



**IC&PARTNERS VIETNAM**

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# TAX NEWSLETTER

MAY 2025



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## TAX NEWSLETTER

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# TAXATION



### *Exemption from personal income tax and corporate income tax in some cases from May 17th 2025*

On May 17, 2025, the National Assembly passed Resolution 198/2025/QH15 on a number of special mechanisms and policies to develop the private economy. Accordingly, many cases will be exempt from personal income tax (PIT) and corporate income tax (CIT).

### **Cases eligible for tax exemption and reduction from May 17th, 2025**

#### Innovative start-ups

- Exemption from CIT for 02 years and 50% reduction of payable tax amount for the next 04 years for income from innovative start-up activities of innovative start-up enterprises, innovative start-up investment fund management companies, and intermediary organizations to support innovative start-ups.
- PIT and CIT exemption for income from transfer of shares, capital contributions to innovative start-up enterprises

#### Experts and scientists:

- PIT exemption for 02 years and 50% reduction for the next 04 years for income from salaries and remuneration received from innovative start-up enterprises, research and development centers, innovation centers, and intermediary organizations to support innovative start-ups.

#### Small and medium-sized enterprises:

- Exemption from CIT for 03 years from the date of issuance of the first Enterprise Registration Certificate.

*Detail:*

*[Resolution 198/2025/QH15](#)*

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***How much tax does an enterprise owe to be suspended from leaving the country?***

According to the latest provisions in Decree 49/2025/ND-CP, the suspension of exit for legal representatives of enterprises and business individuals due to tax debts has a specific threshold.

**Tax debt threshold for temporary postponement of exit:**

- Business individuals and heads of business households: Suspended from leaving the country if they owe tax of VND 50 million or more and have exceeded the payment deadline for more than 120 days.
- Legal representatives of enterprises and cooperatives: Suspended from leaving the country if they owe tax of VND 500 million or more and have exceeded the payment deadline of more than 120 days.
- Cases of no longer operating at the registered address, if after 30 days from the date of notification by the tax authority, the tax obligation has not been fulfilled, this measure will also be applied

This regulation applies when taxpayers are subject to enforcement of administrative decisions on tax administration, for example, tax arrears for more than 90 days or failure to comply with decisions on sanctioning administrative violations on tax administration.

**Notification and cancellation process**

The tax authority will notify individuals and businesses in advance of the application of the exit suspension measure via the electronic tax transaction account or on the tax authority's website. After 30 days from the date of notification, if the tax obligation has not been completed, the tax authority will send a document to the immigration authority for temporary postponement.

Once the taxpayer has fulfilled the obligation, the tax authority will immediately notify the cancellation of the exit suspension, and the immigration authority will make the cancellation within 24 hours.

Understanding these regulations will help individuals and businesses be proactive in fulfilling their tax obligations, avoiding unnecessary troubles.

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***Important changes in the new tax policy in 2025 for business households***

The year 2025 will bring many major changes in taxes for business households. Here are 06 outstanding policies to note:

**1. Temporary postponement of exit due to tax debt**

From January 1, 2026, the head of a business household that owes tax debt will be suspended from leaving the country until the tax obligation is fulfilled. The tax authority will notify the application of this measure in advance.

**2. E-commerce floors pay taxes on behalf of**

Starting from April 1, 2025, e-commerce platforms and digital platforms with payment functions will be responsible for deducting and paying taxes on behalf of business households and individuals operating on their platforms.

**3. E-invoices from cash registers**

From June 1, 2025, business households will have a revenue of 1 billion VND/year and belong to industries such as catering, restaurants, hotels, supermarkets, retail, etc. must use e-invoices generated from cash registers with data connection with tax authorities.

**4. Abolishing flat tax on large business households**

Regarding the issuance of e-invoices from cash registers, from June 1, 2025, business households with a turnover of 1 billion VND/year will no longer apply the flat tax method. By January 1, 2026, the flat tax method will no longer apply to all business households and individuals.

**5. Personal identification number instead of tax identification number**

From July 1, 2025, personal identification numbers will officially replace tax identification numbers for individuals, households and business households.

**6. VAT deduction requires non-cash vouchers for all transactions**

From July 1, 2025, in order to be eligible for input VAT deduction, invoices for the purchase of goods and services, including those under VND 20 million, are required to have non-cash payment documents, except for some specific cases according to the Government's regulations.

*Detail:*

*Law No. 56/2024/QH15*



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***Official Dispatch 1283: Guiding Article 8 of Decree 103/2024 to calculate land use levy when changing land use purpose***

On May 21, 2025, the Department of Taxation issued Official Letter 1283/CT-CS to guide the policy of collecting land use levies and land rents. This Official Letter specifically clarifies the application of Article 8 of Decree 103/2024/ND-CP to calculate land use levy when changing land use purposes, especially for cases of conversion from agricultural land to residential land. Specifically, as follows:

**Principles of application**

According to Article 58 of the Law on Promulgation of Legal Documents 2025, legal documents are applied from the effective time. For cases of land use purpose change arising before August 1, 2024, the Department of Taxation affirms that there is no basis to apply Article 8 of Decree 103/2024/ND-CP. This was made after the Sub-Department of Taxation of Region II proposed the application of this Decree to cases where there was a decision to change the land use purpose before the above time.

**How to calculate land use levy when changing the purpose to residential land**

For households and individuals permitted by competent state agencies to change the land use purpose to residential land, the land use levy is calculated according to the formula in Clause 1, Article 8 of Decree 103/2024/ND-CP:

**Land use levy upon repurposing = (Land area after transfer x Land price after transfer) - Land use levy and land rent before transfer (if any).**

If the calculated result is equal to or less than 0, the payable land use levy will be 0.

Detail:

[Decree 103/2024/ND-CP](#)  
[Official Letter 1283/CT-CS](#)

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***05 contents of Decree 175/2024 on management of construction investment projects amended in Decree 105/2025***

From July 1st, 2025, the Government's Decree 105/2025/ND-CP on fire prevention and fighting and rescue will take effect, bringing **05 important amendments** to Decree 175/2024/ND-CP on construction investment project management. These changes are mainly aimed at strengthening the synchronization and closeness in fire prevention and fighting (fire prevention and fighting) for construction works.

Specifically, **05 amended contents** include

- **Classification of projects only needs to make an economic-technical report:** Supplement regulations to exclude projects that must appraise fire protection designs by specialized construction agencies when building new, changing functions, or renovating.
- **Fire protection design verification:** Abolish the requirement on fire protection design verification capacity according to the fire protection law in Article 19, only retain the capacity according to the construction law.
- **Design adjustment:** Supplement the case where the fire protection design must be appraised by a specialized construction agency when adjusting the design.
- **Fire protection inspection in design appraisal:** Replace the phrase "results of implementation of fire prevention and fighting procedures as prescribed" with "Report on construction design verification results" in Article 46.
- **Issuance of construction permits:** Supplementing the inspection of the conformity of construction design drawings with the report on construction design verification results (in addition to fire protection appraisal and approval) when granting construction permits.



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## ABOUT COMPANY

IC&P is one of the offices of IC&Partners Group, a group with more than 30 years of experience in the global consulting industry with more than 300 professionals working in more than 40 subsidiaries and branches in more than 50 countries around the world, including the United States. China, India, Russia, Mexico... We are responsible for supporting clients in the Asian region, together with IC & Partners Asia located in Hong Kong, Beijing, Shanghai and Shenzhen.

In Vietnam, IC&P has been operating for many years and has gradually established itself in the field of consulting (accounting-tax, investment and mergers and acquisitions consulting, corporate legal consulting, management consulting and other related issues in corporate operations). Our customers are mainly foreign-invested enterprises (FDI).

Currently, the regulations and policies of the Tax Authority are increasingly strict while businesses cannot anticipate possible risks due to not grasping the current legal regulations.

We are pleased to serve you with the following services:

- Tax Agent (Quarterly Tax Report, Annual Tax Finalization);
- Review tax risks;
- Supporting procedures for establishing and closing the company;
- VAT and PIT refund;
- Consulting on the preparation of dossiers for determining the price of related-party transactions;
- Procedures for handling tax problems (tax exemption, reduction, fines, etc.);
- Other management and administrative consulting and support services.

With the strength of quality and prestige, IC&Partners Vietnam is confident to bring the most satisfaction to customers when coming to us.

*Thank you very much !*