Forvis Mazars in Vietnam Alert

Tax & Legal Updates

Key changes under Decree 255/2026/ND-CP on Tax Administration for related party transactions

The key changes introduced under Decree 255 include:

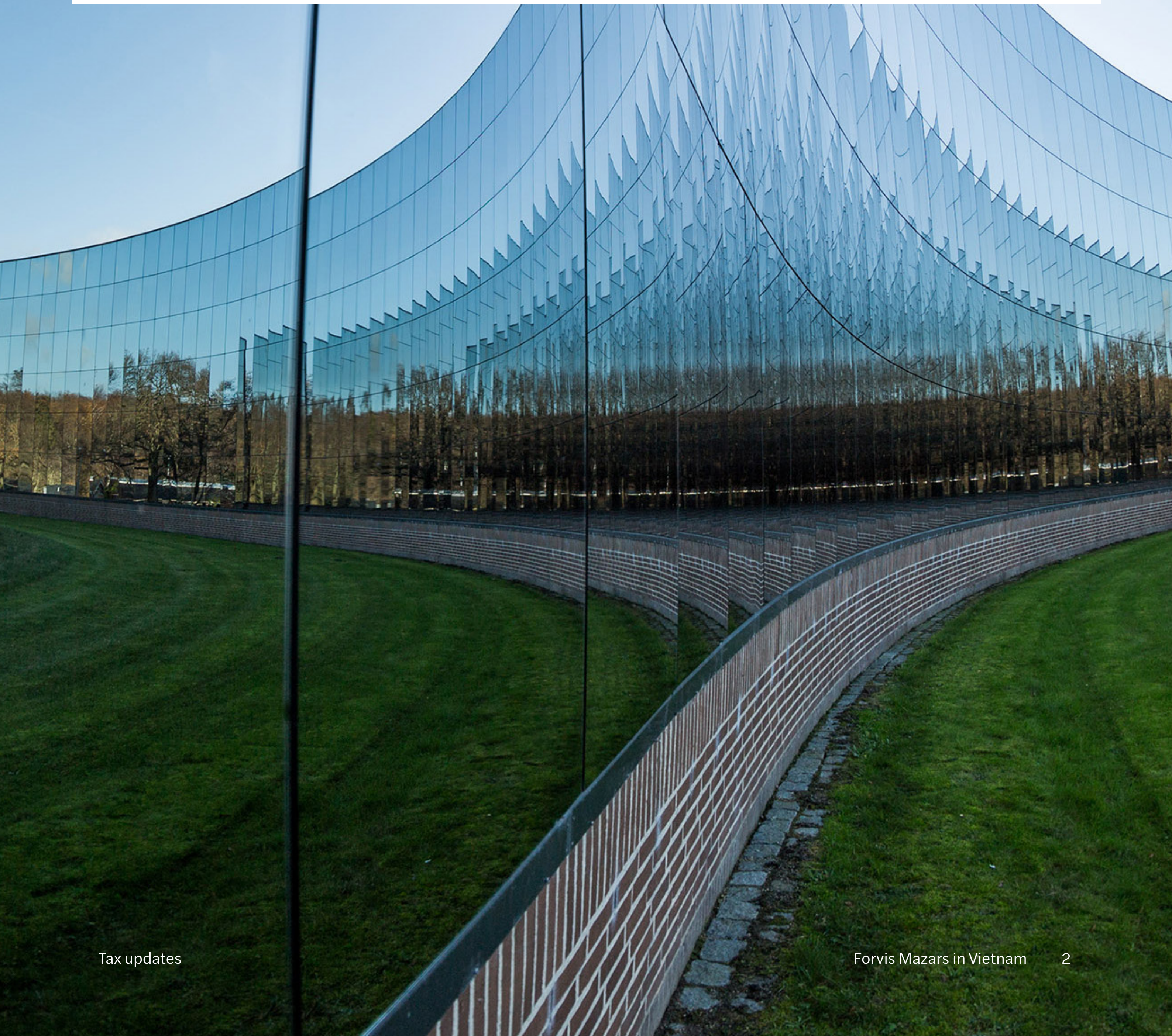
- Establishing a database priority hierarchy
- Expanding exemption threshold for Transfer Pricing Documentation
- Enhancing the regulatory framework for Country-by-Country Report (CbCR)
- Strengthening tax administration and compliance support

Decree 255/2026/ND-CP on tax administration for related party transactions

On 30 June 2026, the Vietnamese Government issued Decree 255/2026/ND-CP (hereinafter referred to as "Decree 255" or "the Decree") on tax administration for related party transactions ("RPTs"), replacing Decree 132/2020/ND-CP ("Decree 132") and Decree 20/2025/ND-CP ("Decree 20/2025").

Decree 255 took effect on 1 July 2026 and applies from the 2026 corporate income tax ("CIT") period. Overall, the Decree retains the existing transfer pricing ("TP") compliance framework for RPTs, while introducing several important amendments to key regulations.

In this tax alert, Forvis Mazars Vietnam provides an overview of the key changes under Decree 255 that may have significant implications for TP compliance in Vietnam.



Decree 255/2026/ND-CP on tax administration for related party transactions

1. Clarifying certain related-party relationship scenarios

Decree 255 maintains the the provisions on related-party relationships arising from financial transactions, including guarantees or financing arrangements in any form, which were introduced by Decree 20/2025.

In addition, the Decree introduces an exclusion from the related-party relationship rules for creditors or guarantors that are wholly State-owned organisations established to purchase, sell, or resolve debts, provided that they do not participate in the management, control, capital contribution, or investment in the borrower or the guaranteed enterprise.

2. Introducing a hierarchy of databases

Decree 255 introduces the National Database as an additional data source of information that may be used for TP declaration, documentation and administration.

Furthermore, the Decree prescribes the following priority order for the use of data sources:

(i) public and official data sources, including information from stock exchanges, commodity and service exchanges, the national database, and other officially published public sources;

(ii) commercial databases; and

(iii) tax administration databases

The introduction of this priority hierarchy is expected to minimise discrepancies between the tax authorities and taxpayers in the selection and use of databases for TP comparability analyses and determination of arm’s length prices.

Decree 255/2026/ND-CP on tax administration for related party transactions

3. Update of requirements on Country-by-Country Report (“CbCR”)

Decree 255 introduces significant amendments to CbCR-related regulations, reflecting a shift toward closer alignment with international standards and enhanced transparency in determining notification and reporting obligations. Key updates include:

- The consolidated revenue threshold for determining CbCR filing obligations is now assessed based on the consolidated revenue of the fiscal year immediately preceding the reporting year, rather than the consolidated revenue of the reporting fiscal year under the previous regulations.
- In addition, the revenue threshold is determined at the equivalent of EUR 750 million, replacing the previous threshold of VND 18,000 billion.
- The Decree further clarifies and expands the circumstances under which taxpayers in Vietnam that are members of multinational enterprise groups are required, or exempted, from filing CbCR.
- Notably, the CbCR submission requirement applies only where Vietnam meets the required conditions relating to confidentiality, consistency and appropriate use of information.
- The Decree introduces additional guidance on format, method and filing deadlines for submitting CbCR. Accordingly, CbCR is submitted under encrypted XML format via Tax management information system.
- The deadline for CbCR submission is within 12 months from the fiscal year-end of Ultimate Parent Entity for the reporting year.
- The Decree introduces a new requirement for the submission of CbCR Notifications:
    - » Taxpayers are obliged to submit a CbCR Notification in accordance with Form No. 01/TB-BCLN, no later than the fiscal year-end of the Ultimate Parent Entity for the reporting year.
    - » The Notification is required to be filed only once, when the taxpayer first becomes subject to a CbCR-related obligation. If any information contained in the previously submitted Notification changes, the taxpayer is required to submit an updated Notification within the applicable statutory deadline.

Decree 255/2026/ND-CP on tax administration for related party transactions

4. Expansion of exemption threshold of TP documentation under Point c, Clause 2, Article 20

Under the previous regulations in Decree 132, taxpayers are exempt from preparing TP document if they simultaneously meet the following conditions:

(i) performing simple functions

(ii) neither generating any revenue nor incurring any cost from operation or use of intangible assets

(iii) having annual revenue of less than VND 200 billion; and

(iv) applying the prescribed minimum net profit margin applicable to their respective business activities

For this exemption, Decree 255 increases the annual revenue threshold from less than VND 200 billion to less than VND 500 billion, while removing the requirement that the taxpayer must conduct simple functions.

Overall, these changes are intended to broaden the scope of low tax-risk taxpayers eligible for exemption from preparing TP documentation, simplify the applicable eligibility requirements, and reduce taxpayers' TP compliance costs.

5. Strengthening the voluntary compliance support mechanism

Decree 255 redefines the role of the tax authorities by adopting a risk-based and compliance-focused administration model, aiming to promote and support voluntary tax compliance.

Accordingly, the tax authorities are responsible for developing and implementing voluntary compliance programmes for taxpayers.

The Decree also authorises the tax authorities, based on declared data of taxpayers, publishing profit margin benchmarks by industry, geographic area, or taxpayer groups. These benchmarks are intended to assist taxpayers in their declarations and determination of transfer prices in compliance with the arm's length principle.

Forvis Mazars will continue to monitor further developments and provide updates of any further guidance or official announcements relating to the above regulations.

Contacts

Huyen Nguyen
Country Leader
huyen.nguyen@forvismazars.com

Minh Nguyen
Partner
Head of Advisory
minh.nguyen@forvismazars.com

Da Nguyen
Partner, Tax
Advisory services
da.nguyen@forvismazars.com

Christophe Cougnaud
Partner
Forvis Mazars Legal
christophe.cougnaud@forvismazars.com

Dzung Dang
Partner
Forvis Mazars Legal
dung.dang@forvismazars.com

Ho Chi Minh City Office
9th – 11th Floors, Viet Dragon Tower, 141 Nguyen Du Street,
Ben Thanh Ward, Ho Chi Minh City
Vietnam

Tel: +84 (28) 3824 1493

Hanoi Office
14th Floor, Peakview Tower, 36 Hoang Cau Street,
O Cho Dua Ward, Hanoi
Vietnam

Tel: +84 (24) 3936 1031

Follow us
Website: www.forvismazars.com/vn
Facebook: www.facebook.com/ForvisMazarsVN
LinkedIn: www.linkedin.com/company/forvis-mazars-in-vietnam

**This is a guide from Forvis Mazars in Vietnam to update the latest developments in tax, accounting and investment environment in Vietnam. The information and analysis or comments herein are of the generic nature and are quoted or interpreted from the regulations. We recommend that the clients contact Forvis Mazars Vietnam's advisors for further clarification and professional advice for each particular circumstance.*

Forvis Mazars is a leading global professional services network operating under a single brand with just two members: Forvis Mazars, LLP in the United States and Forvis Mazars Group SC, an internationally integrated partnership operating in over 100 countries and territories.
Both members share a commitment to providing an unmatched client experience, delivering audit & assurance, tax, advisory and consulting services across the globe.

www.forvismazars.com/vn