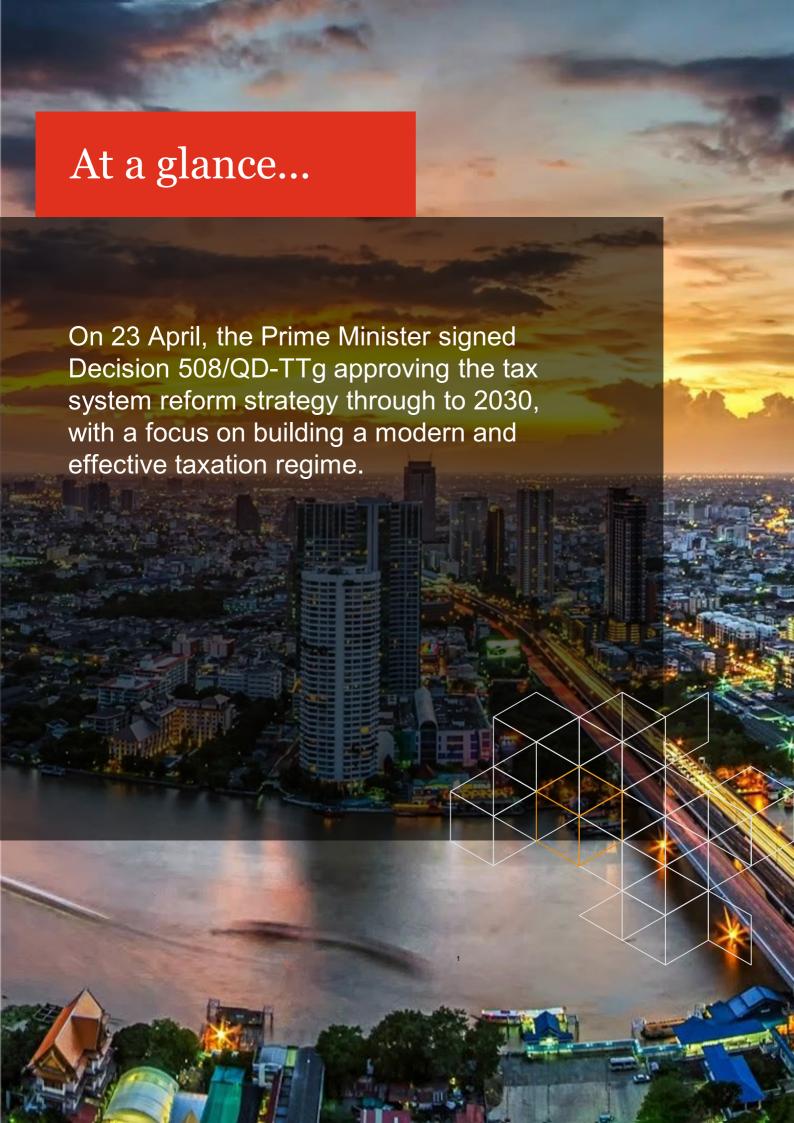


PwC Vietnam NewsBrief

Tax system reform strategy up to 2030 approved







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

This publication has been prepared for general guidance on matters of interest only, and does not constitute professional advice. For further information or if you require our official advice or assistance, please reach out to us.



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