

Key Updates in the 2025 Corporate Income Tax Law

(Law No. 67/2025/QH15)

New provision: Foreign enterprises supplying goods and services in Vietnam are now taxpayers

The 2025 Enterprise Income Tax Law expands the regulatory scope to include foreign enterprises that supply goods and services in Vietnam through e-commerce platforms and digital technology platforms.

The law clarifies that the taxable income of foreign enterprises in Vietnam is income sourced from Vietnam, regardless of the business location or point of revenue collection.



Expanded regulatory scope

Includes foreign enterprises providing goods and services via e-commerce and digital technology platforms.



Determination of Taxable Income

Income derived from Vietnamese sources, regardless of the place of business




Newly Added Tax-Exempt income categories

The 2025 Enterprise Income Tax Law expands tax exemptions to include the following types of income:

- Income from contracts for scientific research, technological development, and innovation; income from the sale of products created from newly applied technologies in Vietnam for the first time; and income from the sale of trial production products during the trial production period (not exceeding 3 years).
- Income from the transfer of emission reduction certificates, transfers in the carbon market upon initial issuance of certified emission reductions, carbon credits; income from green bond interest; and income from the transfer of green bonds at the time of first issuance.
- Income of public non-business service units from provision of public non-business services, including: basic public non-business services, public non-business services subsidized or ensured funding by the state; Public non-business services in socio-economic areas with particularly difficult conditions.

Additional provision on Global Minimum Tax


Enterprises are required to pay top-up enterprise income tax under the Global Minimum Tax (Income Inclusion Rule – IIR) in accordance with the provisions of the tax law. This top-up tax is not creditable against the corporate income tax payable in Vietnam as stipulated by this Law.

 **Global Minimum Tax** (also known as the Global Minimum Corporate Income Tax) is a tax applied to multinational enterprises operating in countries with low corporate income tax rates.

The National Assembly issued Resolution No. 107/2023/QH15 on the implementation of the global minimum corporate income tax on November 29, 2023.

Offsetting losses from real estate transfers and investment projects

Losses from the transfer of real estate projects or investment projects can be offset against taxable income from other production and business activities, except for income from activities entitled to tax incentives.

 **Note:** Income from the transfer of exploration, mining, and mineral processing projects **cannot be offset** and must be **separately declared and paid**.

Additional Deductible Expenses



Expenses for designated individuals

Expenses for individuals specially appointed to participate in management, operations, of credit institutions under special control, which are reimbursed by the competent authority under the Law on Credit Institutions.



Expenses not yet matching business activities

Certain expenses incurred for business operations that are not yet aligned with current business activities but are allowed according to specific government regulations.



R&D and digital transformation expenses

Expenses for projects approved for trial implementation of new technologies or digital transformation are deductible if approved by competent authorities.

This includes scientific research expenses, R&D expenses, and innovation-related expenditures.



Public infrastructure support expenses

Expenses supporting the construction of public infrastructure related to the production or business operations of enterprises.



Emission reduction expenses

Expenses related to greenhouse gas emission reductions under carbon neutrality or net-zero targets are deductible, including relevant audit, verification, and reporting costs.



Contributions to funds

Certain contributions to state-established funds under the decisions the Government and Prime Minister are deductible.



Tax Incentives for Small and Medium Enterprises (SMEs)



15% Tax Rate

Applicable to enterprises with total annual revenue not exceeding VND 3 billion.



17% Tax Rate

Applicable to enterprises with total annual revenue from over VND 3 billion to VND 50 billion.

This regulation does not apply to enterprises that are parent companies or affiliated companies within a group where the related entity does not qualify as a small or medium enterprises eligible for preferential tax rates.

The Decree guiding the Enterprise Income Tax Law will specify how to determine prior-year revenue to apply the appropriate tax rate.

Removal/Reduction of Certain Tax Incentives



☐ **Elimination of Certain Scale and Location-Based Incentives:**

- Manufacturing projects with a minimum investment capital of VND 6,000 billion;
- Investment projects in industrial parks.



- ☐ **Reduction of Incentives:** Reduction of tax incentives for economic zones that are not located in areas with difficult or especially difficult socio-economic conditions.

The Enterprise Income Tax Law takes effect from October 1, 2025, and applies to the 2025 tax period.



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