PwC Vietnam Newsbrief

New Vietnamese Capital Gains Tax rules – An update

July 2025

At a glance

As covered in our Newsbrief last month, the new Corporate Income Tax Law, effective from 1 October, imposes a flat rate of tax on proceeds from the sale of certain Vietnamese companies by foreign corporate sellers. However, the law itself does not specify the applicable rate, so we are awaiting its implementing decree.

The Ministry of Finance has just released a draft of this decree, which sets out the proposed flat rates applicable to foreign corporates.

Notable points

For foreign corporates, proposed flat rates are as follows:

- Capital transfers where the seller does not directly oversee the target enterprise's operations in Vietnam, and asset transfers: 2% on proceeds. The meaning of “the seller does not directly oversee the target enterprise’s operations” is unclear but may be intended to distinguish direct from indirect transfers. There is no definition of asset transfers.
- Securities transfers: 0.1% on proceeds (ie no change). The draft decree clarifies that securities for this purpose are those of public companies as defined in the Securities Law.

For Vietnamese corporates, there is no change made to the taxation of capital and securities transfers.

PwC comments

The 2% rate is consistent with that proposed in earlier drafts of the law itself.

The draft decree leaves many issues open – for example it does not set out the timing and methodology for determining taxable income derived in Vietnam by foreign corporate sellers, as mandated by the National Assembly under the new CIT Law. The Government has assigned the MoF to provide further guidance under an upcoming Circular, so we will likely have to wait for this before such details are given.

There is also no mention of the vexed issue of the taxation of indirect transfers, although the reference to involvement in a target's business operations may be relevant in this regard.

We will keep you updated on further developments.

Contact us

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Dinh Thi Quynh Van

Partner

dinh.quynh.van@pwc.com

Richard Irwin

Partner

r.j.irwin@pwc.com

www.pwc.com/vn