

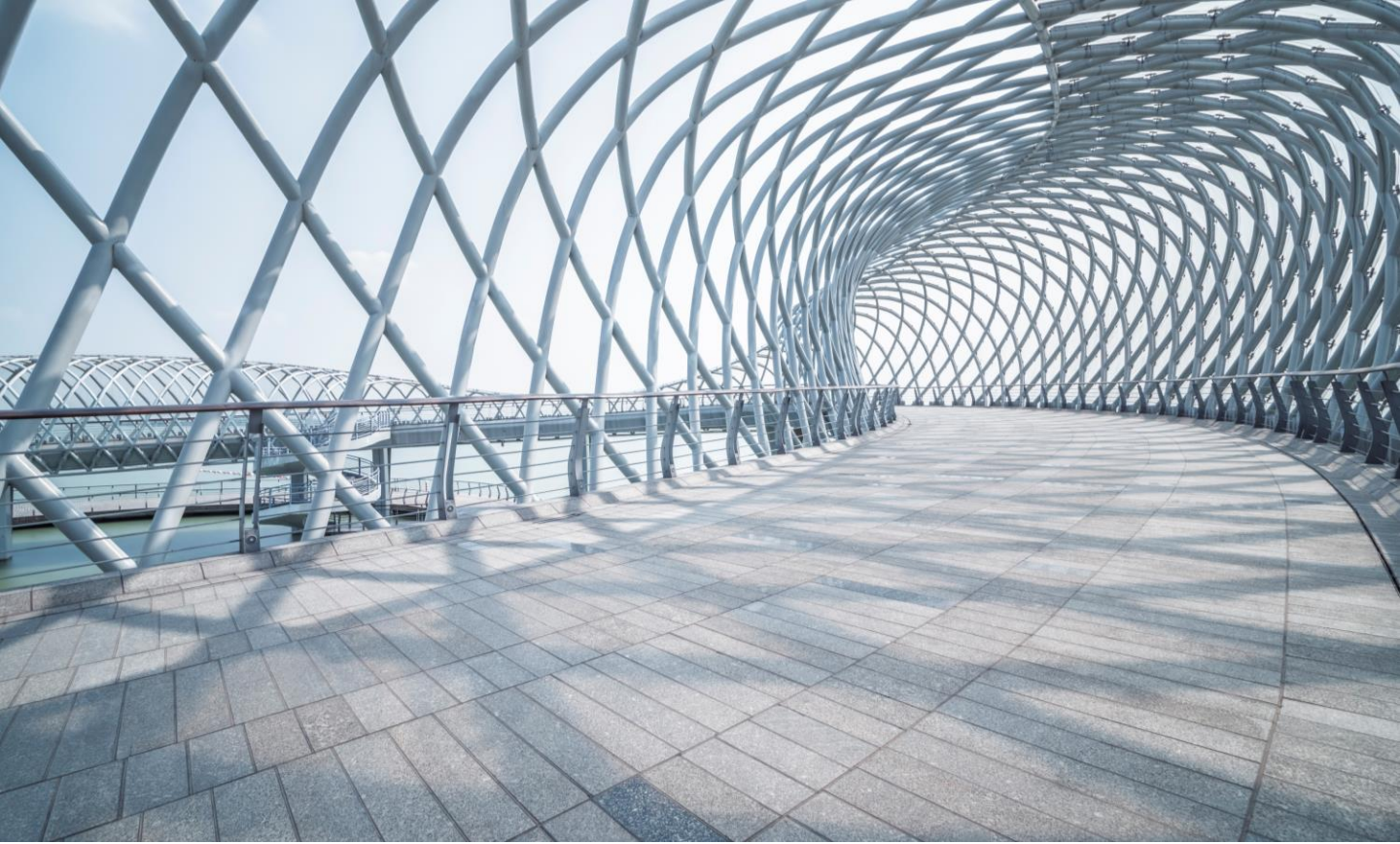


PwC Vietnam Newsbrief

The new law on tax administration has finally been issued

January 2026





At a glance

Last month, the National Assembly approved the new law on tax administration (No. 108/2025/QH15). This law will take effect from 1 July 2026, except for certain provisions regarding business households and individuals, which have already come into force this month.

A decree and circular will be issued in due course to provide guidance on the implementation of this new law.

Key changes



01

Tax audit

- Up to now, there were two types of tax audit in Vietnam - a detailed tax inspection and a lighter touch tax examination.
- The new law abolishes provisions related to tax inspection, signaling that inspection is no longer an administrative measure being conducted by the tax authorities. All inspection activities are now governed under the Law on Inspection.
- The rules regarding the conduct of tax examinations are amended as follows:
 - The maximum duration for conducting a tax examination at a taxpayer's premises is increased to 20 (calendar) days, with a possible extension of up to an additional 20 (calendar) days (compared with 10 working days plus a 10-working day extension under the 2019 Tax Administration Law).
 - For transfer pricing examinations, the new law sets a maximum duration of 40 (calendar) days, with a possible extension of an additional 40 (calendar) days when necessary. This is a new provision, as the 2019 Tax Administration Law did not distinguish transfer pricing examinations from normal tax examinations.
 - For cases where international information exchange is required, the tax examination period can be extended up to 2 years.
 - On-site examinations for certain cases, including periodically scheduled and business restructuring cases, are explicitly limited to being performed no more than once per year. This annual limit does not apply to other types of examinations outside of these categories.
 - The new law allows higher-level tax authorities to conduct re-examination of cases previously concluded, or for which administrative violation handling decisions were issued by lower-level tax authorities, subject to certain conditions. The duration of re-examination follows the same rules as initial examination - 20 days for general cases, 40 days for transfer pricing cases, and up to 2 years for cases involving international information exchange. Re-examination must be conducted within 2 years from the date the initial examination conclusion, or administrative violation handling decision, was signed.

Key changes



02

Various changes in tax administrative procedures

Various changes are made.

Some welcome ones...:

- Penalties and late payment interest can be waived if technical issues within the tax authority's system prevented taxpayers from fulfilling their obligations on time.
- The new law introduces provisions for automatic granting of tax refunds, exemptions, and reductions to taxpayers. These processes will be based on electronic data, risk management criteria, and automated procedures within the tax administration system. Guidance is expected to be issued.

And some perhaps less welcome...:

- **Less time allowed for amending tax returns:** Under the 2019 Tax Administration Law, taxpayers could submit amended tax declarations within ten years from the filing deadline. The new law shortens this window to five years. However, an amendment is only allowed to be made before the tax authority announces a decision to conduct a tax audit of the year in question or if the amended declaration falls outside the scope or period of such audit (consistent with the previous law).
- **Exit ban from Vietnam:** Beneficial owners and legal representatives of an enterprise may be prohibited from leaving Vietnam if the enterprise:
 - Is under enforcement to implement a tax administration decision; or
 - No longer operates at its registered address



Key changes



03

International tax cooperation and administration

- The law incorporates mechanisms for implementing Mutual Agreement Procedure (MAP) and Advance Pricing Arrangement (APA), with guidance to be provided in an upcoming circular. It is to be hoped that this will improve the processing of MAP claims and APA applications.
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04

Digital transformation

- The tax authorities encourage taxpayers' voluntary compliance by maintaining an e-tax profile for each taxpayer. Taxpayers with a good profile will be eligible for preferential treatment. Criteria for assessing taxpayer compliance and risk level, along with the corresponding tax management measures, will be detailed in the forthcoming guiding circular.
- Documents digitally signed by the tax authorities carry the same legal validity as their paper equivalents. Additionally, taxpayers will not be required to submit paper documents when the relevant data is already available in the shared databases of government agencies.



Key changes



05

Other new provisions:

- In cases of indirect capital transfers where both the seller and buyer are foreign entities, the Vietnamese target entity will be responsible for tax declaration and payment on behalf of the overseas seller.
- The definition of taxpayers is expanded to include: (i) foreign companies and individuals conducting business activities in Vietnam or having income arising in Vietnam and (ii) foreign companies and individuals conducting business activities on e-commerce platforms and other digital platforms. This aims to ensure consistency and uniformity with the new Value Added Tax Law and the new Corporate Income Tax Law, which took effect on 1 July, and from 1 October 2025, respectively.
- Business households and business individuals with annual revenue reaching the taxable threshold are required to self-assess VAT and PIT, and to declare and calculate taxes for each applicable tax type in accordance with the relevant tax period.
- For business households and business individuals trading on e-commerce platforms or other digital platforms, if the platforms provide online ordering and payment services, the platform operator is obligated to withhold, declare, and remit taxes on behalf of the business households and business individuals. If the platform does not offer these services, the business households and business individuals are responsible for declaring and paying taxes themselves.



Contact us

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