

LEGAL NEWS BULLETIN JULY 2026



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A – NEW STATE DOCUMENTS



On 30 June, the Ho Chi Minh City People's Committee issued Decision No. 45/2026/QĐ-UBND prescribing the 2026 land price adjustment coefficients applicable within Ho Chi Minh City.

The Decision applies to state management authorities, land users, and relevant organizations and individuals.

The land price adjustment coefficient is determined using the following formula:

$$K = K1 \times K2 \times K3$$

Where K1 (market fluctuation factor) = 1.00 and K3 (other factors) = 1.00, the 2026 land price adjustment coefficient is primarily determined by K2 (planning factor). K2 is determined based on the floor area ratio (H) and the type of project (low-rise residential developments, industrial parks, or high-rise developments). A higher floor area ratio results in a higher K2 coefficient, thereby increasing the land price used for calculating financial obligations.





On 30 June, the Ministry of Finance issued Circular No. 87/2026/TT-BTC detailing a number of articles of the Law on Personal Income Tax and Decree No. 253/2026/NĐ-CP, which provides detailed provisions and measures for the implementation and enforcement of the Law on Personal Income Tax, with the following key contents:

Dependants are eligible for the family circumstance deduction provided that their average monthly income during the tax year does not exceed VND 3 million. Taxpayers are responsible for making truthful declarations, registering their dependants, and providing adequate supporting documentation applicable to each category of dependant (children, spouse, parents, or other individuals directly supported by the taxpayer).

For income derived from the transfer of derivative securities, personal income tax is imposed at the rate of 0.1% of the transfer value for each transaction. The Circular also specifies the method for determining the transfer value and the tax point for such transactions. The Circular takes effect on 1 July 2026 and applies to income from business activities, salaries, and wages from the 2026 tax period onwards. It also replaces Circular No. 111/2013/TT-BTC and repeals a number of expired provisions providing guidance on personal income tax.

On 30 June 2026, the Government issued Decree No. 254/2026/NĐ-CP providing guidance on the implementation of the Law on Tax Administration with respect to electronic invoices and electronic documents.

The timing for the issuance of electronic invoices is prescribed in Article 9 of Decree No. 254/2026/NĐ-CP, as follows:

- For the sale of goods, an electronic invoice must be issued at the time ownership or the right to use the goods is transferred to the purchaser, regardless of whether payment has been received. In the case of exported goods, the seller may determine the time of issuance of the electronic commercial invoice, electronic value-added tax invoice, or electronic sales invoice, provided that it is issued no later than the next working day following the customs clearance date in accordance with customs legislation.
- For the provision of services, an electronic invoice must be issued upon completion of the service, regardless of whether payment has been received. Where the service provider receives payment in advance or during the provision of the service, the invoice must be issued at the time the payment is received.
- Where goods are delivered in multiple shipments or services are handed over in separate stages or components, an invoice must be issued for each delivery or handover corresponding to the quantity and value of the goods or services delivered.

On 7 July, the Government issued Decree No. 273/2026/NĐ-CP on the business of duty – free goods:

Eligible purchasers of duty-free goods include departing passengers, transit passengers, passengers awaiting departure, arriving passengers, passengers on international flights, persons entitled to diplomatic privileges and immunities, and crew members serving on vessels operating international routes. Duty-free goods may be purchased at duty-free shops, on board aircraft, or collected at designated delivery locations in accordance with the regulations. Purchasers must satisfy the documentary and procedural requirements applicable to their respective categories.

In addition, the Decree simplifies administrative procedures by allowing competent authorities to obtain purchasers' information from the National Population Database and relevant sector-specific databases.



B – OFFICIAL DOCUMENTS PROVIDING GUIDANCE AND ANSWERS



On 29 June, the Lao Cai Provincial Tax Department issued Official Letter No. 1441/LCA-QLDN2 in response to Erex Sakura Biomass Yen Bai Co., Ltd., providing guidance on value-added tax (VAT) and corporate income tax (CIT) incentives, as follows:

An enterprise with an investment project in the investment phase is required to offset the input VAT of the project against the VAT payable arising from its ongoing production and business activities. After such offsetting, if the remaining uncredited input VAT amounts to VND 300 million or more, the enterprise is eligible for a VAT refund in accordance with applicable regulations.

With respect to corporate income tax incentives, an enterprise enjoying tax incentives while conducting multiple production and business activities must separately account for income derived from incentive-eligible activities and non-eligible activities. Where separate accounting is not feasible, or where revenue and expenses cannot be separately identified, the income eligible for tax incentives shall be determined based on the proportion of revenue or expenses in accordance with Decree No. 320/2025/NĐ-CP.





On 1 July, the Tax Department issued Official Letter No. 4425/CT-CS in response to the Korean Business Association regarding value-added tax (VAT):

Goods are eligible for the 0% VAT rate only if all statutory conditions are satisfied, including those relating to contracts, non-cash payment documents through banks, customs declarations, and compliance with the relevant tax and customs legislation. For transactions arising before 1 July 2025, the determination of on-the-spot export and import goods shall be governed by the legislation in force at the time the transactions occurred. From 1 July 2025 onwards, the applicable regulations are those prescribed under the Customs Law, the Law on Value-Added Tax, and Decree No. 167/2025/NĐ-CP.

With respect to VAT refunds, the tax authority shall examine and process each application on a case-by-case basis, provided that all conditions for the application of the 0% VAT rate and VAT refund are fully satisfied in accordance with the law. Where verification of the validity of customs declarations or on-the-spot export and import procedures is required, the tax authority shall coordinate with the customs authority to carry out the necessary verification and processing.

On 6 July, the Tax Department issued Official Letter No. 4565/CT-CS providing guidance on the collection and payment of visa fees on behalf of clients and the issuance of invoices and supporting documents.

Consular fees and visa application centre fees that are merely collected and paid on behalf of clients at their request, and are supported by adequate documentary evidence, shall not be included in the VAT taxable amount and shall not be treated as revenue subject to corporate income tax (CIT). In contrast, fees derived from consultancy services, application preparation, translation services, appointment scheduling, application tracking, and other support services must be invoiced using VAT invoices, declared for VAT purposes, and included in revenue subject to CIT in accordance with the applicable regulations.

Enterprises should clearly distinguish between amounts collected on behalf of clients and revenue generated from service provision. They are also required to retain complete supporting documents to substantiate the nature of such receipts, thereby ensuring compliance with the regulations governing invoicing, tax declarations, and the determination of tax liabilities.





On 6 July, the Tax Department issued Official Letter No. 4566/CT-CS. providing guidance on the application of corporate income tax (CIT) rates.

A 15% CIT rate applies to enterprises with total annual revenue not exceeding VND 3 billion, while a 17% CIT rate applies to enterprises with total annual revenue exceeding VND 3 billion but not exceeding VND 50 billion. All other enterprises are subject to the standard CIT rate of 20%. Total annual revenue for determining the applicable tax rate includes revenue from the sale of goods, provision of services, financial income, and other income generated in the immediately preceding tax period.

The 15% and 17% CIT rates do not apply to subsidiaries or enterprises having affiliated relationships where the affiliated enterprise does not satisfy the eligibility conditions for such preferential tax rates. In addition, these preferential tax rates are applicable from the 2025 tax period in accordance with Decree No. 320/2025/NĐ-CP and the guidance provided in Official Letter No. 820/CST-TN issued by the Department of Tax, Fee and Charge Policy Management and Supervision.

On 6 July, the Tax Department issued Official Letter No. 4573/CT-CS in response to Jones & Vining Co., Ltd., providing guidance on corporate income tax (CIT) policy:

An enterprise is entitled to corporate income tax incentives if it satisfies the statutory conditions and has been granted a Certificate of Tax Incentive Eligibility by the Ministry of Industry and Trade. The incentives include a preferential CIT rate of 10% for 15 years, a four-year tax exemption, and a 50% reduction of the payable tax for the subsequent nine years, subject to the applicable conditions and eligible entities prescribed under Decree No. 320/2025/NĐ-CP.

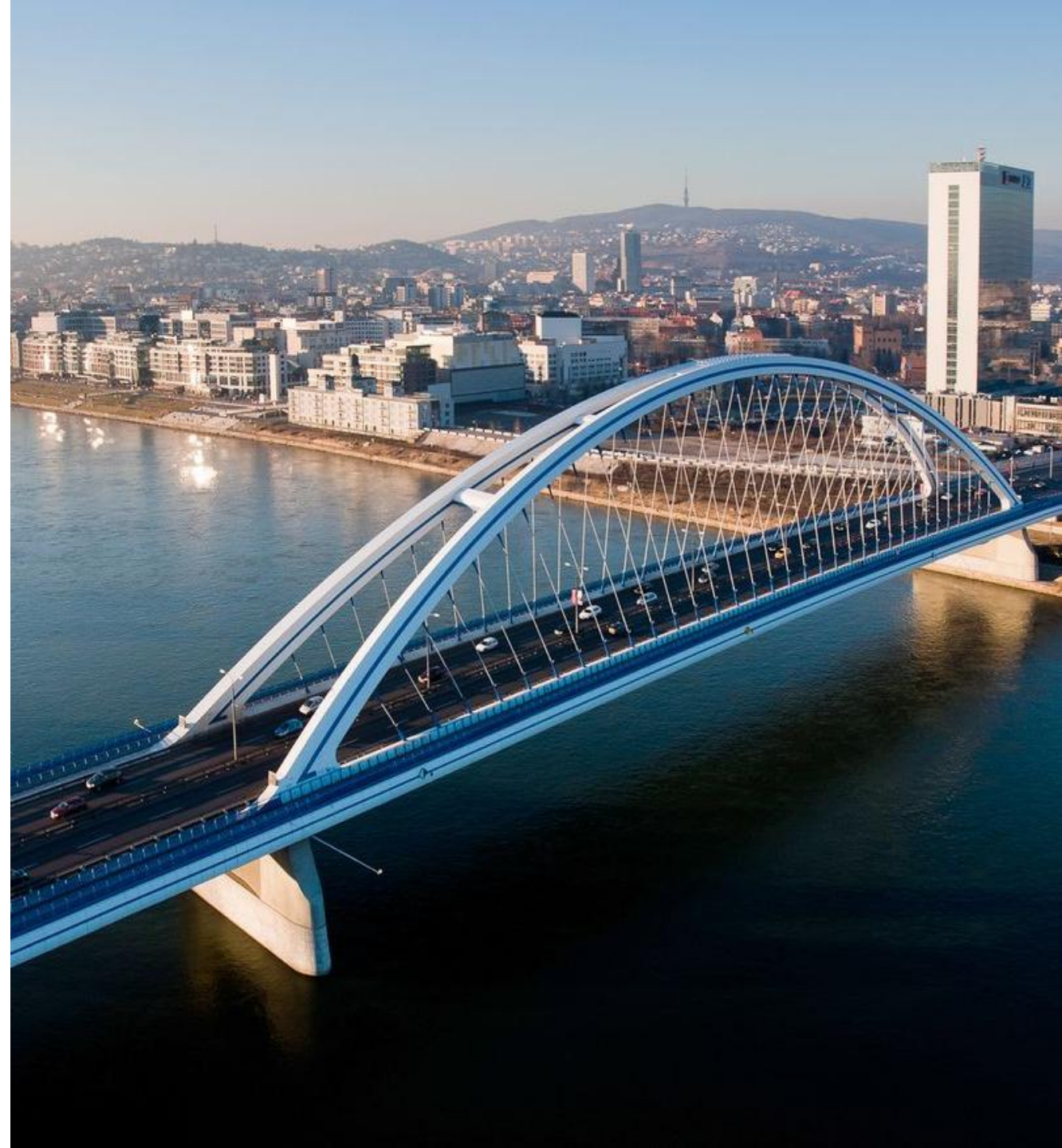
In the case of Jones & Vining Co., Ltd., which was granted a Certificate of Tax Incentive Eligibility on 29 December 2025, the Official Letter confirms that the enterprise is entitled to CIT incentives from the year in which the Certificate was issued, provided that all eligibility requirements are satisfied. Where the enterprise has already enjoyed or is currently enjoying tax incentives under another incentive regime, the remaining incentive period shall be determined in accordance with Decree No. 320/2025/NĐ-CP, ensuring that no duplication of incentive periods previously granted occurs.



On 7 July, the Tax Department issued Official Letter No. 4623/CT-CS providing guidance on value-added tax (VAT) policy as follows:

Where a business establishment discovers that its input VAT has been incorrectly declared or credited, it may submit a supplementary tax declaration and claim an additional input VAT credit in accordance with the Law on Value-Added Tax and the Law on Tax Administration, provided that such supplementary declaration is made before the tax authority announces a decision to conduct a tax inspection or tax audit at the taxpayer's premises.

The submission of supplementary tax declarations must comply with Article 47 of the Law on Tax Administration and the relevant amending and supplementary legal instruments, thereby ensuring that taxpayers are entitled to rectify errors and properly exercise their right to claim input VAT credits in accordance with applicable law.





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