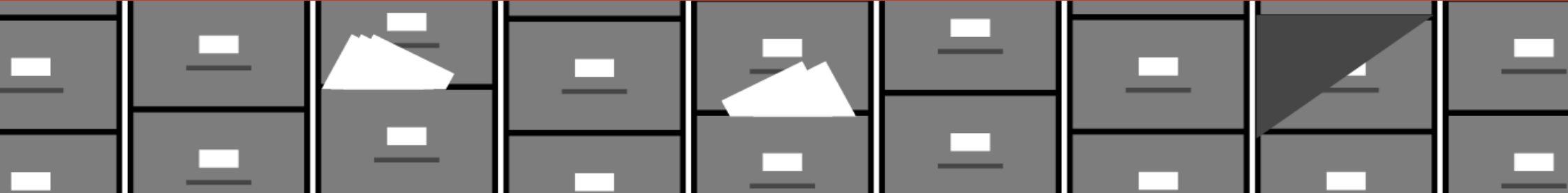


# Approval on 2% VAT rate cut in 2023



26 June 2023

## At a glance...

On 24 June 2023, the National Assembly approved the Resolution of the 5<sup>th</sup> Meeting of National Assembly XV. This includes a VAT rate reduction which will take effect from 1 July 2023 until 31 December 2023.



## Below are some notable points:

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### 2% VAT reduction

- The scope of 2% VAT reduction will follow Article 3.1.1.a of Resolution 43/2022. Specifically, goods and services which are currently subject to 10% VAT shall be entitled to a reduced VAT rate of 8%, except for the following types of goods and services:
  - Telecommunications, IT services;
  - Finance and banking services, securities, insurance;
  - Real estate business;
  - Metal production and manufacture of prefabricated metal products;
  - Mining industry (excluding coal mining), production of coke (“than cốc”), refined petroleum, production of chemicals and chemical products; and
  - Goods and services which are subject to special sales tax.
- The Resolution authorises the Government to organise the VAT reduction in a timely manner and ensure there is no effect to the State budget collection and over payment.
- The Government is drafting a decree on 2% VAT reduction which is expected to be issued soon.

# Contact us

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

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