 3910 9241
E my.dang@vn.gt.com



Lac Boi Tho
Tax Director
D +84 28 3910 9240
E tho.lac@vn.gt.com



Do Vu Bao Khanh
Tax and Transfer Pricing Director
D +84 28 3910 9277
E khanh.do@vn.gt.com

© 2025 Grant Thornton (Vietnam) Limited - All rights reserved.

'Grant Thornton' refers to the brand under which the Grant Thornton member firms provide assurance, tax and advisory services to their clients and/or refers to one or more member firms, as the context requires. Grant Thornton International Ltd (GTIL) and the member firms are not a worldwide partnership. GTIL and each member firm is a separate legal entity. Services are delivered by the member firms. GTIL does not provide services to clients. GTIL and its member firms are not agents of, and do not obligate, one another and are not liable for one another's acts or omissions.