

NEWSLETTER

June 2025



CONTENT

1. Corporate Income Tax Law 2025 No. 67/2025/QH15 dated 14/06/2025
2. Decree No. 174/2025/ND-CP dated 30/06/2025 on Value Added Tax reduction policy according to Resolution No. 204/2025/QH15 dated June 17, 2025 of the National Assembly
3. Official letter 2065/CT-NVT dated 26/06/2025 on the implementation of Personal Identification Numbers to replace Tax Identification Numbers & the use of Organizations' Electronic Identification Accounts in Electronic Tax Transactions
4. Official Letter 10458/CCTKV.XVI-QLDN2 dated 11/06/2025 on tax declaration and submission for business locations
5. Official Letter 1912/CT-CS dated 20/06/2025 on Value added tax refund
6. Official Letter 1993/CT-CS dated 24/06/2025 on determining financial obligations
7. Official Letter 1992/CT-CS dated 24/06/2025 on the use of Personal income tax withholding certificates
8. Key highlights of the 2025 Chemical Law
9. Expansion of unemployment insurance contributors
10. Promulgation of the 2025 Enterprise Law and Guiding Regulations
11. Promotional goods and services value limits effective July 1st, 2025
12. List of goods, services requiring standard contracts from July 1st, 2025
13. Promulgation of the Law Amending and Supplementing 08 Laws in the Fields of Investment, Procurement, Customs, etc.
14. Amendments and supplements to the Law on handling administrative violations
15. No mandatory address update on enterprise registration for new province, ward names
16. Procedure for labor regulation registration effective from July 1st, 2025
17. Compulsory social insurance regulations effective from July 1st, 2025
18. Procedure for sickness and maternity benefit claims from July 1st, 2025
19. Procedure for electronic identification (VNeID) registration for foreigners

DETAILED CONTENT

I – UPDATES ON ACCOUNTING - TAX

* Corporate Income Tax Law 2025 No. 67/2025/QH15

- **Issued by:** National Assembly
- **Dated:** 14/06/2025
- **Content:** Corporate income tax

Recently, the National Assembly passed Law No. 67/2025/QH15 on the Corporate Income Tax Law 2025. The following is a summary of some key points of the Corporate Income Tax (“CIT”) Law 2025:

Expansion of CIT taxpayers, including entities operating in the e-commerce sector, to be in line with the policies to enhance tax administration and ensure transparency in the e-commerce sector:

- Foreign enterprises without a permanent establishment in Vietnam, that conduct e-commerce or digital platform-based business activities, shall pay CIT on taxable income sourced in Vietnam.
- Permanent establishments of foreign enterprises, including e-commerce platforms and digital platforms through which such enterprises provide goods and services in Vietnam.

Regulations on offsetting CIT from overseas-sourced investment income of Vietnamese enterprises

Revisions and supplements to tax-exempt income

Allowing to offset income from real estate and investment project transfers against losses from other business activities, excluding incentivized activities

Revisions and supplements of some deductible expenses and non-deductible expenses

CIT rate of small and medium-sized enterprises (“SMEs”):

- A CIT rate of 15% applies to enterprises with annual total revenue not exceeding VND 3 billion;
- A CIT rate of 17% applies to enterprises with annual total revenue over VND 3 billion but not exceeding VND 50 billion;
- The revenue used as the basis for determining the applicable tax rate is the total revenue of the immediately preceding CIT period. The Law on CIT excludes certain cases, such as income from specific sectors, cases where the taxpayer is a subsidiary or an affiliated company whose related parties do not meet the conditions for applying the preferential tax rates.

CIT Incentives:

- Supplement and revision of incentivized business activities
- Supplement and revision of conditions for preferential CIT incentivized locations
- Changes to the conditions on the scale of projects eligible for CIT incentives
- Amendments and supplements to principles and conditions for tax incentives on expansion investment project
- Amendments and supplements to regulations on the establishment of the Science and Technology Development Fund of enterprises.

The new Law on CIT No. 67/2025/QH15 replaces the Law on CIT No. 14/2008/QH12 (amended and supplemented by Law No. 32/2013/QH13, Law No. 71/2014/QH13, Law No. 61/2020/QH14, Law No. 12/2022/QH15 and Law No. 15/2023/QH15), and will take effect from 01 October 2025, and will apply to the 2025 tax year.

*** Decree No. 174/2025/ND-CP**

- **Issued by:** Government

- **Dated:** 30/06/2025

- **Content:** Regulations on Value Added Tax reduction policy according to Resolution No. 204/2025/QH15 dated June 17, 2025 of the National Assembly

On June 30, 2025, the Government issued Decree No. 174/2025/ND-CP stipulating the value added tax (VAT) reduction policy pursuant to Resolution No. 204/2025/QH15 dated June 17, 2025, of the National Assembly. Accordingly, VAT shall be reduced for groups of goods and services currently subject to the 10% tax rate, excluding the following:

- Telecommunications, financial activities, banking, securities, insurance, real estate business, metal products, and mineral products (excluding coal). (Details provided in Appendix I attached to Decree No. 174/2025/ND-CP)
- Goods and services subject to special consumption tax (excluding gasoline). (Details provided in Appendix II attached to Decree No. 174/2025/ND-CP)
- The VAT reduction shall be uniformly applied at all stages including importation, production, processing, and commercial trading of goods and services mentioned above.

For goods and services listed in Appendices I and II of Decree No. 174/2025/ND-CP that are either not subject to VAT or subject to the 5% VAT rate under the Law on VAT 2024, the VAT policy in the Law on VAT 2024 shall apply, and such items shall not be eligible for VAT reduction.

VAT reduction levels:

- Enterprises applying the credit method: a VAT rate of 8% shall apply to goods and services eligible for VAT reduction as mentioned above.
- Business establishments (including business households and individual businesspersons) applying the direct method (percentage on revenue): shall receive a 20% reduction in the percentage rate used for VAT calculation when issuing invoices for goods and services eligible for VAT reduction as prescribed above.

Effective period: From 01 July 2025 to 31 December 2026.

*** Official Letter 2065/CT-NVT**

- **Issued by:** Tax department

- **Dated:** 26/06/2025

- **Content:** Implementation of Personal Identification Numbers to replace Tax Identification Numbers and the use of Organizations' Electronic Identification Accounts in Electronic Tax Transactions

Pursuant to Clause 7, Article 35 of the Law on Tax Administration No. 38/2019/QH14, Decree No. 69/2024/ND-CP dated June 25, 2024 of the Government on identification and electronic authentication, and Circular No. 86/2024/TT-BTC dated December 23, 2024 of the Ministry of Finance on tax registration, in order to implement the use of personal identification numbers (PINs) in place of individual tax identification numbers (TINs) and the use of electronic identification accounts for organizations in electronic tax transactions from July 1, 2025, the Tax Department provides the following guidance:

On the use of PINs in place of TINs: From July 1, 2025, PINs issued under the Law on Citizen Identification shall be used in place of TINs for Vietnamese individuals. At the same time, the PINs of household representatives, business household representatives, and individual business owners will also be used in place of TINs for that respective household, household business, or individual business.

On the use of electronic identification accounts for organizations in electronic tax transactions: According to Clause 4, Article 40 of Decree No. 69/2024/ND-CP dated June 25, 2024 of the Government on identification and electronic authentication, accounts created by the National Public Service Portal or by ministerial/provincial-level administrative procedure information systems and issued to agencies, organizations, and enterprises may be used until June 30, 2025. Accordingly:

- a) From July 1, 2025, individuals, organizations, and enterprises shall use electronic identification accounts issued by the Ministry of Public Security when carrying out tax administrative procedures via electronic means.
- b) In cases where, as of July 1, 2025, taxpayers are in the process of applying for an electronic identification account but have not yet been issued one by the Ministry of Public Security or for foreign individuals or organizations with foreign legal representatives who have not yet received such accounts due to the implementation schedules the Ministry of Public Security, the taxpayer may continue to fulfill obligations to the State Budget through their electronic tax accounts, provided they comply with the Law on Tax Administration and the Law on Electronic Transactions, until an electronic identification account is issued as per the Ministry's roadmap.
- c) Taxpayers who are not eligible to be issued electronic identification accounts under Decree No. 69/2024/ND-CP shall continue to perform tax transactions electronically in accordance with the Law on Tax Administration, the Law on Electronic Transactions, and Circular No. 19/2021/TT-BTC and Circular No. 46/2024/TT-BTC of the Ministry of Finance.

*** Official Letter 10458/CCTKV.XVI-QLDN2**

- **Issued by:** Ho Chi Minh city tax department

- **Dated:** 11/06/2025

- **Content:** Tax declaration and submission for business locations

In case the company establishes a business location that is granted a certificate of business location registration with a business location code issued for the first time, the head office of the company is responsible for tax declaration, tax calculation, and submission of tax returns to the directly managing tax authority, and for allocating the payable tax amounts for each type of tax in accordance with the guidance in Circular No. 80/2021/TT-BTC.

The company must carry out tax registration and use the tax identification number in accordance with legal regulations for the business location, and is also responsible for accurate, honest, and complete tax declarations and for submitting tax dossiers on time; and shall be held legally responsible for the accuracy, truthfulness, and completeness of the tax dossiers.

*** Official Letter 1912/CT-CS**

- **Issued by:** Tax department

- **Dated:** 20/06/2025

- **Content:** Regulations on Value Added Tax Refund

In case the Company has exported goods or services for a month or quarter, and the uncredited input value-added tax (VAT) amount is VND 300 million or more, the Company is eligible for a monthly or quarterly VAT refund. If the Company exports both goods and services and sells goods and services domestically within the same month or quarter, it must separately account for input VAT of goods (including fixed assets) and services used for the production and business of exported goods/services. If the Company cannot separately account for such input VAT, the input VAT attributable to exported goods/services shall be determined based on the ratio of revenue from exported goods/services to total revenue from all goods/services during the VAT declaration periods from the period immediately following the latest tax refund period to the current refund request period.

The input VAT on exported goods and services (including input VAT amounts that are separately accounted for and those allocated according to the applicable ratio) shall be eligible for refund if, after offsetting against the VAT payable on domestically consumed goods and services, the remaining refundable VAT amount is VND 300 million or more.

The refundable VAT amount for exported goods/services must not exceed the revenue from exported goods/services multiplied by 10%. Details of cases involving the sale of goods or provision of services in large quantities and on a frequent basis, requiring time for data reconciliation between the seller and the customer.

*** Official Letter 1993/CT-CS**

- **Issued by:** Tax department
- **Dated:** 24/06/2025
- **Content:** Regulations on determining financial obligations

In the case where the company uses land use rights and attached assets as collateral for loans, the Bankruptcy Trustee and the authorized auction organization sell the collateralized assets to settle secured debts, and those assets include land use rights and assets attached to the land, then the income from the transfer of real estate is subject to CIT declaration and payment at the applicable CIT rate of 20%, in accordance with the regulations. The Bankruptcy Trustee and the authorized auction organization shall be responsible for declaring and paying CIT on behalf of the company in accordance with Clause 2 and Clause 5, Article 17 of Circular No. 78/2014/TT-BTC dated June 18, 2014 and Article 9 of Circular No. 96/2015/TT-BTC dated June 22, 2015 issued by the Ministry of Finance.

*** Official Letter 1992/CT-CS**

- **Issued by:** Tax department
- **Dated:** 24/06/2025
- **Content:** Regulations on the use of Personal income tax withholding certificates

In case an individual authorizes the income-paying organization to finalize personal income tax (PIT), the income-paying organization is not required to issue a PIT withholding certificate to the employee.

If the individual conducts PIT finalization directly with the tax authority, the PIT finalization dossier must include a PIT withholding certificate to prove the amount of PIT withheld during the year.

Under current regulations, the deadline for PIT finalization for income from salaries and wages by individuals ends after the deadline for income-paying organizations. In some cases, individuals may finalize PIT shortly after the calendar year ends, but before the income-paying organization submits its PIT finalization. During this time, the tax authority's system may not yet have full information on the individual's income and PIT withheld. In such cases, the PIT withholding certificate serves as a basis for the individual's tax finalization and allows the tax authority to cross-check information with the tax declaration.

Once the income-paying organization has completed its PIT finalization and fully reported the individual's income and withheld PIT to the tax authority's system, if the organization issues a PIT withholding certificate

to the individual for direct finalization, the individual can cross-verify the income and tax withheld. This helps prevent discrepancies arising from incorrect declarations by the organization.

In case the income-paying organization has ceased operations and is unable to issue a PIT withholding certificate, the tax authority shall rely on the data available in the tax sector's database to process the individual's tax finalization dossier without requiring a PIT withholding certificate.

From June 1, 2025, the use of electronic PIT withholding data shall comply with the provisions of Decree No. 70/2025/NĐ-CP dated March 20, 2025 of the Government and Circular No. 32/2025/TT-BTC dated May 31, 2025 of the Ministry of Finance.

II – UPDATES ON INVESTMENT – ENTERPRISES

Key highlights of the 2025 Chemical Law

On June 14th, 2025, the National Assembly passed Chemical Law No. 69/2025/QH, replacing Law No. 06/2007/QH. Key updates include:

- An increase in the number of prohibited acts;
- Mandatory prior declaration before use or change of intended use;
- Establishment of a specialized chemical database;
- Revised conditions for chemical production.

This law shall take effect on January 1st, 2026.

Expansion of unemployment insurance contributors

On June 16th, 2025, the National Assembly enacted Employment Law No. 74/2025/QH with major updates:

- Expands mandatory unemployment insurance (UI) coverage to include employees with labor contracts of one month or more (previously three months), part-time workers earning at or above the minimum wage base;
- Adjusts UI contribution rates: employees up to 1% of their monthly salary; companies up to 1% of the monthly payroll of participating employees.

This law shall take effect on January 1st, 2026.

Promulgation of the 2025 Enterprise Law and Guiding Regulations

On June 17th, 2025, the National Assembly passed Enterprise Law No. 76/2025/QH15, amending the 2020 Enterprise Law No. 59/2020/QH14, including:

- From July 1, 2025, companies must use VNeID electronic identification accounts to link with the National Business Registration Portal; ID cards will no longer be accepted in legal documents

- Adds prohibited acts in business registration, notification requirements for registration changes, legal responsibility for convening General Meetings of Shareholders, and obligations to retain beneficial owner information;
- Updates definitions of dividends and beneficial owners; clarifies market value of capital contributions and shares;

Following that, on June 30, 2025, the Government issued Decree 168/2025/ND-CP guiding business registration. This Decree replaces previous procedures on documents, procedures, and processes for business registration;...

At the same time, on July 1, 2025, the Ministry of Finance issued Circular 68/2025/TT-BTC on forms used for business and household registration;

These legal documents take effect from July 1st, 2025.

Promotional goods and services value limits effective July 1st, 2025

On June 22nd, 2025, the Ministry of Industry and Trade issued Circular 39/2025/TT-BCT regulating the maximum value limits of promotional goods and services:

- Max promotional value per item/service: not exceeding 50% of pre-promotion price;
- Total promotional value per program: not exceeding 50% of the total value of goods/services;
- Special cases (holidays, Tet, concentrated programs): limit may reach 100%;
- Calculation method depends on source value: purchase price, production cost, or market price;

This Circular takes effect from July 1st, 2025.

List of goods, services requiring standard contracts from July 1st, 2025

On June 22nd, 2025, the Ministry of Industry and Trade issued Circular 42/2025/TT-BCT listing goods and services that require standard contracts and general transaction terms:

- Electricity and water supply;
- Paid television;
- Mobile and fixed telecommunications;
- Passenger transport by air and rail;
- Sale of apartment units;

This Circular takes effect from July 1st, 2025.

Promulgation of the Law Amending and Supplementing 08 Laws in the Fields of Investment, Procurement, Customs, etc.

On June 25th, 2025, the National Assembly enacted Law No. 90/2025/QH15, which amends and supplements various important provisions related to investment, procurement, customs, value-added tax (VAT), and import-export taxes. Key highlights include:

- Law on Procurement: Reform of the contractor selection process, enhancement of autonomy for organizations and individuals in procurement activities, and addition of regulations for the science and technology sector;
- Law on Investment under the Public-Private Partnership (PPP) Model: Specification of the project approval process and the authority to decide on investment undertakings;
- Customs Law: Changes to priority conditions for enterprises and regulations on on-site customs inspection of import and export goods;
- This Law also repeals several provisions of other laws related to housing and public debt management.

This Law takes effect from July 1st, 2025.

Amendments and supplements to the Law on handling administrative violations

On June 25th, 2025, the National Assembly passed Law No. 88/2025/QH15 amending key provisions:

- Extends statute of limitations for administrative sanctions to 2 years in many business areas;
- Enterprises may face fines up to VND 500 million may be fined up to VND 500 million for violations related to land, construction, and environmental; this doubles the fine amount allowed without written records;
- Allows administrative penalties via electronic means (email, apps) from July 1st, 2025;
- Adds principles for handling confiscated secured property;

This Law takes effect from July 1st, 2025.

Personal Data Protection Law 2025

On June 26th, 2025, the National Assembly passed the Personal Data Protection Law No. 91/2025/QH15. Key points include:

- Clarifies personal data and types thereof;
- Specifies data subject rights and obligations of involved parties;
- Stipulates prohibited acts and corresponding penalties;
- Outlines exceptions;

This Law takes effect from January 1st, 2026.

No mandatory address update on enterprise registration for new province, ward names

On June 27th, 2025, Tax Sub-Department Area II issued Notice No. 11984/TB-CCTKV02 stating that tax authorities have updated taxpayer address data to reflect new province/ward names. Accordingly, businesses are not required to update their address information on business registration certificates unless they desire. This notice may be used for explanation to authorities or related entities. *This Notice takes effect from June 27th, 2025.*

III – UPDATES ON LABOR - INSURANCE

Procedure for labor regulation registration effective from July 1st, 2025

On June 20th, 2025, the Ministry of Home Affairs issued Decision No. 628/QĐ-BNV, revising procedures for enterprise labor regulation registration from July 1st, 2025, as follows:

- Competent authority: Department of Home Affairs under the Provincial People's Committee or, if authorized, the Department under the District People's Committee where the enterprise is registered;
- Submission deadline: within 10 days from the issuance of labor regulations;
- Submission methods: via the National Public Service Portal, in-person, or by post;
- Applicable to enterprises employing 10 or more workers;

This Decision takes effect from July 1st, 2025.

Compulsory social insurance regulations effective from July 1st, 2025

On June 25th, 2025, the Government issued Decree No. 158/2025/ND-CP detailing several provisions of the Law on Social Insurance regarding compulsory insurance:

- Not subject to mandatory social insurance contributions: (i) part-time employees earning below the lowest contribution base salary; (ii) employees working under probation contracts;
- Allowances and performance-based bonuses are excluded from contributory salary;
- Enterprises may temporarily suspend social insurance contributions (up to 12 months) in case of restructuring, recession, epidemics, natural disasters, or policy changes;
- Expanded compulsory accident and occupational disease insurance coverage to include managers, inspectors, state capital representatives, part-time employees, and foreign workers in Vietnam;

This Decree takes effect from July 1st, 2025.

Procedure for sickness and maternity benefit claims from July 1st, 2025

On 27th, 2025, Vietnam Social Security issued Decision No. 1674/QĐ-BHXH regarding the procedure for receiving and resolving sickness, maternity, and rehabilitation allowance claims through the National Social Insurance Public Service Portal.

Following that, on June 30th, 2025, the Ministry of Health issued Circular No. 25/2025/TT-BYT detailing the implementation of the Law on Social Insurance, the Law on Occupational Safety and Health in the health sector, and provisions of the Law on Medical Examination and Treatment. Key contents include:

- Updated list of long-term illnesses eligible for sickness and health insurance benefits;
- New forms with detailed guidelines on procedures, authority, and documents required to claim sickness and maternity benefits, as well as assessments of work capacity loss for insurance claim purposes;

These legal documents take effect on July 1st, 2025.

Procedure for electronic identification (VNeID) registration for foreigners

Level 1: Online Registration

Step 1: Download and install the VNeID national identification app on a digital device;

Step 2: Register for a VNeID account and input the required information:

- Passport number or valid international travel document;
- Email or registered mobile phone number (if available);
- Submit a portrait photo via mobile device;
- Other information as required by the VNeID system;
- Submit the request and complete electronic verification through the VNeID app;

Step 3: Receive notification of registration result via email, phone number, or the VNeID app.

Level 2: In-Person Registration at Immigration Authority (Immigration Department under the Ministry of Public Security or Immigration Office under provincial police departments)

Step 1: Present passport and temporary residence card; complete application form (Form TK01); provide registered phone number and temporary address;

Step 2: Authorities collect facial images and fingerprints for verification against the national immigration database;

Step 3: Receive notification of registration result via email, phone number, or the VNeID app.

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