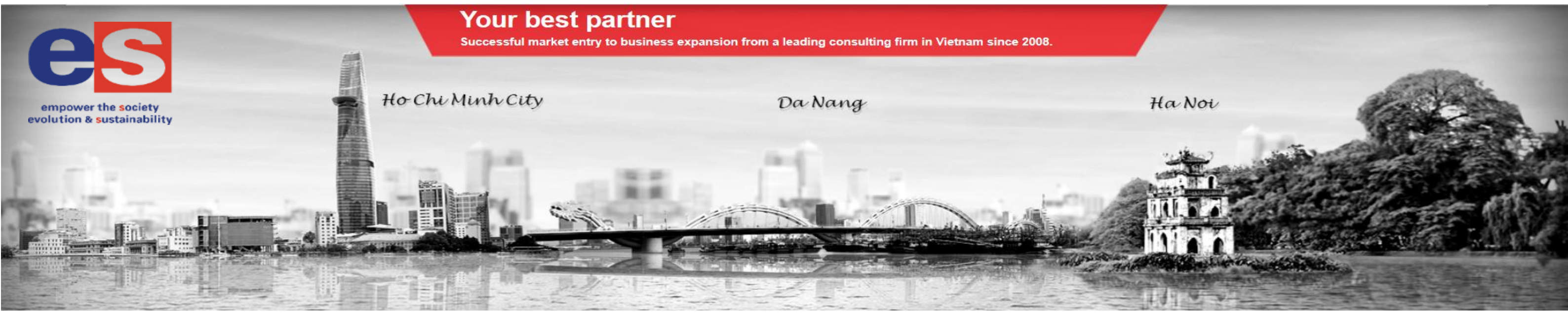

NEWSLETTER

July 2026

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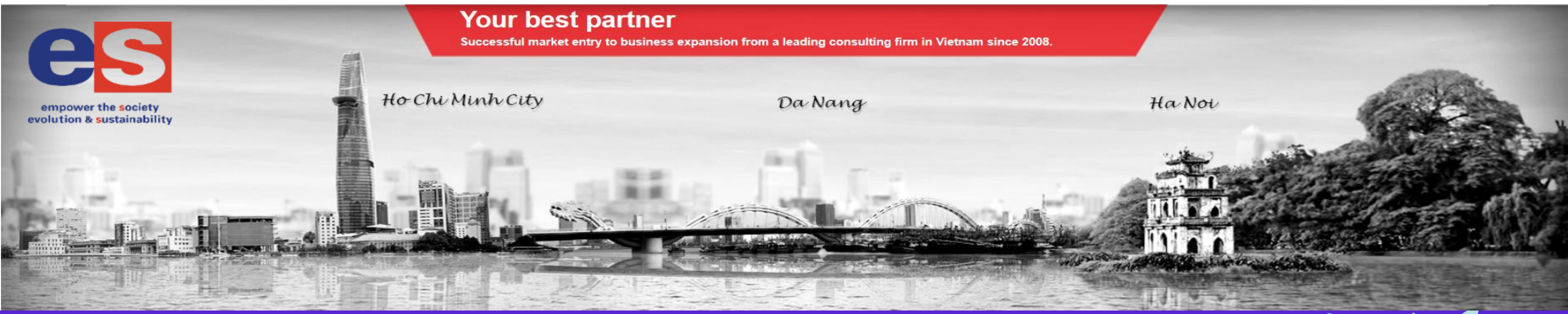

ES CONSULTING VIETNAM – NEWSLETTER 07.2026

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CONTENT

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DETAIL CONTENT

I – FINANCE, ACCOUNTING and TAX UPDATES

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

- Issuing authority: Government

- Date of issuance: 30/06/2026

- Subject: Related-party transactions

On June 30, 2026, the Government issued Decree 255/2026/ND-CP (Decree 255) on tax administration for enterprises with related-party transactions, replacing Decree 132/2020/ND-CP and the amendments and supplements under Decree 20/2025/ND-CP.

Overall, Decree 255 continues to inherit the current transfer pricing framework, including the arm's length principle, transfer pricing methods, declaration obligations, preparation and retention of transfer pricing documentation, and the cap on deductible interest expenses. However, Decree 255 also introduces several notable updates to clarify the scope of application, increase compliance transparency, and reduce documentation burdens for certain low-risk enterprises.

Decree 255 has been amended and supplemented to ensure consistency with Tax Administration Law No. 108/2025/QH15 and alignment with current laws. Decree 255 will apply from the 2026 Corporate Income Tax period.

KEY UPDATES

1. Standardization of application principles

The principles for administering and examining taxpayers' transfer pricing are standardized: tax administration is based on the economic substance of transactions, the arm's length principle, risk-based management, and taxpayers' compliance levels, in line with international practices and Vietnam's conditions.

2. Completing the legal framework for transfer pricing compliance

- **Clarifying the scope for identifying related parties:** Adding exclusion conditions for cases involving **guarantee or lending relationships without actual management or control**, and cases where enterprises have borrowing or lending transactions with individuals;
- **Country-by-Country Report (CbCR):** Amending the rules on the applicable currency, under which the ultimate parent company in Vietnam of a multinational group with global consolidated revenue of **EUR 750 million** or more must submit a CbCR; clarifying CbCR-related obligations of taxpayers in Vietnam whose ultimate parent company is overseas. The Decree also supplements deadlines,

submission methods, and relevant forms, including the notice form for CbCR filing status;

- **Databases:** Providing specific rules on **the order of priority for databases** that taxpayers and tax authorities use as follows: (1) official public sources (stock market, exchanges, national databases, and state agencies); (2) commercial databases; and (3) tax administration databases;
- **Expanding cases eligible for exemption from transfer pricing documentation:** Increasing the revenue threshold for exemption from transfer pricing documentation from **VND 200 billion to VND 500 billion** for enterprises that meet the prescribed conditions;
- **Adjusting the deadline for providing transfer pricing documentation:** Removing the separate deadline for providing transfer pricing documentation when the tax authority conducts an examination at the taxpayer's premises. In this case, the deadline will follow the rules on tax examination. However, for pre-examination consultation, the submission and extension deadlines continue to be inherited from Decree 132: 30 working days from the date of receiving the notice requesting documentation, with one extension of up to 15 days if the taxpayer has a legitimate reason.

3. Establishing a voluntary compliance support mechanism

Decree 255 lays the groundwork for the tax authority to implement a **voluntary compliance support program** for enterprises with related-party transactions, including **publishing industry profit margins** to help enterprises assess risk, improve declaration quality, and reduce disputes with the tax authority.

Circular 87/2026/TT-BTC detailing certain articles on Personal Income Tax
- Issuing authority: Ministry of Finance
- Date of issuance: 30/06/2026
- Subject: Personal Income Tax

On June 30, 2026, the Ministry of Finance issued Circular 87/2026/TT-BTC detailing certain articles of Personal Income Tax Law No. 109/2025/QH15 and Decree 253/2026/ND-CP. We summarize the key points as follows:

1. **Regulations on allowances, subsidies, and other income**

1.1 PIT-exempt income for wages and salaries for night work and overtime

This Decree provides more detailed guidance on the documents required for PIT exemption, including:

- A schedule clearly showing night-work and overtime hours and the night-work and overtime wages paid to employees
- If no schedule is available, the paying organization must substantiate the exemption through payroll records, timesheets, labor contracts, and other legal documents

1.2 PIT-exempt income for wages and salaries paid for unused leave days

The Decree adds rules on PIT exemption for wages and salaries paid for unused leave days in accordance with the Labor Code.

2. **Increase in the income threshold used to determine dependents eligible for family deductions**

The dependent's average monthly income from all sources during the year is increased to no more than VND 3 million.

3. **Dependent deduction**

The Decree adds a case eligible for dependent deduction for children, including biological children, legally adopted children, stepchildren of the wife, and stepchildren of the husband, who are 18 years of age or older and have lost civil act capacity.

- **Deadline for registering dependents and submitting dependent documentation**

The deadlines for registering dependents and submitting supporting documents for tax years 2025 and earlier will follow the legal documents in effect before July 1, 2026.

4. **Tax on income from derivatives securities transfers**

The Circular adds specific rules on income from derivatives securities transfers as follows:

- PIT on income from derivatives securities transfers equals the transfer price multiplied by the 0.1% tax rate for each transfer.
- Taxable income: for derivatives securities transfers involving futures contracts, the transfer price is the transfer price of each futures contract transaction.
- Timing for determining taxable income: the time when the buy or sell order for the futures contract is matched, or the time when the futures contract matures.

Circular 89/2026/TT-BTC detailing certain articles of the Tax Administration Law
- Issuing authority: Ministry of Finance
- Date of issuance: 30/06/2026
- Subject: Tax administration

On June 30, 2026, the Ministry of Finance issued Circular 89/2026/TT-BTC guiding the implementation of the 2025 Tax Administration Law and Decree 252/2026/ND-CP. The Circular completes the legal framework for tax registration, tax declaration, tax payment, tax refund, e-transactions in the tax sector, and taxpayer compliance management.

1. **Classifying taxpayers by risk and compliance level**

Circular 89/2026/TT-BTC specifies the risk-based tax administration mechanism under the 2025 Tax Administration Law. Accordingly, the tax authority will evaluate and classify taxpayers based on their compliance level and risk level to apply appropriate management measures and allocate enforcement resources more efficiently.

Notable points include:

- Establishing taxpayer classification criteria based on:
  - ✓ Operating location;
  - ✓ Enterprise size;
  - ✓ Business lines;
  - ✓ Tax compliance history; and
  - ✓ Tax risk level
- Taxpayer assessment is conducted on two dimensions: compliance level and risk level, instead of applying the same management approach to all taxpayers.
- Based on classification results, the tax authority will apply corresponding management measures:
  - ✓ Taxpayers with high compliance and low risk may receive preferential treatment in tax administration.
  - ✓ Taxpayers with an average compliance level may receive support through guidance, training, and voluntary compliance improvement programs.
  - ✓ Enhanced monitoring and risk control apply to taxpayers with low compliance or high risk; where necessary, tax examination, enforcement, or coordination with competent authorities may be applied in accordance with regulations.
  - ✓ Non-compliant taxpayers are placed under the tax authority's key monitoring group.

Compliance level / Risk	Low Risk	Medium Risk	High Risk
Good	Preferential regime applies	Not specified	Warning, supervision, monitoring
Average	• Compliance support (communication, guidance, training) • Warning, supervision, monitoring	• Compliance support (communication, guidance, training) • Warning, supervision, monitoring • Enhanced management	• Warning, supervision, monitoring • Enhanced management (examination, supervision, enforcement)

		(examination, supervision, enforcement)	
Non-compliant	Key monitoring	Key monitoring	Key monitoring

2. Simplification of tax exemption and reduction procedures

Circular 89 expands the cases in which taxpayers are not required to carry out procedures or submit dossiers for tax exemption or reduction, thereby reducing administrative procedures and making it more convenient for taxpayers to apply tax incentives.

Notable points include:

- Additional cases are exempt from preparing tax exemption or reduction dossiers instead of having to carry out separate procedures as before.
- This applies to Corporate Income Tax incentives, including preferential tax rates, tax exemptions, tax reductions, and tax-exempt income under the Corporate Income Tax Law and National Assembly resolutions.
- This also applies to Personal Income Tax exemptions and reductions under the Personal Income Tax Law, including income of experts participating in innovative startup projects that is eligible for tax exemption.
- Personal Income Tax is exempt for individuals whose tax payable after finalization does not exceed VND 50,000.
- Tax and certain fees are exempt for business households and individuals whose total tax payable for the year does not exceed VND 50,000.
- Simplified procedures apply to certain cases of non-agricultural land use tax exemption under the law.

3. Improving the e-tax transaction mechanism

Circular 89 continues to promote digital transformation in tax administration by standardizing e-transaction methods and narrowing the scope of paper-based dossiers. Notable points include:

- The previous rules on preparing tax declaration dossiers using declaration software or support tools are no longer included.
- Taxpayers prepare and submit electronic dossiers through legally prescribed systems, including:
  - ✓ The National Public Service Portal;
  - ✓ The tax administration information system;
  - ✓ The connected system of a T-VAN service provider; or

- ✓ Other electronic systems permitted to connect to the tax administration information system
- Taxpayers may not submit the same dossier or document through multiple electronic methods during the same period, except where the e-transaction system encounters a failure.
- Paper dossiers and documents are accepted only in special cases prescribed by law, including:
  - ✓ Older persons; persons with disabilities;
  - ✓ Persons eligible for social assistance;
  - ✓ Residents of areas with extremely difficult socio-economic conditions; or
  - ✓ Other cases in which e-transactions cannot be carried out under the law.
- If the technical system failure has not been resolved by the deadline for performing a tax obligation, the taxpayer may submit paper dossiers or pay taxes by paper-based methods as prescribed.

4. Several positive updates

- The Circular clarifies that where a taxpayer has paid in full and on time but to the wrong allocation locality, late-payment interest will not apply to the tax underpaid in the allocated locality. The directly managing tax authority will guide the taxpayer in conducting a payment trace or a refund-and-offset procedure to adjust the revenue to the correct locality entitled to the revenue.
- The Circular adds more flexible guidance for cases where the taxpayer's technical infrastructure encounters a failure; accordingly, the taxpayer may submit paper dossiers at the one-stop shop or by postal service.
- The 2025 Tax Administration Law introduces an automatic tax refund mechanism, under which dossiers satisfying the prescribed conditions may be processed on the tax administration information system based on available data and risk management criteria. The Circular provides detailed guidance on implementing this mechanism for dossiers eligible for refund first, including the process for reviewing and reconciling data and the system's automatic issuance of tax refund decisions for eligible cases. This new mechanism is expected to simplify tax refund procedures, shorten processing time, and improve tax administration efficiency.
- VAT refund dossiers are simplified by removing the schedules of invoices and vouchers for purchased goods and services and the list of cleared customs declarations.
- The Circular adds guidance on VAT refund dossiers for goods and services subject to the 5% VAT rate.
- The Circular removes the rule requiring dossiers for tax exemption or reduction under a tax treaty to be submitted 15 days before the tax declaration deadline.

For treaty-based tax exemption or reduction dossiers of foreign suppliers, understood as applying to foreign suppliers conducting business on e-commerce platforms and earning income in Vietnam, the tax authority may accept model contracts signed with agents and/or individuals in Vietnam, provided that the model contract contains full information on the service provider, term, method of performance, contract value, payment method, and the rights and obligations of the parties, together with a list of service users.

- The capital transfer tax return form (Form 05/CIT) is revised to align with the tax calculation method based on a percentage of revenue. For internal group ownership restructuring transactions that do not change the ultimate parent company of the Vietnamese enterprise after the restructuring and do not generate income, the taxpayer will check the box "No income generated."
- The Circular clarifies several cases in which supplemental VAT adjustments may be made directly on the current period tax return, instead of filing a supplemental return for the period in which the error arose, including:
  - ✓ Goods and services purchased on deferred payment terms with a value of VND 5 million or more for which no non-cash payment voucher is available by the payment due date, but a valid payment voucher is later obtained.
  - ✓ Input VAT previously declared for credit contains an error, but the adjustment only reduces the tax payable or only increases/decreases the VAT credit carried forward to the next period.
  - ✓ The buyer receives an adjusted invoice or replacement invoice due to a change in value upon actual payment or final settlement, or due to a trade discount or return of goods or services.
- Foreign Contractor Tax finalization upon contract completion is required only if there is a change in the tax amount already declared and paid.

5. Strengthening tax compliance management

For tax treaty exemption or reduction request dossiers, if the tax administration information system determines that the dossier is high risk, the tax authority may transfer the dossier to the examination category within 10 days from the date of receipt.

6. Additional detailed guidance

- The Circular clarifies how to determine the allocation ratio for Corporate Income Tax payable where an enterprise has a dependent unit or business location that is a production facility in another province and also has other business activities but cannot separately determine the costs of those other activities. Accordingly, the cost used to determine the allocation ratio is the total actual cost incurred by the dependent unit or business location during the tax period.

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- The Circular adds guidance that taxpayers are not yet required to allocate tax payable for production facilities in other provinces if the facility is still in the investment stage and has not commenced production.
- The tax authority will issue a written notice only where it determines that the taxpayer is not eligible for treaty-based tax exemption or reduction.

7. Several changes to tax examination

- In addition to tax examinations at the taxpayer's premises, the Circular provides a detailed process for examination at the tax authority's office through reviewing, reconciling, comparing, and analyzing tax declaration dossiers based on the tax authority's database. During this process, the tax authority may request the taxpayer to explain or supplement information and documents up to two times. If, after the second request, the taxpayer still does not provide an explanation or cannot prove that the declared tax amount is correct, the tax authority will assess or collect additional tax through the examination process by issuing a decision on examination at the tax authority's office, if there is sufficient basis for tax assessment or identifying a violation, or conduct an examination at the taxpayer's premises if further verification is needed.
- A noteworthy new point is that examinations at the tax authority's office or at the taxpayer's premises may be conducted online and remotely based on electronic data through an electronic communication portal.

8. Effectiveness

The Circular takes effect on July 1, 2026. Tax declaration dossiers for tax periods before July 1, 2026 will use the forms applicable before this Circular take effect.

II - POLICY UPDATES OF INVESTMENT AND ENTERPRISES

New regulations on investor selection for business investment projects

On 07/07/2026, the Government issued Decree No. 274/2026/ND-CP detailing a number of articles of, and measures for implementing, the Law on Bidding regarding investor selection for business investment projects.

- The Decree identifies projects subject to bidding for investor selection, including certain land-use projects and non-land-use projects in the education, healthcare, culture, sports and environmental sectors where two or more investors register;
- Investors applying high technology or environmentally friendly technology, or qualifying as science and technology enterprises, may receive a 5% preference in bid evaluation;

- Certain cases involving commitments to transfer technology may receive a 2% preference.

Decree No. 274/2026/ND-CP takes effect on 21/08/2026.

Administrative penalties for violations in the chemicals sector

On 08/07/2026, the Government issued Decree No. 275/2026/ND-CP on administrative penalties for violations in the chemicals and industrial explosives sector.

Notable violations involving chemicals include:

- Factories or warehouses failing to meet applicable technical standards and regulations: a fine of VND 10,000,000 to VND 15,000,000;
- Equipment, packaging, containers or labels of chemicals failing to meet applicable requirements: a fine of VND 15,000,000 to VND 20,000,000;
- Failure to provide adequate personal protective equipment and equipment for preventing and responding to chemical incidents: a fine of VND 20,000,000 to VND 25,000,000;
- Vehicles, tanks, containers or packaging used to transport chemicals failing to meet safety requirements: a fine of VND 10,000,000 to VND 15,000,000;
- Failure to register or inspect vehicles, equipment or tanks, or to obtain a permit for transporting dangerous chemicals: a fine of VND 15,000,000 to VND 20,000,000.

The above fine levels apply to individuals; fines imposed on organizations are twice those imposed on individuals.

Decree No. 275/2026/ND-CP takes effect on 25/08/2026.

Amendments to administrative penalties in the land sector

On 13/07/2026, the Government issued Decree No. 281/2026/ND-CP amending and supplementing Decree No. 123/2024/ND-CP on administrative penalties for violations in the land sector.

Notable changes include:

- Failure to register land-related changes in mandatory cases: a fine of VND 2,000,000 to VND 3,000,000 for individuals; fines imposed on organizations are twice those imposed on individuals;
- Addition of a remedial measure requiring restoration of the land to its condition before the violation;
- Requirement to repeat the relevant land-related administrative procedure;
- Requirement to surrender documents that have been erased, altered or falsified, or forged documents that have been used;

- Increased sanctioning authority of commune-level People's Committee Chairpersons and land inspection authorities.

Decree No. 281/2026/ND-CP takes effect on 31/08/2026.

Higher administrative penalties for enterprise registration violations

On 21/07/2026, the Government issued Decree No. 288/2026/ND-CP amending and supplementing Decree No. 122/2021/ND-CP on administrative penalties for violations in the planning and investment sector.

Notable penalties include:

- False or inaccurate declarations in enterprise, branch, representative office or business location registration dossiers, dissolution dossiers, or information on beneficial owners: a fine of VND 30,000,000 to VND 70,000,000;
- Failure to complete enterprise registration procedures or notification procedures within the prescribed time limit: a warning for delays of 01–10 days; a fine of VND 10,000,000–20,000,000 for delays of 11–30 days, VND 30,000,000–40,000,000 for delays of 31–90 days, and VND 50,000,000–60,000,000 for delays of 91 days or more. Failure to complete the procedures: a fine of VND 30,000,000–70,000,000;
- Failure to declare beneficial owner information upon enterprise establishment: a fine of VND 50,000,000–100,000,000. An enterprise established before 01/07/2025 that fails to supplement such information in its next enterprise registration or notification procedure: a fine of VND 70,000,000–100,000,000.

Decree No. 288/2026/ND-CP takes effect on 21/07/2026.

Amendments to regulations on security forces of agencies and enterprises

On 21/07/2026, the Government issued Decree No. 290/2026/ND-CP amending and supplementing Decree No. 06/2013/ND-CP on the protection of agencies and enterprises.

Under the new regulations, provincial-level public security authorities or equivalent authorities organize professional training and refresher courses and issue certificates to security personnel. Training covers legal knowledge, security operations, skills in using supporting tools and provided equipment, and incident response. The Decree also updates the duties and powers of security personnel at agencies and enterprises.

Decree No. 290/2026/ND-CP takes effect on 15/09/2026.

Updated lists of goods prohibited from export or import

On 22/07/2026, the Government issued Decree No. 292/2026/ND-CP detailing a number of articles of, and measures for implementing, the Law on Foreign Trade Management.

The Decree updates the lists of goods prohibited from export or import and the licensing and conditional management mechanisms. Notable prohibited imports include e-cigarettes, heated tobacco products, used medical devices, and goods mined, produced or manufactured using forced labour. The Decree also adds certain goods in the pharmaceutical, veterinary, environmental and ozone-protection sectors.

Decree No. 292/2026/ND-CP takes effect on 05/09/2026.

Use of Apostilles for foreign public documents

On 23/07/2026, the Government issued Decree No. 293/2026/ND-CP providing guidance on implementation of the Apostille Convention.

Accordingly, public documents circulating between Viet Nam and another Contracting State in relation to which the Convention is in force may use an Apostille in place of consular legalization. The regulations cover various administrative and judicial documents and notarial acts and official certifications. Applications may be submitted in person, by post or online. The Ministry of Foreign Affairs is competent to issue Viet Nam's Apostilles.

Decree No. 293/2026/ND-CP takes effect on 11/09/2026.

Key new regulations on enterprise registration

On 23/07/2026, the Government issued Decree No. 296/2026/ND-CP amending and supplementing Decree No. 168/2025/ND-CP on enterprise registration. Key changes include:

- Company owners, shareholders and members must not act as nominees for another person's capital contribution;
- The authorizing person and the authorized person must complete electronic authentication when carrying out certain enterprise registration procedures;
- The criteria for identifying beneficial owners are expanded to cover ultimate ownership or actual control. Enterprises must review each tier of their ownership structure until the ultimate individual owner or controller is identified. Declaration of beneficial owner information is mandatory;

- Each business suspension period may not exceed 12 months, and the total consecutive suspension period may not exceed 24 months.

Decree No. 296/2026/ND-CP takes effect on 23/07/2026.

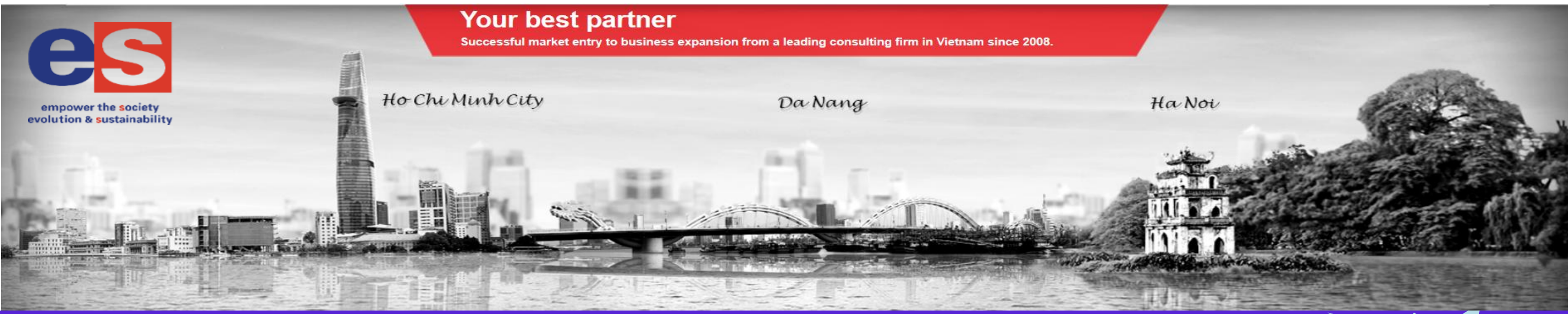
III - POLICY UPDATES OF LABOR AND INSURANCE

New administrative penalties in the labour and social insurance sector

On 15/07/2026, the Government issued Decree No. 283/2026/ND-CP on administrative penalties for violations in the fields of labour, social insurance and Vietnamese employees working abroad under contracts.

The Decree specifies violations involving recruitment, labour management, labour contracts, wages, working hours, labour discipline, foreign employees and social insurance. Notably, late payment or evasion of compulsory social insurance contributions may be fined based on a percentage of the amount involved. Employers are also required to pay all outstanding contributions and an additional amount equal to 0.03% per day. Depending on the violation, additional sanctions such as suspension of operations or expulsion of foreign employees may apply.

Decree No. 283/2026/ND-CP takes effect on 10/09/2026.



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