

Some important changes to the Vietnamese tax administrative rules



3 January 2025

At a glance...

Law No. 56/2024/QH15 amending 9 laws (Law on Securities, Law on Accounting, Law on Independent Auditing, Law on State Budget, Law on Management and Use of Public Assets, Law on Tax Administration, Law on Personal Income Tax, Law on National Reserves, and Law on Administrative Penalties) was issued on 29 November.

In this NewsBrief, we highlight some key changes made to the Law on Tax Administration and Law on Personal Income Tax. Most of these changes will be effective from 1 January 2025.



In detail...

Amendments to the Law on Tax Administration

- Under the current Law on Tax Administration, foreign suppliers without permanent establishments in Vietnam doing e-commerce business, digital platform based business and other services in Vietnam are required to either directly, or authorise another entity to, attend to tax registration, tax filing & payment in Vietnam. This requirement is extended to foreign suppliers with PEs in Vietnam. It seems that this change aims to align the administrative rules with the definition of taxpayers in the Law on Corporate Income Tax and the scope of application of the regulations on Foreign Contractor Tax.
- Domestic and foreign organizations that manage e-commerce trading platforms, digital platforms having payment functions, and organizations having other digital economic activities (“e-platform management entities”) must withhold, declare and pay taxes on behalf of business households/ individuals who trade on such platforms. Attending to these tax compliance matters on behalf of business households/ individuals is required for e-platform management entities with effect from 1 April 2025. However, in certain cases, business households/ individuals are required to register, declare and pay taxes themselves. It is not clear which e-platform management entities would fall within each category and a decree will be issued to provide more guidance.



In detail...

Amendments to the Law on Tax Administration (cont'd)

- Guidance on cases where tax returns can be revised for years for which a decision to carry out a tax audit has been announced, or for which a tax audit has already been completed is removed. It seems that tax returns are therefore no longer allowed to be revised in these cases. However, if the year to which a tax return is related has been tax audited, but such tax return did not fall under the scope of such tax audit, taxpayers are still allowed to revise such tax return up to 10 years after the filing deadline.
- Under the current Law on Tax Administration, legal representative of a company can be banned from exiting Vietnam if the company has not paid its taxes. A threshold amount of such taxes due is introduced, and the tax authorities will also have to notify taxpayers of any exit suspension. This is a welcome development for taxpayers. It is expected that the Government will provide guidance on the level of such threshold.
- Taxpayers are no longer entitled to interest on tax refunds made as a result of a successful appeal/ litigation.
- Some changes are made to the tax refund procedures. The authority to grant refunds is expanded to include the head of sub-tax departments at district level.



In detail...

Amendments to the Law on Tax Administration (cont'd)

- New guidance on the starting date for calculating interest on late payment of tax is provided. This is clearer than the general term “the date the late payment interest arises” in the current Law on Tax Administration.

Amendments to the Law on PIT

- The responsibilities of e-platform management entities for withhold, declare and pay PIT on behalf of households/ individuals who trade on such platforms are also set out in amendments to the Law on PIT, to align with amendments to the Law on Tax Administration.

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.

Ho Chi Minh City office:



Richard Irwin

Partner

r.j.irwin@pwc.com

Ha Noi office:



Nguyen Huong Giang

Partner

n.huong.giang@pwc.com