

Forvis Mazars in Vietnam Alert

Tax & Legal updates

October 2026

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Value-Added Tax ("VAT"), Invoices and Tax administration

1. Official Letter No. 2950/CST-GTGT dated 25 August 2026 issued by the Department of Management and Supervision of Tax, Fee and Charge Policies providing guidance on the application of the 0% VAT rate to services provided to Export Processing Enterprises ("EPE")

According to the Official Letter, the VAT regulations do not prescribe that the eligibility for the 0% VAT rate be determined based on the location of the service provider. Services provided to an EPE are eligible for the 0% VAT rate if they are provided directly to the EPE, consumed within the non-tariff zone, and directly serve export manufacturing activities. In addition, the services must satisfy the prescribed contractual and documentary requirements and must not fall within the excluded cases specified in Clause 4, Article 17 of Decree No. 181/2025/ND-CP.

2. Official Letter No. 7451/CT-QLNT dated 07 October 2026 issued by Department of Taxation providing guidance on VAT deduction

According to the Official Letter, input VAT incurred on goods and services used simultaneously for taxable and non-taxable business activities is deductible only to the extent attributable to taxable activities. Where a business ceases operations and no output VAT arises from its principal business activities, any VAT refund previously granted must be repaid to the state budget. In addition, if the enterprise sells assets that are subject to VAT, it is not required to adjust the corresponding input of VAT previously claimed in relation to such assets.

3. Official Letter No. 7391/CT-QLNT dated 06 October 2026 issued by the Department of Taxation providing guidance on the timing of invoice issuance

According to the Official Letter, pursuant to Point c, Clause 4, Article 9 of Decree No. 254/2026/NĐ-CP and Clause 6, Article 16 of Decree No. 181/2025/NĐ-CP, the time of issuing invoice and of determining VAT for construction and installation activities are the time on which the completed works, work items, construction or installation volume, or completed portions of work are accepted and handed over, or when the completed portion of the work is handed over, regardless of whether payment has been received.



Corporate income tax (CIT)

1. Official Letter No. 7163/CT-QLNT dated 28 September 2026 issued by the Department of Taxation regarding CIT policies for advertising activities on the YouTube platform

According to the Official Letter, pursuant to Point u, Clause 2, Article 18 and Point d, Clause 2, Article 19 of Decree No. 320/2025/ND-CP, press activities (including newspaper advertising) are sectors eligible for CIT incentives, and income of press agencies from these sectors is subject to the preferential CIT rate of 10% throughout the operating period.

Regarding the specific case stated in the Official Letter, advertising activities on the YouTube digital platform are not considered online press publishing activities under the Press Law; therefore, such activities are not eligible for CIT incentives.

2. Official Letter No. 7191/CT-QLNT dated 29 September 2026 issued by the Department of Taxation regarding the CIT exemption policy for small and medium-sized enterprises (SMEs)

According to the Official Letter, pursuant to Clause 3, Article 7 of Decree No. 20/2026/ND-CP, SMEs registering for business for the first time are entitled to CIT exemption for 03 years from the date of issuance of the First Enterprise Registration Certificate. In the specific case of where an individual is both one of the persons holding the highest capital contribution in the Company and the legal representative of another enterprise that is still operating, the Company is not eligible for CIT exemption incentive prescribed in Clause 3, Article 7 of Decree No. 20/2026/ND-CP dated 15 January 2026.



Personal Income Tax ("PIT")

1. Official Letter No. 8421/CTH-QLDN1 dated 22 September 2026 issued by the Can Tho City Tax Office providing guidance on PIT withholding

According to Official Letter, pursuant to Decree No. 253/2026/ND-CP, in cases where an enterprise pays salary or other incomes of VND 5 million or more per payment to an employee after the employment contract has been terminated, the company is required to withholding PIT at the rate of 10% of the income before making payment to the employee. In case the payment is less than VND 5 million per payment, the enterprise shall withhold PIT at the rate of 10% upon the individual's request.

2. Official Letter No. 13757/TPHCM-QLDN3 dated 25 September 2026 issued by Ho Chi Minh City Tax Office regarding the registration of family deductions for dependents who have no one to rely on

According to the Official Letter, for individuals who have no one to rely on and qualify as dependent, the taxpayer must directly provide care and support to such individuals and satisfy the conditions prescribed by law, including the dependent's income conditions and the documentation evidencing the support obligation.

Regarding the requirements for "documents evidencing the taxpayer legal obligation to provide support": the documents show that father, mother, children, biological siblings of taxpayer's uncle are still alive but are "unable to fulfill their support obligations". If the taxpayer's uncle is not considered an individual with no one to rely on, he does not qualify as a dependent for family circumstance deduction purposes when calculating PIT.

In addition, for individuals with no one to rely on registered as dependents and satisfied all prescribed conditions before 01 July 2026, the taxpayer is not required to re-register such dependents.

3. Official Letter No. 7403/CT-TMĐT dated 06 October 2026 issued by the Department of Taxation regarding tax obligations for individuals providing digital information, content products and services and engaging in affiliate marketing in e-commerce

Where an individual receives income under an employment contract or a collective labor agreement, such income is classified as income from salaries and wages; the organization or individual making the payment is responsible for withholding, declaring, and remitting PIT in accordance with regulations. Where an individual engages in digital content creation, product promotion, or affiliate marketing on e-commerce platforms or digital platforms and receives income from such business activities, the income is classified as business income. Affiliate marketing activities conducted on e-commerce platforms are subjected to a PIT rate of 5%.

Operators of e-commerce platforms that provide online ordering and payment functions are responsible for withholding, declaring and paying the taxes withheld on business activities on behalf of individuals and business households conducting business through the platforms.

Regarding supporting documents for affiliate marketing service payments when determining deductible expenses for CIT purposes, affiliate marketing service fees are deductible provided that the conditions prescribed under CIT regulations are satisfied. Where the provider is an individual or a business household whose revenue exceeds the prescribed threshold, the enterprises use invoices as supporting documents to record the expenses. Where revenue is below the VAT-taxable threshold, enterprises use payment vouchers and statements in accordance with the regulations to record deductible expenses for CIT purposes. In addition, operators of e-commerce platforms are responsible for providing necessary transaction information for sellers to issue e-invoices in accordance with the regulations.

Others

1. Official Letter No. 7339/CT-QLNT dated 02 October 2026 issued by the Department of Taxation regarding the proposal to study the adoption of Qualified Refundable Tax Credits (QRTC)

According to the Official Letter, pursuant to Article 10 of the OECD Model Rules, QRTC is a tax credit that is refundable in cash or cash equivalents within four years from the date on which a Constituent Entity satisfies the conditions for receiving the refund. QRTC is one of the mechanisms being studied in the process of refining tax policies and encouraging investment in the context of implementing the global minimum tax.

However, the adoption of QRTC in Vietnam requires comprehensive research and assessment, ensuring consistency with Vietnam's legal framework and practical conditions, as well as compliance with OECD regulations and guidance. The Department of Taxation is currently collaborating with relevant authorities to conduct research, assessment, and report to the competent authorities for consideration to further refine tax policies, incentives and investment support measures in the context of the implementation of the global minimum tax.

2. Official Letter No. 4941/KHH-QLND1 dated 15 September 2026 issued by Khanh Hoa Province Tax Office, providing guidance on the Special Consumption Tax ("SCT") taxable price in cases involving trade discounts

According to the Official Letter, pursuant to Clause 1, Article 6 of the 2025 Law on Special Consumption Tax, Article 5 of Decree No. 360/2025/ND-CP, and Article 11 of Decree No. 181/2025/ND-CP, where enterprises manufacture or supply products subject to SCT and apply a trade discount directly on the sales invoice, the SCT taxable price is determined as follows:

$$\text{SCT taxable price} = \frac{\text{Selling price exclusive of VAT (after discount)} - \text{Environmental tax (if any)}}{1 + \text{SCT rate}}$$

Where enterprises grant trade discounts provided that customers meet certain conditions and issue adjustment invoices reducing revenue by the corresponding discount amount, the enterprise must reduce the SCT payable corresponding to the discounts granted to the customer.

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