




PwC Vietnam Newsbrief

Navigating Change: Advance Pricing Agreements in Vietnam

July 2025

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At a glance

Recent developments indicate that the tax authority in Vietnam has made significant progress in refining the Advance Pricing Agreement (APA) process in Vietnam. This reflects a proactive approach by the tax authority and demonstrates a commitment to facilitating smoother processes and more efficient resolutions. This evolution presents a valuable opportunity for businesses wishing to enter into an APA to secure greater certainty and cost savings in their transfer pricing strategies.

Advancements in Advance Pricing Agreements in Vietnam

01

An Advance Pricing Agreement (APA) is a contract of up to three years in Vietnam between one or more tax authorities that establishes a mutually agreed-upon transfer pricing (TP) arrangement for a taxpayer's related party transactions. This process, governed by the Tax Administration Law 38/2019/QH14, Decree 126/2020/ND-CP, and Circular 45/2021/TT-BTC, became effective in 2021. It allows taxpayers to reach agreements with tax authorities on TP methodologies and profitability levels.

02

APAs offer distinct advantages for taxpayers navigating TP. APAs provide taxpayers with increased certainty that their TP policies and transactions will be accepted by the tax authorities, significantly reducing the risk of double taxation. Moreover, they lower compliance costs by minimizing the likelihood of audits and streamlining record-keeping requirements by clarifying necessary documentation. Ultimately, APAs enable better cost predictability, allowing taxpayers to forecast tax liabilities more accurately.

03

The new tax administration law, which is anticipated to be finalised in mid-2026, is expected to act as a catalyst for the APA process.

In addition, a new decree, Decree 122/2025/ND-CP, effective from 1st July 2025, gives the Ministry of Finance and Tax Department the authority to sign off APAs in most circumstances. This should enable APAs to be concluded sooner than has been the case in the past.



Contact us

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