PwC Vietnam Newsbrief

Decree No. 398/2026 relating to PIT and CIT reduction for eligible businesses in 2026 and 2027

November 2026



At a glance

On 29 October 2026, the Government issued Decree No. 398/2026/ND-CP on Personal Income Tax and Corporate Income Tax. The Decree took effect on 29 October 2026 and applies to the 2026 and 2027 tax years.

A key measure under the Decree is a 30% reduction in PIT or CIT payable for qualifying business individuals and enterprises with annual revenue not exceeding VND 10 billion.

Key changes

01

30% PIT reduction for business individuals

Resident business individuals with annual revenue not exceeding VND 10 billion are eligible for a 30% reduction in PIT payable for the 2026 and 2027 tax years. The reduction also applies where PIT is withheld, declared and paid on their behalf.

02

30% CIT reduction for enterprises

Qualifying enterprises established under Vietnamese law with annual revenue not exceeding VND 10 billion are eligible for a 30% reduction in CIT payable for the 2026 and 2027 tax years. For enterprise enjoying existing tax incentives, the reduction applied to the CIT payable after such incentives.

03

Claiming and adjusting the reduction

Eligible taxpayers may apply the reduction when filing and paying tax provisionally. If actual annual revenue exceeds VND 10 billion, the tax previously reduced must be adjusted and paid. For PIT, the additional tax is not subject to late-payment interest up to the prescribed filing deadline for the period in which cumulative revenue reaches VND 10 billion; for CIT, late-payment interest on any tax shortfall is determined in accordance with the provisions of the Law on Tax Administration.

Contact us

This publication provides general information on matters of interest and should not be regarded as specific legal advice. For more information, please contact us.



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