

# Newsletter

# Tax update

July 2025



## Key updates of official documents

1. Use of business address information after administrative boundary changes	2
2. Guidance on determining investment incentives and adjusting investment projects in case of administrative boundary changes	2
3. Foreign contractor tax policy in case of on-the-spot import/export or use of bonded warehouses and inland container depots (ICD) as goods storage	3
4. Issuance of VAT Invoice for exported sample goods	4
5. Corporate Income Tax (CIT) policy for financial contributions to the Vietnam Environmental Protection Fund	4

## Use of business address information after administrative boundary changes

(Official Letter No. 2376/CT-NVT dated July 10, 2025 – Tax Department.)

The taxpayer's address, as determined by the valid Business Registration Certificate and the address updated by the tax authority in accordance with the new two-tier administrative boundary, both have legal validity for use on invoices. Accordingly:

1. If an enterprise (buyer or seller) falls under the category of entities registered through the integrated business registration system and continues to use the Business Registration Certificate with the old address (prior to the administrative change), in accordance with Official Letter No. 4370/BTC-DNTN:
  - If the tax authority has updated the enterprise's address based on the new two-tier administrative boundary and such information has been synchronized with the e-invoice system, the address shown on the invoice shall be the one updated by the tax authority. The taxpayer may use the tax authority's notification to provide information to relevant agencies or customers, especially when the invoice shows the updated administrative address, but the Business Registration Certificate still displays the previous address.
  - If the address has been updated by the tax authority but **not yet synchronized** with the e-invoice system, then the address on the invoice shall follow the address stated in the Business Registration Certificate.
2. If the buyer is not subject to integrated business registration, then the address on the invoice shall be the one updated by the tax authority according to the two-tier administrative system and notified to the taxpayer.

## Guidance on determining investment incentives and adjusting investment projects in case of administrative boundary changes

(Official Letter No. 4525/BTC-PC dated April 9, 2025 – Ministry of Finance)

### 1. Regarding the determination of investment incentive

- 1.1. For investment projects that have already been approved or granted an Investment Registration Certificate

Investment incentives are guaranteed, including: *"Investment incentives as provided in the Investment License, Business License, Investment Incentive Certificate, Investment Certificate, Investment Registration Certificate, decision on investment policy, approval of investment policy or other documents issued by competent authorities, in accordance with legal regulations"*. These incentives include location-based investment incentives as specified in the approved investment policy or Investment Registration Certificate.

Therefore, based on the above regulations, in cases where a new administrative unit is established by a competent authority due to boundary changes or reorganization, the previously granted location-based incentives should continue to be applied as per the issued decision on investment policy or the Investment Registration Certificate.

- 1.2. For new investment proposals or proposals to adjust the project's location:

Refer to **Clause 1, Article 21 of Decree No. 31/2021/ND-CP** to determine investment incentive locations when a new administrative unit is formed due to rearrangement or boundary changes among communes with varying socio-economic conditions, as follows:

- The newly established administrative unit shall be classified based on the majority of commune-level administrative units currently enjoying them.
- If the number of communes-level administrative units with “especially difficult” and “difficult” socio-economic conditions is equal, then the newly established unit shall be considered to have **especially difficult** conditions;
- If the number of communes-level administrative units with “difficult” socio-economic conditions and those **not eligible for investment incentives** is equal, then the newly established unit shall be considered to have **difficult** conditions;
- If the number of communes-level administrative units with “especially difficult” socio-economic conditions and **non-incentive** conditions is equal, then the newly established unit shall be considered to have **especially difficult** conditions.

## 2. Regarding project adjustment

According to **Article 41 of the Law on Investment** and **Decree No. 31/2021/ND-CP (Chapter IV, Section 4 of Decree No. 31/2021/ND-CP)**, there is no provision requiring adjustment of investment projects in case of changes in administrative boundaries. According to the principles set out in Article 13 of the Law on Investment and Article 4 of Decree No. 31/2021/ND-CP, projects that have been granted an investment policy decision or an Investment Registration Certificate shall continue to be implemented in accordance with these documents.

If the investor wishes to make a adjustment, the following provisions apply:

- For projects with approved investment policies: Adjustment is implemented following **Clause 3, Article 41 of the Law on Investment** and **Chapter IV, Section 4 of Decree No. 31/2021/ND-CP**, depending on the nature of the adjustment.
- For projects under Investment Registration Certificates: Adjustment is implemented following **Article 39, Clause 2 of Article 41 of the Law on Investment**, and **Article 47 of Decree No. 31/2021/ND-CP**.

### Foreign contractor tax policy in case of on-the-spot import/export or use of bonded warehouses and inland container depots (ICD) as goods storage

( Official Letter No. 2200/CT-CS dated July 2, 2025 – Tax Department )

- In cases where foreign organizations or individuals supply goods in Vietnam under the form of **on-the-spot import and export** and generate income in Vietnam based on contracts signed with Vietnamese enterprises (excluding cases involving processing and re-exporting goods to foreign parties), or engage in **distribution of goods in Vietnam**, or **supply goods under Incoterms delivery conditions** where the seller bears risks related to the goods upon entry into Vietnamese territory, then such cases fall under the scope of **Circular No. 103/2014/TT-BTC**.

- If the foreign organizations or individuals **only use bonded warehouses or inland container depots (ICDs)** as storage for international transportation, transit, transshipment, warehousing, or for processing by other enterprises, they **are not subject to** the provisions of **Circular No. 103/2014/TT-BTC**.

On **June 14, 2025**, at the 9th session of the 15th National Assembly, the **Law on Corporate Income Tax** was officially passed and shall take effect from **October 1, 2025**, applying to the corporate income tax in 2025. Upon the promulgation of **Law on Corporate Income Tax (amended)**, recommendations from American business groups have been consolidated and submitted to the competent authorities for consideration in developing sub-law documents guiding its implementation.

### **Issuance of VAT Invoice for exported sample goods**

*(Official Letter No. 1219/CCTKV17-QLDN1 dated May 29, 2025)*

- If a company exports sample goods to customers for trial use **free of charge**, and the activity complies with the **promotion procedures prescribed by commercial law**, when the goods are exported, the company **must issue an invoice** in accordance with **Clause 1, Article 4 of Decree No. 123/2020/ND-CP dated October 19, 2020**. On the invoice, the company must specify the name and quantity of the goods, clearly label them as sample goods, and set the **taxable price as zero (0)**.
- If the goods or services used for promotion **do not comply with commercial law regulations**, the company must **declare and pay VAT** as if the goods or services are for **internal consumption, gifts, or donations**, in accordance with **Clause 5, Article 7 of Circular No. 219/2013/TT-BTC dated December 31, 2013** issued by the Ministry of Finance.
- If the company exports sample goods overseas and such goods meet the conditions for exported goods and services under **Article 9 of Circular No. 219/2013/TT-BTC**, they are eligible for **0% VAT rate**.

### **Corporate Income Tax Policy for financial contributions to the Vietnam Environmental Protection Fund**

*(Official Letter No. 1581/CT-CS dated June 5, 2025 – Tax Department)*

In the case where an enterprise makes a financial contribution to the **Vietnam Environmental Protection Fund** to support the recycling of products and packaging, and such contribution is **not related to the enterprise's business or production activities**, the related expenses **shall not be deductible** when calculating corporate income tax, in accordance with current tax regulations.





AUD Vietnam's Tax Update Newsletter is intended for general guidance only and is based on official regulatory documents issued by domestic authorities. The application of regulations may vary depending on specific cases and transactions. Therefore, we recommend contacting our advisory team for tailored guidance.

## Contact us

**Website**[www.aud.vn](http://www.aud.vn)**Hotline**

0236 36 333 99

**E-mail**[aud@aud.vn](mailto:aud@aud.vn)**Facebook**[facebook/audvietnam](https://facebook.com/audvietnam)**Address**

129 Xo Viet Nghe Tinh Street, Cam Le Ward, Da Nang City