

LEGAL NEWSLETTER

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**A - NEW LEGAL DOCUMENTS ISSUED BY THE
GOVERNMENT**



On June 25, 2025, the Government issued Decree No. 158/2025/ND-CP guiding the implementation of the Law on Social Insurance regarding compulsory social insurance, including provisions on compulsory contributors effective from July 1, 2025.

Compulsory Social Insurance Contributors

This Decree details and guides the implementation of several articles of the Law on Social Insurance regarding compulsory social insurance and benefits for employees who are ineligible for pensions and are not yet entitled to social retirement benefits, as stipulated in Clause 13, Resolution No. 142/2024/QH15.

Specifically, the Decree identifies the following groups as compulsory social insurance contributors:

(1) Employees subject to compulsory social insurance

Those defined under Points a, b, c, g, h, i, k, l, m, and n of Clause 1 and Clause 2, Article 2 of the Law on Social Insurance.

Employees under Points a, b, c, i, k, l of Clause 1 and Clause 2, Article 2 who are assigned to study, train, or work domestically or abroad while still receiving salaries in Vietnam are still considered compulsory social insurance participants.

(2) Business household owners with business registration (Point m, Clause 1, Article 2 of the Law on Social Insurance)

Required to participate in compulsory social insurance if they:

Pay tax under the declaration method; or

Do not fall under the case above but will be subject to compulsory social insurance from July 1, 2029.

(3) In the event that a person specified under Clause (2) and Point n, Clause (1), Article 2 of the Law on Social Insurance concurrently falls within multiple categories as prescribed in Clause (1), Article 2 of the Law on Social Insurance, the compulsory participation in the social insurance scheme shall be implemented in accordance with the following provisions:

If an individual under (2) also belongs to one of the categories in Points a, b, c, d, đ, e, g, h, i, k, l, or n, Clause 1, Article 2, they shall participate in compulsory insurance according to the first applicable group in the order listed.

Similarly, if a person under Point n also falls under any of Points a, b, c, d, đ, e, i, k, or l, Clause 1, Article 2, then participation follows the first applicable group in the sequence listed.

(4) Individuals receiving social insurance or monthly allowances who are not required to participate in compulsory social insurance under Point a, Clause 7, Article 2

Including:

Persons receiving monthly labor incapacity benefits;

Persons receiving monthly allowances under Decree No. 09/1998/ND-CP;

Persons receiving monthly allowances under Decision No. 91/2000/QD-TTg and Decision No. 613/QD-TTg (2010);

Persons entitled to monthly benefits under Decision No. 142/2008/QD-TTg dated October 27, 2008, for demobilized soldiers with less than 20 years of service; and under Decision No. 38/2010/QD-TTg, amending Decision 142/2008;

Persons under Decision No. 53/2010/QD-TTg (retired public security officers with under 20 years of service);

Persons under Decision No. 62/2011/QD-TTg for participants in national defense and international missions in Cambodia or Laos after April 30, 1975;

Individuals receiving monthly benefits under Article 23 of the Law on Social Insurance.

(5) Part-time employees under Point a, Clause 1, Article 2

Those with monthly wages (calculated according to Clause 2, Article 7 of this Decree) lower than the minimum base for compulsory insurance contributions are not subject to compulsory participation.

Likewise, employees working under probation contracts as defined by labor law are not required to participate in compulsory social insurance.

Decree No. 158/2025/ND-CP takes effect from July 1, 2025.



On June 30, 2025, the Government issued Decree No. 168/2025/ND-CP on enterprise registration.

Accordingly, regulations on enterprise name registration are as follows:

- The founder of an enterprise or the enterprise itself must not register a business name that is identical or confusingly similar to that of another enterprise already registered in the National Enterprise Registration Database, nationwide-except for enterprises that have been dissolved or have been declared bankrupt under a legally effective court decision.
- The business registration authority has the right to approve or reject the proposed enterprise name based on legal regulations. To avoid name duplication or confusion and ensure compliance with naming rules, the opinion of the business registration authority is final. If the enterprise or founder disagrees with the authority's decision, they may file a lawsuit in accordance with administrative procedural laws.
- Enterprises operating under an Investment License or Investment Certificate (which also serves as a Business Registration Certificate) or other legally equivalent documents issued before July 1, 2015, are allowed to continue using their registered names, even if the names are identical or confusingly similar to others recorded in the National Enterprise Registration Database. These enterprises are not required to change their names, but are encouraged and facilitated to voluntarily negotiate and agree to change their names to avoid duplication or confusion.
- Enterprises must not choose names that violate the naming provisions of the Law on Securities, Law on Insurance Business, Law on Credit Institutions, or other relevant laws.

For more details, refer to Decree No. 168/2025/ND-CP, effective from July 1, 2025, replacing Decree No. 01/2021/ND-CP and Decree No. 122/2020/ND-CP.

On June 30, 2025, the Government issued Decree No. 174/2025/ND-CP, stipulating the value-added tax (VAT) reduction policy in accordance with Resolution No. 204/2025/QH15.

VAT Reduction Policy Details:

A reduction in VAT is applied to groups of goods and services currently subject to the 10% VAT rate, excluding the following: Telecommunications, financial services, banking, securities, insurance, real estate business, metal products, and mineral products (excluding coal). Detailed in Appendix I issued together with Decree 174/2025/ND-CP.

Goods and services subject to special consumption tax (excluding gasoline). Detailed in Appendix II issued together with Decree 174/2025/ND-CP.

The VAT reduction applies consistently across all stages: importation, production, processing, and commercial business.

If goods and services listed in Appendix I or II fall under the category of VAT-exempt or subject to 5% VAT as regulated by the 2024 Law on Value-Added Tax, then the provisions of the 2024 VAT Law shall apply, and no VAT reduction will be granted.

VAT Reduction Rates:

Business establishments applying the credit method are entitled to apply a reduced VAT rate of 8% for the eligible goods and services listed above.

Business establishments (including household businesses and individual businesses) applying the percentage-based method on revenue are entitled to a 20% reduction in the VAT calculation rate when issuing invoices for the goods and services eligible for VAT reduction as prescribed above.

See more in Decree No. 174/2025/ND-CP, effective from July 1, 2025, through December 31, 2026.



On June 30, 2025, the Government issued Decree No. 175/2025/ND-CP, amending Decree No. 10/2022/ND-CP on registration fees.

Accordingly, from July 1, 2025, the registration fee rates for motorcycles and automobiles are prescribed as follows:

1. Motorcycles:

First-time registration: 2%

From the second registration onwards: 1%

2. Automobiles, trailers, semi-trailers, four-wheeled passenger vehicles with engines, four-wheeled cargo vehicles with engines, special-use vehicles, and similar vehicles:

General registration fee rate: 2%

Special cases:

(i) Passenger cars with up to 9 seats (including pick-up trucks for passenger transport):

First-time registration fee: 10%

The provincial-level People's Councils may decide to increase the rate to suit local conditions, up to a maximum of 50% higher than the general rate.

(ii) Double-cabin pick-up trucks and VAN-type cargo vehicles with two or more rows of seats and a fixed partition between the passenger and cargo compartments:

First-time registration fee: 60% of the first-time fee applicable to passenger cars with up to 9 seats.

(iii) Battery electric vehicles:

From the effective date of Decree No. 10/2022/ND-CP until February 28, 2027, the first-time registration fee is 0%.

(iv) For all vehicle types listed in (i), (ii), and (iii):

From the second registration onwards, the registration fee is 2%, applied uniformly nationwide.

The registration fee rates are determined based on the vehicle type indicated in the Certificate of Technical Safety and Environmental Protection Quality issued by the Vietnam Register.

For more details, refer to Decree No. 175/2025/ND-CP, which takes effect from July 1, 2025.

Transitional Provision:

From July 1, 2025, to December 31, 2025, in case the People's Committees of provinces or centrally-run cities have not yet issued the registration fee valuation tables for automobiles and motorcycles, the currently applicable valuation tables and adjusted tables issued by the Ministry of Finance shall continue to be used.

On July 1, 2025, the Government issued Decree No. 181/2025/ND-CP guiding the implementation of the Law on Value-Added Tax (VAT).

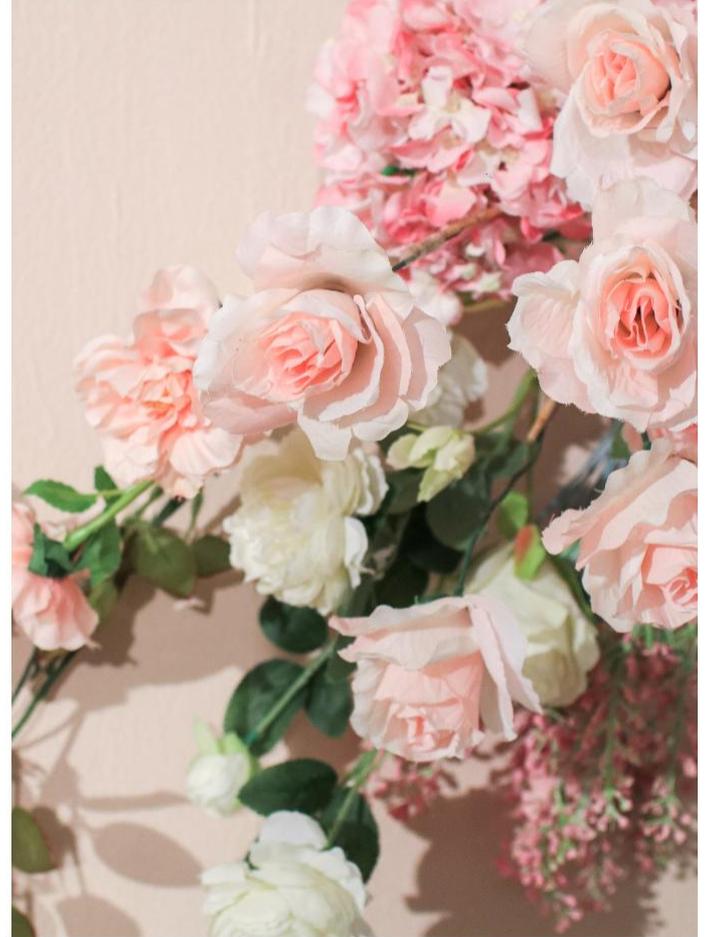
Invoices from VND 5 million and above must be paid via bank transfer to be eligible for VAT deduction. According to Article 26 of Decree 181/2025, business establishments must provide non-cash payment documents for the purchase of goods and services (including imported goods) with a total value of VND 5 million or more (including VAT) in order to claim input VAT deduction. A non-cash payment document refers to any document proving non-cash payment in accordance with Decree No. 52/2024/ND-CP on non-cash payments, excluding documents showing that the buyer deposited cash directly into the seller's bank account. Therefore, aside from special cases specified at Point b, Clause 2, Article 14 of the Law on VAT (as further guided in Clause 2, Article 26 of Decree 181/2025), invoices with a value of VND 5 million or more must be paid via bank transfer in order to be eligible for input VAT deduction. Decree No. 181/2025/ND-CP takes effect from July 1, 2025.

(Reference: Clause 2, Article 14 of the Law on VAT outlines the following conditions for input VAT deduction:

- A value-added invoice for the purchase of goods or services, or a document evidencing VAT payment at the import stage, or a document proving VAT paid on behalf of a foreign party (as prescribed in Clauses 3 and 4, Article 4 of the Law on VAT). The Minister of Finance shall specify what constitutes valid VAT payment documentation on behalf of a foreign party;
- A non-cash payment document for the purchase of goods or services, except for certain special cases as prescribed by the Government;
- For exported goods and services, in addition to the above conditions, the following are also required:
 - + A signed contract with a foreign party for the sale, processing, or provision of goods/services;
 - + A commercial invoice for goods/services provided;
 - + A non-cash payment document;
 - + A customs declaration for exported goods;
 - + A packing list, bill of lading, and insurance documents (if applicable).

The Government shall further regulate conditions for input VAT deduction in cases such as cross-border e-commerce exports and other special scenarios).

**B - OFFICIAL LETTERS FOR GUIDANCE &
CLARIFICATION**



On June 5, 2025, the Tax Department issued Official Letter No. 1581/CT-CS regarding tax policies, accordingly:

In cases where an enterprise makes financial contributions to the Vietnam Environmental Protection Fund to support the recycling of products and packaging, and such expenses are not directly related to the enterprise's production and business activities, these expenses shall not be considered deductible when calculating corporate income tax (CIT) in accordance with current tax laws.

On June 5, 2025, the General Department of Customs issued Official Letter No. 7954/CHQ-GSQL regarding the implementation of Circular No. 31/2025/TT-BTC on e-stamps, accordingly:

For electronic stamps for imported liquor and tobacco products that were already affixed to products/goods before Circular No. 31/2025/TT-BTC takes effect, but for which customs declarations have not yet been registered, or have been registered but customs procedures have not yet been completed, these electronic stamps may continue to be used for completing customs procedures in accordance with regulations.

On May 29, 2025, Regional Tax Sub-Department XVI issued Official Letter No. 9213/CCTKV.XVI-QLDN2 regarding e-invoice issuance.

Accordingly:

In the case where a company is an export processing enterprise (EPE) engaging in exporting goods and providing services to foreign countries, and if the company's electronic commercial invoices meet the requirements for electronic data transmission to the tax authority, then the company may use electronic commercial invoices for its export activities.

If the company's electronic commercial invoices do not meet the conditions for electronic data transfer to the tax authority, then the company must choose to issue either electronic VAT invoices or electronic sales invoices, in a manner that is appropriate for declaring and paying value-added tax (VAT) on exported goods and services.

For activities involving liquidation of assets, scrap, packaging, etc., if these fall outside the scope of processing activities as defined by laws governing industrial zones, export processing zones, and EPEs, the company is advised to consult the Customs Authority and the Management Board of Industrial Zone for specific guidance.



On June 6, 2025, the Tax Department issued Official Letter No. 1629/CT-CĐS regarding coordination with the tax authority in implementing e-invoices generated from cash registers for household businesses.

Accordingly:

The Tax Department requests that relevant organizations (including e-invoice solution providers and organizations providing e-invoice data transmission, reception, and storage services) continue to closely cooperate with tax authorities at all levels in implementing the use of e-invoices with tax codes generated from cash registers, especially for household businesses operating in retail and consumer-facing service sectors. Specific requirements include:

- Proactively disclose information about solutions and deployment services, including details on e-invoice packages generated from cash registers for household businesses. Develop software and service packages (including accounting and invoicing solutions) that are user-friendly, accessible, and tailored to different taxpayers, with reasonable pricing; continue to expand incentive programs and free support, especially for small and medium-sized household businesses.
- Coordinate with the tax authority in promoting the benefits, registration procedures, and usage of e-invoices generated from cash registers. Arrange staff to provide guidance, either online or directly at business locations, so household businesses can understand and proficiently use cash register-generated e-invoices. Emphasis should be placed on June and July 2025 as peak implementation periods.
- During implementation, if organizations encounter any difficulties or issues, they should contact their connected data transmission and storage service provider, or report directly to the Tax Department for timely support.

The designated support contact at the Tax Department is the E-Invoice Support Team

Email: nhomhotrohddt@gdt.gov.vn

Hotline: 024.7305.5999

On May 30, 2025, Regional Tax Sub-Department XVII issued Official Letter No. 1253/CCTKV17-QLDN1 regarding tax policy.

Accordingly:

Welfare-related support expenses of VND 20 million or less, if paid in cash, may still be included in deductible expenses for the purpose of determining corporate income tax (CIT), provided that the following conditions are met:

There are valid invoices and documents that clearly state the company's name, address, and tax code; and

The total welfare expenses directly paid to employees must not exceed the average actual monthly salary paid in the tax year by the company.

On May 5, 2025, Regional Tax Sub-Department I issued Official Letter No. 12044/CCTKV01-QLDN5 regarding tax policy.

Accordingly:

If a company pays severance allowances to employees in accordance with the correct subjects and levels as prescribed by the Labor Code and the Law on Social Insurance, such income shall not be subject to personal income tax (PIT) on wages and salaries, as guided in Point b.6, Clause 2, Article 2 of Circular No. 111/2013/TT-BTC.

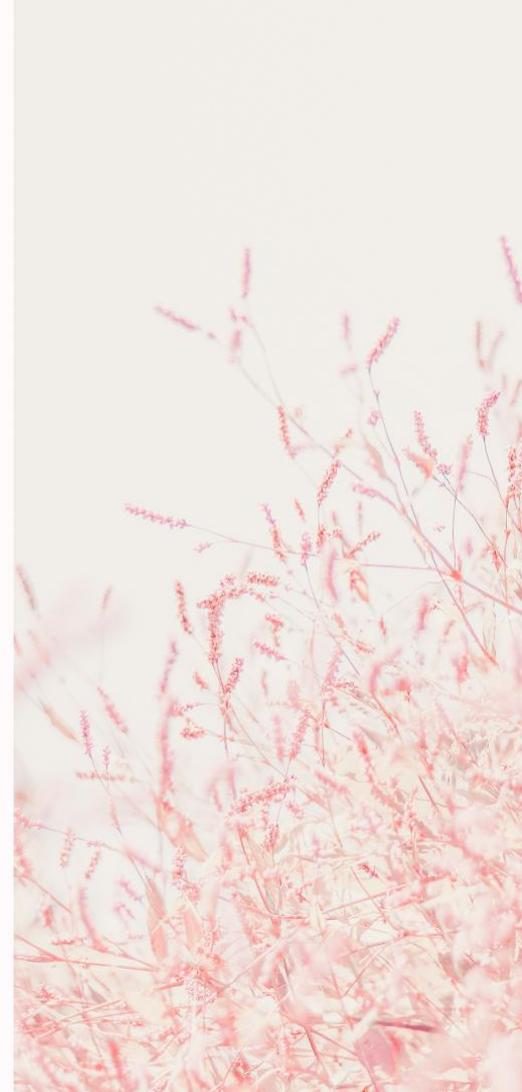
However, if the severance allowance exceeds the amount prescribed by the Labor Code and Law on Social Insurance, the excess amount must be included in the employee's taxable income.

In cases where the company temporarily advances severance allowances, the amount must be aggregated with salary/wage income and subject to PIT withholding before payment to the employee, as instructed in Article 25 of Circular No. 111/2013/TT-BTC.

On May 20, 2025, the General Department of Customs issued Official Letter No. 5630/CHQ-GQSL regarding customs procedures for used machinery and equipment.

Accordingly:

Based on the actual inspection of goods and the date of arrival at the import border gate, if it is determined that the goods are used machinery and equipment not older than 10 years from the manufacturing year to the time of arrival at the Vietnamese seaport, they are eligible for import procedures. The dossiers, sequence, and import procedures shall comply with the provisions of Article 8 of Decision No. 18/2019/QD-TTg. Importers should contact the customs authority at the intended import location for guidance and processing in accordance with regulations.



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