



# TRANSFER PRICING ENVIRONMENT IN VIETNAM



## CONCEPT

Shifting profit among Group company, retain profit in Tax heaven  
1. Utilize different tax rates, tax invasion  
2. Minimize tax expenses, maximize Group profit



## 2 What needs to protect your business?

- 1. Annual transfer pricing forms
- 2. Annual transfer pricing report



## 4 Regulations

- Decree 132/2020/ND-CP
- Decree 20/2012/ND-CP (2017-2020)
- Circular 66/2010/TT-BTC (2010-2016)
- Circular 117/2005/TT-BTC (2005-2009)



## 3 Compliance principle

- 1 Similarity in pricing between related and unrelated transactions
- 2 Direct price comparison between transaction
- 3 Indirect margin comparison between taxpayer and other industry players



## 7 High focus areas

- 1. Ha Noi
- 2. Hai Phong
- 3. Bac Ninh
- 4. Bac Giang
- 5. Ho Chi Minh City
- 6. Dong Nai
- 7. Binh duong

### Transfer pricing audit facts (1H2021)

- . 90 enterprises
- . VND 1.519 bil transfer pricing adjustment



Vietnamese taxpayer entering into transactions with related party



- 1. Direct control (parent and subsidiary)
- 2. Under common control (Group subsidiary)

### Object



### Related parties

