DAI TIN AUDITING COMPANY LIMITED

LEGAL NEWSLETTER
JULY 2026

MAIN CONTENTS

A. NEW LEGAL DOCUMENT

1. Decree No. 252/2026/ND-CP elaborating the Law on Tax Administration

Issuing date: June 30, 2026

Effective date: July 1, 2026

New points of the Decree No. 252/2026/ND-CP

1. Taxpayers who fail to provide explanations on invoice risks as warned by systems shall have their information published on information websites

Compared to the previous regulations specified in Clause 1, Article 29 of Decree No. 126/2020/ND-CP, regulation adjustments regarding publishing of information about taxpayers have been made in Article 4 of Decree No. 252/2026/ND-CP.

The decree additionally stipulates the act of failing to provide explanations on invoice risks as warned by the electronic invoice application system as required by the tax authority.

This is a mandatory disclosure of information on websites of supervisory tax authorities at all levels.

For other cases, based on the reality conditions, the head of the supervisory tax authority directly managing the taxpayer or the tax authority responsible for management of the state budget revenues shall decide to apply one or more supplementary methods, including: publishing information through mass media, posting notices at the headquarters of the tax authority, providing information through citizen reception, press conferences, press releases, spokespersons of tax authorities...

2. Automatic disclosure of information on a monthly basis for overdue tax payments exceeding 90 days

This is a new regulation specified in Point c, Clause 3, Article 4 of Decree No. 252:

In case where the taxpayer or guarantors fails to pay tax, late payment interests, fines and other amounts to state budget within 90 days from the deadline for payment or implementation of the tax administration decision, the tax management information system shall automatically publish taxpayer information monthly on the websites of tax authorities.

3. Tax registration deadline for branches and transaction offices of credit institutions from the date of launching

As newly regulated under Point a.1., Clause 3, Article 6 of Decree No. 252, the first-time tax registration deadline for branches and transaction offices of credit institutions is within 10 working days from the launch date.

This is a new regulation not previously covered in Decree No. 126/2020/ND-CP.

2. Decree No. 253/2026/ND-CP elaborating the Law on Personal Income Tax

Issuing date: June 30, 2026

Effective date: July 1, 2026

Elaboration of Law on Personal Income Tax

On June 30, 2026, the Government promulgated Decree No. 253/2026/ND-CP on elaboration of, measures for organization and guidance for implementation of the Law on Personal Income Tax, taking effect from July 1, 2026.

This Decree is applicable to taxpayers, tax authorities, organizations and individuals related to implementation of the Law on Personal Income Tax. Taxpayers include resident individuals earning income within and outside the territory of Vietnam, and non-resident individuals earning income within the territory of Vietnam.

- Taxpayers and resident individuals

Taxpayers are resident individuals and non-resident individuals. A resident individual is a person who is present in Vietnam with a total duration of at least 183 days in the tax year or is considered to a regular residence in Vietnam. Those who do not satisfy the aforementioned conditions are considered non-resident individuals.

- Taxable income

Taxable income includes income from business operations, salaries, capital investment, capital and real estate transfer, winnings, royalties, franchising, receipt of inheritance or gifts, and other income. For resident individuals, taxable income is income earned within and outside the Vietnam's territory; for non-resident individuals, taxable income is income earned only within Vietnam's territory.

- Tax-exempt income

Tax-exempt income includes income from real estate transfer between family members, transfer of an individual's only house, interest on government bonds, interest on deposit at credit institutions, and scholarships.

- Basis for tax calculation

Personal income tax is calculated upon assessable income after deducting the following amounts including family circumstance-based deductions, deductible social insurance, health insurance, unemployment insurance, and deductions for charitable contributions. Tax rate on income from salaries and remunerations shall follow the progressive tax schedule by bracket, and fixed rate for other types of income.

- Tax withholding and settlement

Organizations and individuals paying income are responsible for withholding tax before making payments. Income payers may be authorized to settle tax on behalf of individuals. Tax settlement shall be conducted annually, except for certain special cases.

- Appendix: List of business lines subject to tax

Issued together with this Decree prescribing list of business lines and tax rates applicable to resident individuals earning income from business, ranging from goods distribution, services, manufacturing, and other business operations.

3. Decree No. 254/2026/ND-CP on guidelines for implementation of the Law on Tax Administration in 2025 regarding electronic invoices

Issuing date: June 30, 2026

Effective date: July 1, 2026

Elaboration of electronic invoices and electronic records under the Law on Tax Administration in 2025

On June 30, 2026, the Governement issued Decree No. 254/2026/ND-CP on elaboration of, measures for organization and guidance for implementation of the Law on Tax Administration No. 108/2025/QH15 regarding electronic invoices and electronic records, effective as of July 1, 2026.

This Decree applies for organizations and individuals engaged in selling goods, providing services, organizations collecting tax, fees and charges, taxpayers, providers of electronic invoice and electronic record services, tax authorities and organizations, individuals related to the management and use of invoices and records.

- Types of electronic invoice and record

Decree stipulates e-invoice types including value-added tax e-invoice, sales e-invoice, e-commerce invoice, electronic public-asset sales invoice, electronic national-reserve sales invoice and other e-invoice such as stamps, tickets, cards. Electronic records comprise personal income tax deduction records and receipts for the collection of taxes, fees and charges.

- Intended users of electronic invoices

Entities required to use electronic invoices comprise business entities, household businesses, individual businesses and taxpayers classified as high-risk in terms of taxation. Enterprises operating in the sectors of electricity, petroleum, telecommunications, banking, insurance, healthcare, and e-commerce business may use unauthenticated electronic invoices provided that certain requirements are satisfied.

- Electronic invoice services to be free of charge

Small and medium-sized enterprises, cooperatives, and household businesses in disadvantaged areas shall be entitled to be free of charge of using electronic invoices for a period of the first 12 months. The Department of Taxation may entrust an electronic invoice service provider to carry out the provision of electronic invoices free of charge.

- Responsibilities of relevant parties

Sellers of goods and providers of services shall hold responsible for issuing and sending electronic invoices to buyers and the tax authority. Providers of electronic invoice services shall maintain the safety and confidentiality of the information and promptly notify of any technical incidents arising. The tax authorities shall bear responsibility for developing a database on electronic invoices to serve tax administration and the state management of other state agencies.

- Rewarding consumers reporting violations

A consumer who reports a seller that fails to issue and deliver an electronic invoice shall be eligible for a reward if they provide truthful, accurate and timely information, and the tax authority has issued a decision on the sanctioning of administrative violations on the basis of the information provided. The reward expenditure shall be up to a maximum of 10% of the amount of the administrative penalty and shall not exceed VND 10,000,000 per case.

4. Decree No. 255/2026/ND-CP on tax management for related-party transactions of enterprises

Issuing date: June 30, 2026

Effective date: July 1, 2026

Tax management for related-party transactions of enterprises

On June 30, 2026, the Government issued Decree No. 255/2026/ND-CP prescribing tax management for related-party transactions of enterprises having related party relationships, effective from its date of issuance.

This Decree is applicable to organizations engaged in the production and trading of goods and services that have transactions with related parties, tax authorities, and other regulatory agencies, organizations and individuals involved.

- Principles of application

Taxpayers with related-party transactions must eliminate factors that reduce their tax liability due to the influence and impact of the related-party relationship, to declare and determine their tax liability on terms equivalent to those of independent transactions. Tax authorities shall manage and examine transfer prices in accordance with the principles of tax administration and tax examination.

- Interpretation of terms

The Decree provides detailed definitions of terms such as related-party transactions, Tax Treaty, Competent Authority Agreement, Ultimate Parent Entity, Tax Authority of the Partner Jurisdiction, independent comparable, material difference, arm's length range, Local File and Master File.

- Transfer pricing methods

The Decree prescribes the methods for analysis, comparison, and selection of independent comparables to determine transfer prices. This is intended to ensure that taxpayers' tax liabilities payable to the state budget are determined in accordance with the applicable regulations.

- Responsibilities of taxpayers and regulatory agencies

Taxpayers are responsible for declaring taxes, preparing transfer pricing documentation, and submitting the Country-by-Country Report. Regulatory authorities shall hold responsibility for tax management of taxpayers with related-party transactions and ensuring compliance with the regulated laws.

This Decree aims to strengthen tax administration over related-party transactions and ensure transparency and fairness in determining the tax obligations of enterprises.

For more information, please refer to: ***Highlights of Decrees No. 252, 253, 254, and 255.***

B. LEGAL GUIDANCE

1. *Official Letter No. 11384/DON-QLDN3 of Dong Nai Provincial Tax Office on tax policy applicable to brokerage commission expenses*

Where the Company enters into a contract with a foreign brokerage organization/ individual (having no permanent establishment, branch, or representative office in Vietnam) to broker and introduce customers that are companies in Vietnam (operating in export processing zones) to the Company, and the Company subsequently sells goods to such customers, the income derived from the brokerage activities of such foreign organization/individual shall be regarded as income generated in Vietnam.

- Where brokerage commission expenses are paid to a foreign organization, such foreign organization shall fulfill the following tax obligations: Value-added tax (VAT) at the rate of 5% on revenue in accordance with Article 9 of Circular No. 69/2025/TT-BTC, and corporate income tax (CIT) at the rate of 5% on revenue under Clause 3, Article 12 of Decree No. 320/2025/ND-CP;

- Where brokerage commission expenses are paid to a foreign individual (non-resident), such foreign individual shall fulfill the following tax obligations: Personal income tax (PIT) in accordance with the law on PIT, which shall be calculated by multiplying taxable income from salaries and remunerations by the tax rate of 20% as stipulated in Clause 1, Article 18 of Circular No. 111/2013/TT-BTC.

2. Official Letter No. 1441/LCA-QLDN2 of Lao Cai Provincial Tax Office on guidance regarding VAT refunds and corporate income tax incentives

Where the Company is within the period of entitlement to corporate income tax incentives and carries out multiple business operations, it shall separately record the income derived from the business operations eligible for corporate income tax incentives.

Where the Company fails to separately record income from business operations eligible for CIT incentives and income from business operations ineligible for CIT incentives, or where certain revenue or deductible expense cannot be separately recorded, income from business operations eligible for CIT incentives shall be determined as stipulated in Clause 1, Article 23 of Decree No. 320/2025/ND-CP.

Where the Company has an investment project (eligible for corporate income tax incentives) that is still in the investment phase and derives income from management consulting activities unrelated to the business operations of the investment project, such income shall not be eligible for corporate income tax exemption and reduction incentives.

3. Official Letter No. 9409/BTC-CT/2026 of the Ministry of Finance on coordination in implementing the Tax Identification Number Cleansing Campaign – Removing Bottlenecks to Facilitate Business Operations

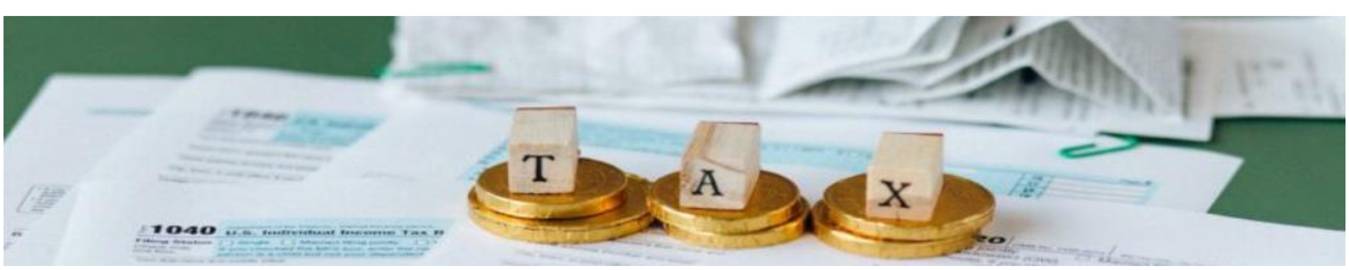
Handling violations involving enterprises not operating at their registered addresses

- Tax authorities:

(i) Where an enterprise is not operating at its registered address, has prolonged outstanding tax debts, fails to cooperate, and satisfies the conditions for enforcement by revocation of its enterprise registration certificate under regulations of the law on tax administration, the tax authority shall prepare a dossier and send it to the provincial-level business registration authority for revocation. The provincial-level business registration authority shall revoke the enterprise registration certificate at the request of the tax authority and update the enterprises's legal status as "Certificate revoked due to tax decision enforcement" in compliance with the regulations.

This task shall be completed by August 15, 2026.

(ii) Where an enterprise not operating at its registered address shows signs of invoice trading, tax evasion, or misuse of its legal entity status, tax identification number, or invoices to commit violations against the law, the tax authority shall conduct risk classification, inspection, and handling of violations, or transfer reports and petitions for prosecution to the police authority where sufficient grounds exist. Where the conditions for revocation of the enterprise registration certificate are also met under law on tax administration or law on enterprise registration, the tax authority shall coordinate with the provincial-level business registration authority to carry out the revocation within jurisdiction.



C. ADDITIONAL POINTS

1. Official Letter No. 4565/CT-CS/2026 of the Department of Taxation providing guidance on visa fee collection and payment on behalf of others and preparation of invoices and records

The taxable price of VAT does not include amounts collected on behalf of others. Where the Company charges customers for services such as visa application support, dossier consultation, translation, and other related services, the Company shall issue VAT invoices and pay VAT on the services provided to customers in accordance with regulations.

2. Official Letter No. 4673/CT-CS of the Department of Taxation on corporate income tax policy

Where foreign enterprises with or without a permanent establishment in Vietnam earn income generated from the sale of goods to enterprises in Vietnam or from on-the-spot export and import activities as prescribed in the regulations on on-the-spot exported and imported goods under Article 3 of Law No. 90/2025/QH15 and Clause 19, Article 1 of Decree No. 167/2025/ND-CP, they shall be subject to foreign contractor tax in accordance with regulations of the law on corporate income tax.

3. Official Letter No. 4678/CT-CS/2026 of the Department of Taxation on the use of invoices

Where a domestic enterprise is a hirer of an export processing enterprise, and the domestic enterprise has completed import customs declaration, paid VAT, and retained records of import-stage VAT payment in conformity with regulations of the law on customs, and the export processing enterprise performs the processing activities for the domestic enterprise in compliance with the applicable regulations, the export processing enterprise shall use invoices clearly stated "For organizations and individuals in the free trade zone" in accordance with Point b, Clause 5, Article 1 of Decree No. 70/2025/ND-CP.

Dai Tin Auditing Company Limited is a professional auditing and financial consulting organization, providing high quality services including: auditing, accounting, financial consulting, investment consulting, M&A consulting, tax consulting and training.

Dai Tin Auditing Company Limited was established and is operated by a team of founders and dedicated experts in auditing, accounting, finance, and management with many years of experience holding managerial positions in leading companies both domestically and internationally. This enables Dai Tin to build a high-caliber workforce and provide clients with services tailored to Vietnam while still meeting international quality standards.

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