



PwC Vietnam Newsbrief

New VAT regulations

February 2026





At a glance

On 11 December, the National Assembly passed Law No. 149/2025 amending the Value-Added Tax Law No. 48/2024. In addition, the Government issued Decree 359/2025 to provide guidance on Law 149. These changes took effect from 1 January, aiming to resolve existing issues related to VAT refunds, support the agricultural sector, and update regulations for household and individual business operators. This Newsbrief highlights the key changes and guidance.

Details



01

VAT refunds

Law 149 removes the requirement that sellers must have declared and paid VAT on invoices issued to buyers in order for the buyers to be eligible for VAT refunds. Decree 359 clarifies that this new regulation applies to VAT refund claims received by the tax authorities before 1 January 2026, but for which refund decisions have not yet been issued.

02

New rules for households and individual businesses

- Law 149 raises the annual revenue threshold to be subject to VAT liability for household and individual businesses from VND 200 million to VND 500 million.
- Removal of the deemed percentage on revenue method for tax calculation: The regulation that allowed tax to be calculated based on a deemed rate of revenue of households, individual producers, and businesses that do not implement or fully comply with accounting standards, has been removed.



Details



03

Agricultural products

- Products from cultivation, forests, animal husbandry, aquaculture and fishing that are unprocessed or have only undergone preliminary processing and are used as animal feed or medicinal materials will be changed to be exempt from VAT or not required to declare and pay VAT, instead of being subject to a 5% VAT rate.
- Enterprises purchasing products from cultivation, forests, animal husbandry, aquaculture and fishing, that are unprocessed or have only undergone preliminary processing, and selling them to other enterprises or cooperatives, are not required to declare or pay VAT but are entitled to claim creditable input VAT. Decree 359 sets out various cases as follows:
 - When selling these products to enterprises (commercial trading phase): no VAT declaration or payment is required.
 - When selling these products to others (households, individual businesses, etc.): VAT must be declared and paid at 5% rate.
 - For households and individual businesses paying tax under the “direct method”, 1% VAT will be imposed on their revenue from selling these products.



Contact us

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