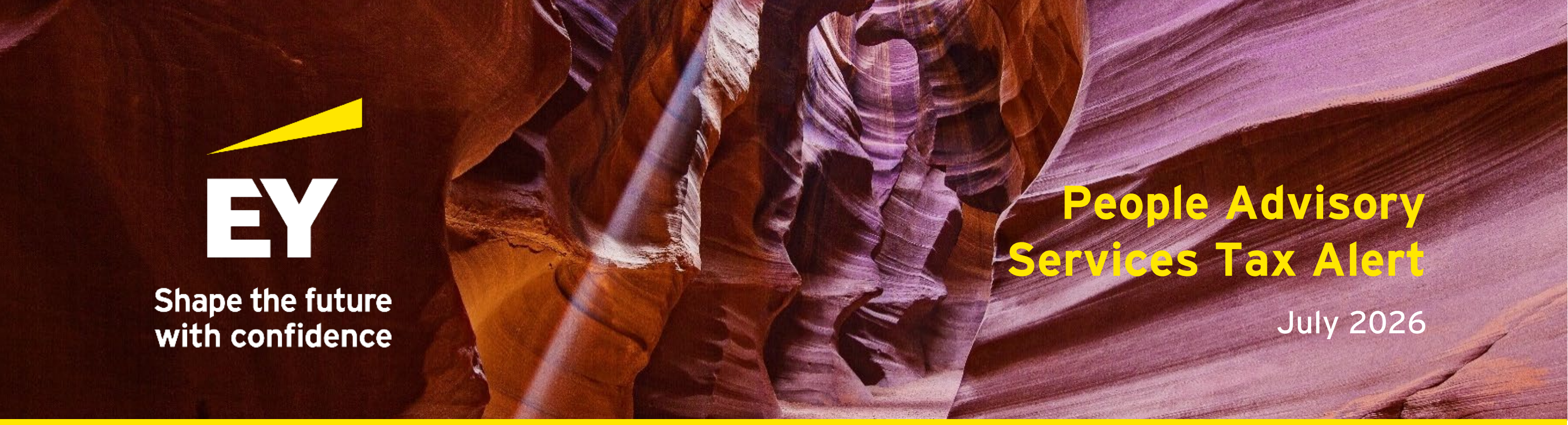

People Advisory Services Tax Alert

July 2026

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Circular 87/2026/TT-BTC provides new guidance on dependents and personal income tax on derivative securities

On 30 June 2026, the Ministry of Finance issued Circular 87/2026/TT-BTC[1] (Circular 87), providing detailed guidance on several provisions of the Law on Personal Income Tax (PIT) 109/2025/QH15[2] and Decree 253/2026/ND-CP[3].

Key highlights are outlined as below:

1. **Increased income threshold for dependents**

- Circular 87 increases the income threshold used to determine eligibility for dependant relief. Accordingly, an individual may qualify as a dependent of taxpayer if his/her average income during the tax year from all sources does not exceed VND3 million per month, compared to the previous threshold of VND1 million per month.
- Taxpayers remain responsible for determining the eligibility of their dependents and must accurately declare their dependents' income status. Any inaccurate declarations may be subject to penalties under the tax administration regulations.

2. **Updated supporting documentation for dependents**

- Circular 87 provides detailed guidance on supporting documents required for different categories of dependents, including children, husband and wife, parents, and other individuals without support whom the taxpayer directly maintains. For disabled dependents or those incapable of working, additional documents evidencing the disability status or reduction in work capacity are required.

[1] Circular 87/2026/TT-BTC dated 30 June 2026 issued by the Ministry of Finance, providing detailed guidance on a number of provisions of the Law on PIT and Decree 253/2026/ND-CP of the Government detailing a number of articles and measures for implementing, the Law on PIT.

[2] Law on PIT 109/2025/QH15 issued by the National Assembly on 10 December 2025.

[3] Decree 253/2026/ND-CP dated 30 June 2026 issued by the Government, detailing a number of articles and measures for implementing, the Law on PIT.

- For foreign Vietnam resident taxpayers, where the prescribed Vietnamese documents are unavailable, equivalent legal documents issued by competent authorities may be used to substantiate both the dependency conditions and the relationship between the taxpayer and the dependent.
- In addition, income-paying organizations and individuals are responsible for retaining sufficient supporting documents relating to dependent claims for inspection, audit, and examination purposes by competent authorities.
- Notably, the tax authorities will prioritize the use of information available through the National Public Service Portal, administrative procedure information systems, national databases, and specialized databases maintained and shared by government authorities to verify the dependent relief. Taxpayers will only be required to submit supporting documents where the tax authorities are unable to obtain the relevant information electronically. This development is expected to streamline administrative procedures and reduce the documentation burden on taxpayers.

3. New guidance on PIT treatment of derivative securities transfers

- Circular 87 introduces detailed guidance on the PIT tax treatment of income derived from the transfer of derivative securities. Under the Circular, PIT is imposed at 0.1% of the transfer value on each transfer transaction. The Circular also provides specific rules for determining the transfer value of futures contracts and clarifies that the taxable income recognition point is the date on which the transaction is matched on the stock exchange trading system or the date on which the futures contract matures.

4. Effective date

- Circular 87 takes effect on 1 July 2026 and fully replaces Circular 111/2013/TT-BTC[4] on PIT.
- At the same time, certain related provisions under Circulars 119/2014/TT-BTC[5], Circular 151/2014/TT-BTC[6], Circular 92/2015/TT-BTC[7], Circular 25/2018/TT-BTC[8], and Circular 79/2022/TT-BTC[9] are repealed or superseded accordingly.

[4] Circular 111/2013/TT-BTC dated 15 August 2013 issued by the Ministry of Finance, providing guidance on the implementation of the Law on PIT, the Law amending and supplementing several articles of the Law on PIT, and Decree 65/2013/ND-CP detailing a number of articles of the Law on PIT and the Law Amending and Supplementing Several Articles of the Law on PIT.

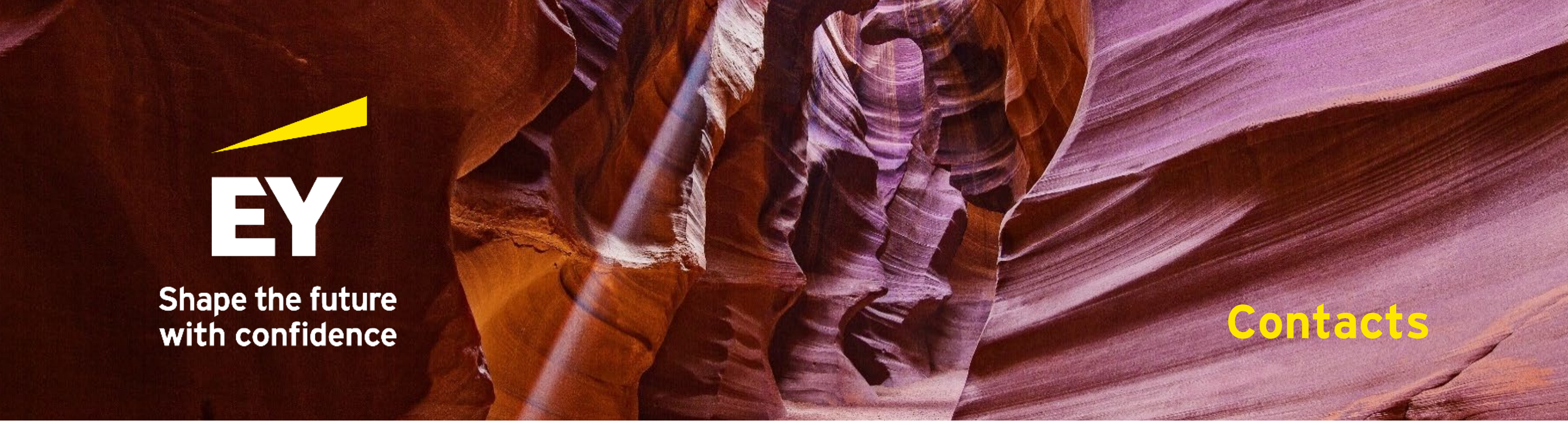
[5] Circular 119/2014/TT-BTC dated 25 August 2014 issued by the Ministry of Finance, amending and supplementing a number of provisions of Circular 156/2013/TT-BTC dated 6 November 2013, Circular 111/2013/TT-BTC dated 15 August 2013, Circular 219/2013/TT-BTC dated 31 December 2013, Circular 08/2013/TT-BTC dated 10 January 2013, Circular 85/2011/TT-BTC dated 17 June 2011, Circular 39/2014/TT-BTC dated 31 March 2014, and Circular 78/2014/TT-BTC dated 18 June 2014 to reforming and simplifying tax administrative procedures.

[6] Circular 151/2014/TT-BTC dated 10 October 2014 issued by the Ministry of Finance, providing guidance on the implementation of Decree 91/2014/ND-CP dated 1 October 2014, which amended and supplemented a number of provisions of tax-related decrees.

[7] Circular 92/2015/TT-BTC dated 15 June 2015 issued by the Ministry of Finance, providing guidance on value-added tax and PIT applicable to resident individuals engaged in business activities, and guiding the implementation of certain amendments and supplements to the PIT regulations under Law 71/2014/QH13 amending various tax laws and Decree 12/2015/ND-CP dated 12 February 2015 detailing the implementation of the amended tax laws and amendments to tax-related decrees.

[8] Circular 25/2018/TT-BTC dated 16 March 2018 issued by the Ministry of Finance, providing guidance on Decree 146/2017/ND-CP dated 15 December 2017 and amending and supplementing certain provisions of Circular 78/2014/TT-BTC dated 18 June 2014 and Circular 111/2013/TT-BTC dated 15 August 2013.

[9] Circular 79/2022/TT-BTC dated 30 December 2022 issued by the Ministry of Finance, amending and supplementing a number of legal normative documents issued by the Ministry of Finance.



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