



NEWSLETTER VVIC

Tax & Legal updates

February - 2025

Accelerate to breakthrough

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Official telegram 02/CD-TTg on stimulating consumption during the Lunar New Year 2025 dated January 15, 2025



To promote the development of the domestic market, stimulate consumption during the Lunar New Year and the early months of 2025, contribute to economic growth, ensure social welfare, and stabilize people's livelihoods, in [Official telegram 02/CD-TTg](#), the Prime Minister assigns specific tasks to each ministry, sector, and locality.

According to Article 3, the Prime Minister requests the Minister of Finance to:

- Implement a reasonably expansionary fiscal policy with focus and priority, ensuring coordinated, harmonious, and flexible integration with monetary policy and other macroeconomic policies to promote growth, stabilize the macroeconomy, control inflation, and ensure major economic balances. **Expedite the study of policies to reduce taxes, fees, and charges for citizens and businesses and submit them to competent authorities by February 2025.**
- Direct the acceleration of disbursement procedures for funding to implement trade promotion programs and stimulate consumption by ministries, sectors, and localities to boost the consumption of domestically produced goods.
- Closely monitor price and market developments, especially essential consumer goods, services, and items under price stabilization regulations, promptly issue directives, and take strict measures against violations of price laws as per authority and legal provisions.

Amending 9 Laws: **Securities, Accounting, Independent Audit, State Budget, Management and Use of Public Assets, Tax Management, Personal Income Tax, National Reserves, Handling of Administrative Violations** with many notable contents on tax and accounting effective from January 1, 2025 such as:

Clause 5, Article 6 of Law No. 56/2024/QH15, **effective from April 1, 2025**, also amends and supplements regulations related to business activities on e-commerce platforms and digital platforms under [Law on Tax Administration 2019](#):

- Regarding e-commerce, digital platform-based business and other services rendered by overseas providers, the overseas providers shall directly or authorize others to apply for taxpayer registration, declare and pay tax in Vietnam in accordance with regulations of the Minister of Finance.
- Regarding household businesses and individual businesses that do business on e-commerce platforms or digital platforms, organizations in charge of managing e-commerce exchanges or digital platforms with payment features (including domestic and foreign organizations) and other organizations performing digital economic activities as prescribed by the Government shall deduct, pay and declare deducted tax on behalf of these household businesses and individual businesses. Any household businesses and individual businesses that do business on e-commerce platforms or digital platforms but are ineligible to have their tax deducted and paid by others shall directly apply for taxpayer registration, declare and pay tax.

Amending 9 Laws: **Securities, Accounting, Independent Audit, State Budget, Management and Use of Public Assets, Tax Management, Personal Income Tax, National Reserves, Handling of Administrative Violations** with many notable contents on tax and accounting effective from January 1, 2025 such as:

Clause 5, Article 6 of Law No. 56/2024/QH15, **effective from April 1, 2025**, also amends and supplements regulations related to business activities on e-commerce platforms and digital platforms under [Law on Tax Administration 2019](#):

- The Government shall provide detailed regulations on responsibility and methods for organizations in charge of managing e-commerce exchanges or digital platforms and other organizations performing digital economic activities to deduct, pay and declare deducted tax on transactions conducted on these e-commerce or digital platforms on behalf of household businesses and individual businesses; required documents and procedures for tax declaration, payment and refund for household businesses and individual businesses that do business on e-commerce or digital platforms.

Clause 1, Article 8 of [Law No. 56/2024/QH15](#), **effective from January 1, 2025**, amends and supplements several provisions of [Law on Personal Income Tax Law 2007](#):

- Organizations that manage e-commerce platforms, digital platforms with payment functionalities, and other entities engaged in digital economic activities as stipulated by the Government **are responsible for withholding, paying taxes on behalf of, and declaring withheld taxes** for business transactions conducted on e-commerce platforms and digital platforms by households and individuals.

Circular No. 86/2024/TT-BTC on Tax Registration, dated December 23, 2024



On December 23, 2024, the Minister of Finance issued [Circular 86/2024/TT-BTC](#) on tax registration, replacing [Circular 105/2020/TT-BTC](#).

Tax registration subjects directly with tax authorities and the structure of tax identification numbers are stipulated in Point b, Clause 1, and Clause 2, Article 30 of the Law on Tax Administration.

Tax registration procedures are governed by Clause 1, Article 41 of the Law on Tax Administration, and measures for implementing tax management functions related to tax registration are provided..

Subjects covered by Circular 86/2024/TT-BTC include:

- ✓ Taxpayers;
- ✓ Tax management authorities;
- ✓ Tax management officials;
- ✓ State agencies, organizations, and other individuals related to tax management for tax registration.

Clause 1, Article 4 of the Circular also stipulates that tax registration subjects from February 6, 2025, include:

- Taxpayers required to register for tax through the one-stop-shop mechanism under Point a, Clause 1, Article 30 of the Law on Tax Administration.
- Taxpayers required to register directly with tax authorities under Point b, Clause 1, Article 30 of the Law on Tax Administration.

Circular 86/2024/TT-BTC officially takes effect on February 6, 2025, and replaces Circular 105/2020/TT-BTC, except in the following cases:

- Tax identification numbers issued by tax authorities to individuals, households, and business households will remain valid until June 30, 2025.
- From July 1, 2025, taxpayers, tax management authorities, and other agencies, organizations, or individuals involved in the use of tax identification numbers under Article 35 of the Law on Tax Administration must use personal identification numbers in place of tax identification numbers.



Circular 87/2014/TT-BTC repeals Circular 212/2015/TT-BTC dated December 24, 2024.



In [Circular No. 87/2024/TT-BTC](#), the Ministry of Finance **repeals the entirety of** [Circular 212/2015/TT-BTC](#), which provided guidelines on corporate income tax (CIT) policies for environmental protection activities as stipulated in Decree 19/2015/ND-CP, detailing the implementation of certain provisions of Law on Environmental Protection.

Specifically, regulations on costs for product promotion activities, waste classification at the source, corporate income tax incentives for new investment projects, and specific preferential rates under Circular 212/2015/TT-BTC will **no longer apply starting February 10, 2025**.

Article 3 of Circular 212/2015/TT-BTC previously stipulated that corporate income tax incentives were applicable to income derived from new investment projects, including:

- Centralized treatment of domestic wastewater with design capacity from 2,500 m3 of wastewater/day for urban areas of grade IV or more.;
- Collection, transport and centralized treatment of common solid wastes;
- Treatment and renovation of polluted environment in public areas;
- Response to oil spill, chemical incidents and other environmental incidents;
- Development of technical infrastructure for environmental protection in industrial parks and clusters of handicraft villages;
- Cremation and electric cremation
- Assessment of damage to environment; assessment of environmental health and environmental assessment for the goods, machines, equipments and technologies.
- Production and application of invention to protect the environment under the state protection in the form of Patent or Patent of useful solutions.
- Production of eco-friendly products awarded Vietnam Green Labels by Ministry of Natural Resources and Environment; products from the recycling and treatment of waste certified by the competent state authorities; ...

Law No. 48/2024/QH15 on Regulations for < > input VAT deduction dated November 26, 2024

Currently, Clause 2, Article 12 of [the 2008 Value-Added Tax Law](#), as amended by Clause 6, Article 1 of [the 2013 Amended VAT Law](#), regulates input VAT deduction as follows:

- Having an added-value invoice on goods or service purchase or a document proving the payment of value-added tax at the stage of importation;
- Having a via-bank payment document of purchased goods or services, except goods or services valued at under twenty million Vietnam dong upon each time of purchase;

However, according to Point b, Clause 2, Article 14 of [the 2024 VAT Law](#), the input VAT deduction is regulated as follows:

- There are VAT invoices for purchase of goods and services or documentary evidence of VAT payment during import or documentary evidence of VAT payment on behalf of foreign parties according to Clause 3 and Clause 4 Article 4 of this Law. The Minister of Finance shall specify documentary evidence of VAT payment on behalf of foreign parties;
- There is documentary evidence of cashless payment for goods and services purchased, except in special cases specified by the Government;

Thus, under current regulations, for single purchases of goods and services valued at less than VND 20 million, a non-cash payment document is not required for VAT deduction.

However, **from July 1, 2025**, when the 2024 VAT Law takes effect, **all purchased goods and services must have a non-cash payment document for VAT deduction**, except for specific cases as regulated by the Government.

Decree No. 20/2025/NĐ-CP amending Decree No. 132/2020/NĐ-CP on Transfer Pricing Transactions dated February 10, 2025



On February 10, 2025, the Government issued [Decree No. 20/2025/NĐ-CP](#) amending and supplementing certain provisions of [Decree No. 132/2020/NĐ-CP](#) dated November 5, 2020, on tax management for enterprises engaged in related-party transactions. The decree **takes effect on March 27, 2025**, and applies from the 2024 corporate income tax period as follows:

- (1) Amending and supplementing Points d and k, and adding Point m to Clause 2, Article 5 of Decree No. 132/2020/NĐ-CP regarding related parties.
- (2) Amending and supplementing Clause 2, Article 21 of Decree No. 132/2020/NĐ-CP regarding the responsibilities of the State Bank of Vietnam.
- (3) Replacing Appendix I – Information on Related-Party Relationships and Transactions, issued with Decree No. 132/2020/NĐ-CP dated November 5, 2020, with Appendix I issued under Decree No. 20/2025/NĐ-CP.

At the same time, Decree No. 20/2025/NĐ-CP provides for the following transitional provisions:

For corporate income tax periods in 2020, 2021, 2022, and 2023, if a borrowing enterprise only has a related-party relationship with an economic organization operating under the Law on Credit Institutions as stipulated in Point d, Clause 2, Article 5 of Decree No. 132/2020/NĐ-CP, and if the borrowing enterprise's lender or guarantor falls under the cases specified in Points d.1 and d.2, Clause 2, Article 5 of Decree No. 132/2020/NĐ-CP (as amended and supplemented in Article 1 of Decree No. 20/2025/NĐ-CP), and if the related-party transaction is within the scope of Clause 2, Article 1 of Decree No. 132/2020/NĐ-CP, and the interest expense was non-deductible under Point a, Clause 3, Article 16 of Decree No. 132/2020/NĐ-CP, the following shall apply from the 2024 tax period:

- If the enterprise ***no longer has a related-party relationship and does not engage in related-party transactions*** as defined in Decree No. 132/2020/NĐ-CP and Decree No. 20/2025/NĐ-CP, the previously non-deductible interest expense that has not been carried forward to subsequent tax periods as of the end of the 2023 tax period shall be evenly allocated to subsequent tax periods for the remaining period, in accordance with the provisions on interest expense carryforward in Point b, Clause 3, Article 16 of Decree No. 132/2020/NĐ-CP.
- If the enterprise continues to ***have a related-party relationship and engage in related-party transactions*** as defined in Decree No. 132/2020/NĐ-CP and Decree No. 20/2025/NĐ-CP, the non-deductible interest expense that has not been carried forward shall be handled in accordance with the provisions of Point b, Clause 3, Article 16 of Decree No. 132/2020/NĐ-CP.

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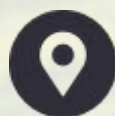
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