

# NEWSLETTER

July 2025



## CONTENT

1. Decree No. 181/2025/ND-CP dated 01/07/2025 detailing regulations on the implementation of a number of articles of Law on Value added tax
2. Circular No. 69/2025/TT-BTC dated 01/07/2025 detail regulations on a number of articles of the Law on Value Added Tax and guidance on the implementation of Decree No. 181/2025/ND-CP of the Government detailing the implementation of a number of articles of the Law on Value Added Tax
3. Official Letter 2200/CT-CS dated 02/07/2025 on the supply of goods under the On-Spot Export-Import method
4. Official Letter 3419/CTBNI-TTHT dated 04/07/2025 on declaring loan interest
5. Official Letter 15428/CHQ-NVTHQ dated 21/07/2025 on the handling of overpaid import VAT
6. Official Letter 915/BNI-QLDN1 dated 22/07/2025 on taxable income of Personal income tax for mid-shift meal allowances
7. Official Letter 1292/CST-GTGT dated 24/07/2025 on 0% VAT policy for services provided to companies in non-tariff zones
8. Issuance of Criteria for Certification of Green Investment Projects
9. Additional Support Policies for Supporting Industry Development
10. Bidding and Contractor Selection Procedures – Effective from August 4, 2025
11. Adjustment to Reduce Trade Union Fee Contribution Rates
12. New Guidelines on Documents for Sickness Benefits

## DETAILED CONTENT

### I – UPDATES ON ACCOUNTING - TAX

#### \* Decree No. 181/2025/NĐ-CP

- **Issued by:** The Government

- **Dated:** 01/07/2025

- **Content:** Detailed regulations on the implementation of several articles of Law on Value added tax

On July 1, 2025, the Government issued Decree No. 181/2025/NĐ-CP, detailing several articles of the Law on Value-Added Tax. Below is a summary of several new provisions introduced in Decree No. 181/2025/NĐ-CP:

#### 1. Supplementation and revision of VAT-exempt goods and services

- Identification of items that are not subject to VAT is made in alignment with various sector-specific regulations, such as those on housing, credit institutions, credit activities, foreign affairs, etc.;
- Specific guidance are provided for certain groups of goods and services that are not subject to VAT, such as: products from cultivated crops, planted forests, livestock, aquaculture, or wild-caught seafood that have not been processed into other products or have only undergone simple preliminary processing; maintenance, repair, and construction activities funded by community contributions or humanitarian aid; publishing, importation, and distribution of newspapers, magazines, and books; educational and vocational training activities, etc.;

#### 2. Supplementation of regulations on taxable price determination in specific cases: Detailed from Article 5 to Article 13 of the Decree.

#### 3. Principle for determination of VAT taxable value

- The VAT taxable value includes all surcharges and additional fees collected in addition to the selling price of goods or services that the business establishment is entitled to retain. It does not include amounts unrelated to the supply of goods or services, such as monetary compensation, bonuses, recoveries from third parties in insurance operations, collections on behalf of other parties, remunerations from state agencies for collecting or disbursing funds on their behalf, and financial income;
- In case the business establishment applies commercial discounts for customers (if any), the VAT taxable value shall be the commercially discounted selling price, exclusive of VAT;

- If the VAT taxable value is adjusted according to the conclusion of a competent state authority, the taxable value shall be the one determined based on such conclusion.

4. The detailed provisions on the time of VAT liability determination for various types of goods and services under Article 16 of the Decree.

5. Detailed provisions on VAT rates and applicable conditions

- 0% VAT rate: regulated under Article 17, Conditions for applying 0% rate: under Article 18
- 5% VAT rate: regulated under Article 19

6. Supplementation of regulations on non-cash payment documents

- Business must retain non-cash payment vouchers for the purchase of goods and services (including imported goods) with a value from VND 5 million (VAT-inclusive);
- The types of documents and instruments for non-cash payments shall be determined in accordance with the provisions of Decree No. 52/2024/ND-CP on non-cash payments, excluding documents indicating that the buyer deposits cash into the seller's bank account
- Certain cases require the use of non-cash payment documents, including but not limited to: Offsetting the value between purchases and sales of goods or services, or loans/borrowings; Offsetting payables through a third party that is involved in lending or borrowing activities; Payments made via authorized or designated third parties; Payments made using stocks or bonds; Payments made to a third party's account at the State Treasury as part of enforcement measures; Purchases made under deferred payment or installment plans with a value from VND 5 million; Import value or invoice value below VND 5 million, or in the case of gifts, promotional items, or samples; Payments made on behalf of the company by employees or individuals who are not employees; Multiple purchases from the same seller on the same date with a total value from VND 5 million.

7. Changes to input VAT credit conditions under Article 26: From July 1, 2025, the purchase of goods and services valued at VND 5 million or more must be supported by a non-cash payment document to be eligible for input VAT deduction. In case multiple invoices under VND 5 million are issued on the same day with a total value of VND 5 million or more, input VAT is deductible only when non-cash payment is made.

8. Clarification on VAT refund in specific cases: Detailed from Article 29 to Article 36 of the Decree provide detailed guidance on VAT refund conditions.



**\* Circular No. 69/2025/TT-BTC**

**- Issued by:** Ministry of Finance

**- Dated:** 01/07/2025

**- Content:** Detailed regulations on several articles of the Law on Value Added Tax and guidance on the implementation of Decree No. 181/2025/ND-CP of the Government detailing the implementation of several articles of the Law on Value Added Tax

On July 1, 2025, the Ministry of Finance issued Circular No. 69/2025/TT-BTC, which provides further details on specific provisions of the Law on VAT and guidance on the implementation of Decree No. 181/2025/ND-CP.

1. Provisions on dossiers and procedures for determining goods and services that are not subject to VAT

- Taxpayers shall determine goods and services not subject to VAT based on the provisions of the Law on VAT and Decree No. 181/2025/ND-CP.
- In specific cases, taxpayers are required to provide dossiers and documentation to determine whether goods or services belong to not-subject-to VAT cases upon the request of competent authorities: Breeding stock product; Imported newspaper, magazines, books, posters, and other printed products; Goods and services sold to organizations and individuals for humanitarian aid and grant aid for Vietnam; Transfer of industrial property rights over inventions, industrial designs, layout designs, and trademarks shall be considered transfer of intellectual property rights; Transfer of rights to plant varieties being considered as transfer of intellectual property rights; Imported goods donated or sponsored for the purposes of disaster, epidemic, and war prevention, response, and recovery.

2. Provisions on dossiers and procedures for determining objects eligible for 0% VAT rate

- Taxpayers shall determine goods and services eligible for the 0% VAT rate based on the provisions of Clause 1, Article 9 of the Law on VAT and Article 17 of Decree No. 181/2025/ND-CP;
- Taxpayers must provide relevant dossiers and documentation to determine eligibility for the 0% VAT rate following provisions of Article 18 of Decree No. 181/2025/ND-CP upon request by competent authorities for certain specific goods and services;
- In cases of exporting goods via overseas e-commerce platforms and some other specific cases, taxpayers are required to provide dossiers and supporting documents that comply with the input VAT credit conditions specified in Articles 27 and 28 of Decree No. 181/2025/ND-CP, when requested by competent authorities.

3. The regulation on the formula for determining refundable VAT on exported goods and services in cases involving both exports and domestic sales is provided, promulgated in Appendix II, Circular No. 69/2025/TT-BTC.

4. The regulation on the formula for determining refundable VAT for business establishments producing goods and providing services subject to the 5% VAT rate, in cases where they produce goods and provide services subject to multiple VAT rates, is stipulated in Appendix III issued together with Circular No. 69/2025/TT-BTC.

5. The regulation on the VAT for foreign organizations and individuals: Circular No. 69/2025/TT-BTC partially replaces provisions on VAT applicable to foreign organizations and individuals under Circular No. 103/2014/TT-BTC

- The regulation on entities that are subject to and not subject to VAT regulations in the case of foreign organizations and individuals doing business in Vietnam (Foreign Contractor Withholding Tax)
- Method for determining VAT payable
- Definitions of “contractor contract” and “sub-contractor contract”.

**\* Official Letter 2200/CT-CS**

- **Issued by:** Tax department

- **Dated:** 02/07/2025

- **Content:** Regulations on the Supply of Goods under the On-Spot Export-Import Method

In case foreign companies or individuals supply goods in Vietnam in the form of on-the-spot import and export, and generate income in Vietnam based on contracts signed with Vietnamese companies (excluding cases of processing and re-exporting goods to foreign companies or individuals); or distribute goods in Vietnam; or supply goods under Incoterms delivery terms where the seller bears risks related to the goods until they enter Vietnamese territory, such companies or individuals shall be subject to the regulations under Circular No. 103/2014/TT-BTC.

In case foreign companies or individuals only use bonded warehouses or inland container depots (ICDs) as storage for supporting international transportation, transit, transshipment, warehousing, or for processing by another enterprise, they shall not be subject to the provisions of Circular No. 103/2014/TT-BTC.

**\* Official Letter 3419/CTBNI-TTHT**

- **Issued by:** Tax department of Bac Ninh Province
- **Dated:** 04/07/2025
- **Content:** Guidance on Declaring Loan Interest

In case a company registered for value-added tax (VAT) under the credit method enters into a loan agreement to lend temporarily idle funds that are not currently used for business operations, if such lending falls under the provisions of Point b, Clause 8, Article 4 of Circular No. 219/2013/TT-BTC dated December 31, 2013 issued by the Ministry of Finance, then the interest income from the loan shall be classified as not subject to VAT. The company shall declare the interest income in box [26] "Goods and services sold not subject to VAT" on VAT return form No. 01/GTGT issued together with Circular No. 80/2021/TT-BTC dated September 29, 2021 of the Ministry of Finance.

**\* Official Letter 15428/CHQ-NVTHQ**

- **Issued by:** Ministry of Finance – Customs department
- **Dated:** 21/07/2025
- **Content:** Regulations on the handling of overpaid import VAT

In cases where import VAT is determined to be overpaid, the customs authority shall handle the excess VAT payment in accordance with Article 60 of the Law on Tax Administration No. 38/2019/QH14 and Article 132 of Circular No. 38/2015/TT-BTC, as amended and supplemented by Clause 65, Article 1 of Circular No. 39/2018/TT-BTC.

The customs authority that issues the decision on handling the overpaid import-stage VAT shall send the Tax Refund Decision and coordinate with the State Treasury to issue a refund order for the state budget, with confirmation that the overpaid import VAT has been refunded, to the tax authority managing the taxpayer, for monitoring and urging the taxpayer to make declaration adjustments and fulfill tax obligations (if any) in accordance with tax laws.

The customs authority that issues the decision on the VAT refund shall notify the taxpayer so that the taxpayer can declare the adjustment of the overpaid VAT amount that has been processed with the managing tax authority.

**\* Official Letter 915/BNI-QLDN1**

- **Issued by:** Tax department of Bac Ninh Province

- **Dated:** 22/07/2025

- **Content:** Regulations on taxable income of Personal income tax for mid-shift meal allowances

In case the company incurs mid-shift meal expenses for its employees working at the company, and such expenses are specifically stipulated in terms of eligibility and benefit levels in the labor contract, collective labor agreement, or the company's internal rules or regulations, the determination of taxable income for personal income tax (PIT) purposes (effective from June 15, 2025) shall be as follows:

- If the company organizes in-house meal preparation or purchases meal portions for employees, the mid-shift meal expense shall not be included in the employee's PIT taxable income.
- If the company does not organize in-house meal preparation or purchase meal portions, but instead provides cash allowances to employees, and such cash payments are in line with the provisions of the labor contract, collective labor agreement, or internal rules or regulations of the company, then they shall not be included in the employee's PIT taxable income. If the cash amount exceeds the stipulated level, the excess amount shall be included in the PIT taxable income.

**\* Official Letter 1292/CST-GTGT**

- **Issued by:** Ministry of Finance – Department of Tax, Fee & Charge Policy Management and Supervision

- **Dated:** 24/07/2025

- **Content:** 0% VAT policy for services provided to companies in non-tariff zones

In case the company's services such as auditing, tax consulting, M&A advisory, and management consulting, etc., are provided directly to entities located in non-tariff zones, consumed within such zones, and serve the export production activities of those entities (without serving any other non-export-related activities), and are not among the services specified in Clause 4, Article 17 of Decree No. 181/2025/NĐ-CP, then such services are eligible for the 0% VAT rate.



## II – UPDATES ON INVESTMENT – ENTERPRISES

### Issuance of Criteria for Certification of Green Investment Projects

On July 4, 2025, the Prime Minister issued Decision No. 21/2025/QĐ-TTg stipulating environmental criteria and the certification of projects categorized as green to be eligible for green credit incentives.

Green classification list: includes projects aimed at environmental protection or those generating environmental benefits as specified in Appendix I of the Decision, such as:

- Renewable energy production (solar power, wind power, biomass, etc.);
- Development of green buildings and energy-saving electricity systems;
- Low-emission or zero-emission vehicles and accompanying infrastructure;
- Water supply and drainage projects, water resource protection, sustainable agriculture - aquaculture;
- Waste recycling, and production of environmentally friendly technologies, equipment, and products.

Certification authority: is the agency responsible for environmental appraisal or permitting for the investment project.

*This Decision shall take effect from August 22, 2025.*

### Additional Support Policies for Supporting Industry Development

On July 14, 2025, the Government issued Decree No. 205/2025/ND-CP amending Decree No. 111/2015/ND-CP, adding various policies to support the development of the supporting industries sector:

Environmental support:

- Projects developing supporting industrial zones or inter-industry clusters are eligible for environmental incentives;
- Enterprises manufacturing prioritized supporting industrial products are also eligible for support in accordance with environmental protection laws.

Legal support: Enterprises manufacturing prioritized supporting industrial products are entitled to legal support under the Law on Support for Small and Medium Enterprises.

Support for testing – inspection – certification: Financial support of up to 50% of expenses related to: testing, inspection, verification, quality certification; internal standards; quality management systems; metrology; intellectual property; branding; product barcodes; and new products involving inventions.

*This Decree shall take effect from September 1, 2025.*

### **Bidding and Contractor Selection Procedures – Effective from August 4, 2025**

On August 4, 2025, the Government issued Decree No. 214/2025/NĐ-CP, detailing the implementation of several provisions of the Law on Procurement 2023 related to contractor selection. This Decree comprehensively updates key contents, including:

- Ensuring competition in bidding (legal and financial independence between bidders and procuring entities);
- Preferences in bidding for contractors and goods of Vietnamese origin;
- Regulations on costs related to contractor selection;
- Preparation, submission, and approval of the master plan for contractor selection;
- Determination of package value and timing of contractor selection;
- Capacity and experience requirements for expert teams and appraisal teams;
- Disclosure of information and mandatory registration on the National Bidding Network System;
- Detailed bidding procedures based on different methods and package types;
- Online contractor selection procedures;
- Handling petitions and unexpected situations during the bidding process.

*The Decree takes effect from the date of signing and replaces Decree No. 24/2024/NĐ-CP.*

### III – UPDATES ON LABOR - INSURANCE

#### Adjustment to Reduce Trade Union Fee Contribution Rates

On July 29, 2025, the Vietnam General Confederation of Labor issued Decision No. 61/QD-TLD on adjusting the trade union fee contribution rates. Accordingly, the specific adjustments for enterprises are as follows:

- Non-state enterprises, non-public service units, cooperatives, international organizations in Vietnam, and union members working abroad: contribute 0.5% of the salary used as the basis for mandatory social insurance payment; maximum: 10% of the statutory base salary.
- Enterprises where it is difficult to determine the salary basis, or union members not subject to mandatory social insurance: contribute according to a fixed rate, minimum: 0.5% of the statutory base salary.
- Exemptions from union fee contributions apply to: union members receiving social insurance allowances for one month or more; unemployed union members, have no income, or are on unpaid leave for one month or more.

*This Decision shall take effect from July 1, 2025.*

#### New Guidelines on Documents for Sickness Benefits

On July 29th, 2025, Vietnam Social Security issued Decision No. 2222/QD-BHXH on the procedures for processing and paying social insurance and unemployment insurance benefits. The Decision provides detailed guidance on documents required for sickness benefit claims in the following cases:

- Inpatient treatment (for employees or their children);
- Outpatient treatment;
- Medical treatment abroad;
- Force majeure circumstances such as natural disasters, epidemics, etc.

*This Decision shall take effect from the date of signing.*

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