Tax Newsbrief

Decree 255/2026/ND-CP Regulating Tax administration toward transactions between related parties

July 2026

The Vietnamese Government has approved Decree No. 255/2026/ND-CP (Decree 255) on 30 June 2026 to provide regulations of tax administration toward transactions between related parties. Decree 255 takes effects from 1 July 2026 and applies to 2026 tax period of taxpayers. Decree 255 replaces legal basis for related party transactions which was provided under Decree No. 132/2020/ND-CP (Decree 132) and Decree No. 20/2025/ND-CP (Decree 20). Via this newsbrief, Grant Thornton Vietnam will summarize the key features of Decree 255 that may significantly impact the compliant perspectives in Vietnamese transfer pricing environment.

1. Creating harmony toward Local and International Tax administration regulations

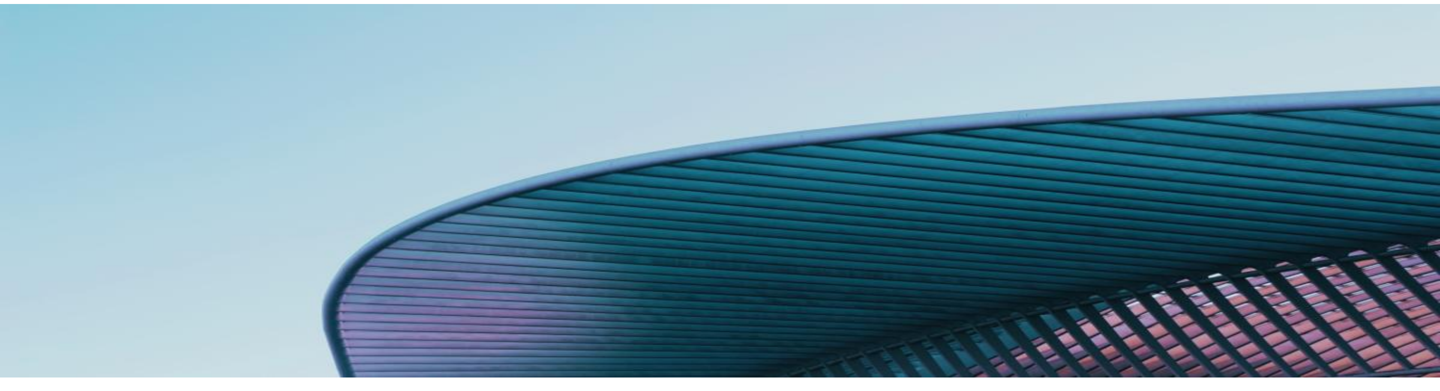
Decree 255 has been issued and provided consistency with prevailing Tax administration in both Vietnam and international environments, particularly:

- Application principle in Decree 255 in terms of management and assessment of related party transactions and commercial database has been connected and harmonized with Law of Tax Administration No. 108/2025/QH15.

- Application principles on Top-up Corporate tax in accordance with Resolution No. 107/2023/QH15 as well as connections between highly specialized regulatory terms in management of related party transactions and relevant regulations have also been established.

- Regulatory terms regarding obligations of Country-by-country reporting (CbCR) have also been synchronized with relevant regulatory guidance under the Action 13 of Base Erosion and Profit Shifting (BEPS 13) as well as certain updates have been provided to align the adaptation of Multilateral Competent Authority Agreement (MCAA) in CbCR exchange.

- The Vietnamese tax authority has been regulated to announce list of Tax authorities in counter jurisdictions participating in exchange mechanism on an annual basis, as well as to bear responsibility in maintaining confidentiality in exchanging progress.



Grant Thornton

2. In-depth provisions of application of database in management of related party transactions

Decree 255 mandates in details sources of information that could be considered database in arm's length analysis, as hierarchy of applications of database and hierarchy of analysis as follows:

Hierarchy of database	Hierarchy of analysis
1. Information from publicly listed entities Publicly available information from exchanges of commodity and services National database and other official sources	1. Internal comparable measurements
2. Commercial database	2. Comparable measurements in the same jurisdiction
3. Tax management database	3. Regional comparable measurements (Accompanying with comparability analysis)

Expansion of thresholds of Transfer pricing Documentation

Decree 255 has extended the scope of threshold for exemption of Transfer pricing Documentation as regulated under Clause 2c of Decree 132, in particular:

- Increase the revenue threshold for exemption of Transfer pricing Documentation from under VND 200 billion to under VND 500 billion
- Eliminate condition of "simple and routine business activities"

Beyond the changes above, taxpayers are still recommended to maintain a requisite Operating Margin to qualify the thresholds (i.e. 5% for distribution, 10% for manufacturing and 15% for toll manufacturing).

Grant Thornton

Update of requirements on Country-by-country reporting

Decree 255 has supplemented the regulatory terms relevant to CbCR obligations and align the requirements of preparation, maintenance and submission of CbCR in accordance with BEPS 13. The following features have been summarized as follows:

- For Vietnamese Ultimate Parents: Revenue threshold for CbCR preparation is EUR 750 million (replacing the previous threshold of VND 18 trillion)
- For Vietnamese taxpayers as subsidiaries of overseas Ultimate Parent entities: Revenue threshold of EUR 750 million has also been applied for execution of CbCR obligations, in particular:
    - Vietnamese taxpayers will be exempted of CbCR exemption in the event CbCR is under the application of MCAA and has been submitted by Ultimate Parent or via delegation; as only CbCR Submission notification is required (Form No. 01/TB-BCLN).
    - CbCR submission in Vietnam will be conducted (i) under encrypted XML format, (ii) via Tax information management system and (iii) within 12 months from the ending date of financial year of Ultimate Parent.

3. Impacts and recommendations from Grant Thornton Vietnam

Impacts toward Vietnamese transfer pricing compliance environments as well as recommendations from Grant Thornton Vietnam in terms of compliance are depicted as follows:

❖ From a local perspective

The issuance of Decree 255 has reflected commitment from Vietnamese Government in order to create a consistency environment for compliance with high relevance among legal bases. Decree 255 has also unified legal guidance under Decree 132 and Decree 20, as well as reducing legal bottlenecks in preparing compliant documents and arm's length analysis.

Decree 255 also extended the scope of Transfer pricing Documentation exemptions and supported taxpayers in terms of compliant burden reduction.

Taxpayers are recommended to proactively follow up with the changes applied in Decree 255 and discuss with consultant for 2026 compliant documents to maintain complaince and reduce compliant risks.

❖ From an international perspective

Decree 255 has presented the cooperative efforts of Vietnamese Government in participating in global regulatory regime and tax management, via the recognition of BEPS 13 and MCAA under the regulations.

Via the update of obligatory regulations on CbCR, taxpayers who are Vietnamese Ultimate Parents could enjoy the unified regulations on preparation of CbCR locally as well as adaptation of CbCR under OECD guidelines in most jurisdictions, through which availability of CbCR is assured via multilateral and bilateral mechanism.

In addition, exemption of CbCR submission for Vietnamese taxpayers subsidiaries of overseas Ultimate Parents also supports the reduction of compliant burden for CbCR maintenance. Regulations on confidentiality in CbCR exchanging mechanism also presents the efforts of Vietnamese Government in protection of taxpayers in terms of sensitive information.

Most importantly, Decree 255 could be considered to strengthen requirements on CbCR and ensure compliance in both transfer pricing and Pillar 2 perspectives. Vietnamese taxpayers are recommended to proactively follow up with CbCR preparation and submission status as well as CbCR progress from Ultimate Parent to provide proper explanation to tax authority upon request.

Grant Thornton Vietnam will continuously update details of Decree 255 via our in-depth analysis under the upcoming publications. In the event any further discussion is required from the above, please contact our professionals for detailed consultation.

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
Nghia Do Ward, Hanoi, Vietnam

T + 84 24 3850 1686
F + 84 24 3850 1688

grantthornton.com.vn

Ho Chi Minh City Office
14th Floor, Pearl Plaza
561A Dien Bien Phu Street
Thanh My Tay Ward, Ho Chi Minh City, Vietnam

T + 84 28 3910 9100
F + 84 28 3910 9101

Hoang Khoi

Senior Partner, National Head of Tax Services

T +84 24 3850 1686 – Ext: 1618
E Khoi.Hoang@vn.gt.com

Bui Kim Ngan

Tax Director

T +84 24 3850 1686 – Ext: 1716
E Ngan.Bui@vn.gt.com

Valerie Teo

Partner, Head of Tax Services of HCMC Office

T +84 28 3910 9100 – Ext: 9235
E Valerie.Teo@vn.gt.com

Do Vu Bao Khanh

Tax and Transfer Pricing Director

T +84 28 3910 9100 – Ext: 9277
E Khanh.Do@vn.gt.com

Nguyen Thu Phuong

Tax Director

T +84 28 3910 9100 – Ext: 9237
E Thuphuong.Nguyen@vn.gt.com

Dang Hai Ha My

Tax Director

T +84 28 3910 9100 – Ext: 9241
E My.Dang@vn.gt.com

Lac Boi Tho

Tax Director

T +84 28 3910 9100 – Ext: 9240
E Tho.Lac@vn.gt.com

grantthornton.com.vn