



PwC Vietnam NewsBrief

Tax system reform strategy
up to 2030 approved



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At a glance...

On 23 April, the Prime Minister signed Decision 508/QD-TTg approving the tax system reform strategy through to 2030, with a focus on building a modern and effective taxation regime.

In detail...

Objectives

- ❖ Harmonising Vietnam's tax policies with international practices;
- ❖ In terms of tax administrative reform, aiming to achieve a number of key targets by 2025, including:
 - Taxpayers' satisfaction rate: at least 90% by 2025 and 95% by 2030.
 - The rate of taxpayers being assisted online: at least 70% by 2025 and 90% by 2030.
 - The amount of tax declarations, payments, refunds, and exemption applications conducted electronically: at least 98% by businesses and 85% by individuals by 2025.
 - The amount of tax refunds, exemption applications being handled on time by tax authorities: at least 98% by 2025.

In detail...

In order to achieve the aforementioned objectives, a number of measures to reform tax policies, are proposed including:

1. VAT

- Expand the tax base by narrowing the supplies which are VAT exempt and subject to 5% VAT;
- Apply a single VAT rate;
- Review the revenue threshold for applying VAT deduction method;
- Review regulations relating to VAT credits, refunds to make simple.

2. Special consumption tax

- Add additional products in the SCT scope.
- Create roadmap to increase SCT on tobacco, beer, spirits to limit manufacturing, consumption and implement international commitments;
- Review SCT rates on certain products.

3. Import/export duty

- Reduce the number of import duty rates from 32 to 25 by 2025, and to 20 by 2030;
- Review policy on import/export duties to stimulate exports, increase local value added and limit export of natural resources;
- Review regulations relating to on-the-spot, export/ import, and non-tariff zones to reduce tax evasion.

In detail...

4. CIT

- Amend or abolish CIT incentives which are not consistent with development and international integration requirements;
- Implement CIT incentives for small and micro enterprises;
- Shift the focus of foreign investment attraction from quantity to quality, promote investments in key industries and encouraged locations;
- Implement standards regarding transfer pricing and BEPS.

5. PIT

- Review taxable and non-taxable items;
- Simplify PIT finalisation for both taxpayers and tax authorities.

6. Natural resources tax

- Review regulations regarding tax base for the determination of NRT.

7. Tax relating to property (including tax on agricultural land, tax on non-agricultural land)

- Extend exemption of tax on agricultural land up to 2025;
- Encourage the proper use of land/houses, limit property speculation.

8. Environmental tax

- Review items subjects to environmental tax which create pollution.

Contact us

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