



Shape the future
with confidence

Tax Update

September 2026

Visit other Updates [here](#).

Key content

This Tax Update highlights several recent noteworthy positions and guidance issued by the Vietnamese tax authorities in relation to:

Value added tax (VAT)

- Clarification on the determination of exchange rates for e-invoicing purposes
- Imported cargo insurance services are subject to 10% VAT
- Conditions for applying the 0% VAT rate to construction activities performed within non-tariff zones

Corporate income tax (CIT)

- CIT incentives are not available for income attributable to processing activities outsourced outside the incentive-eligible area
- Clarification on the non-cash payment requirement for payments made to individuals

E-invoicing and tax administration

- Clarification of invoicing obligations in relation to support payments
- Requirement to complete overseas profit remittance procedures via electronic means
- Guidance on tax registration requirements for branches and representative offices of foreign companies in Vietnam

Details

VAT

1. Clarification on the determination of exchange rates on e-invoices

On 14 September 2026, the Tax Department issued Official Letter No. 6810/CT-QLNT (Official Letter 6810) to clarify the determination of exchange rates presented on e-invoices for transactions denominated in foreign currencies. The Tax Department confirmed that the exchange rate stated on an invoice should be the actual transaction exchange rate determined in accordance with accounting regulations.

Official Letter 6810 is among the first guidance issued by the tax authorities clarifying the basis for determining the exchange rate to be reflected on e-invoices for foreign currency transactions, including export transactions. This guidance helps address practical issues arising in relation to the determination of exchange rates to be stated on e-invoices under the current tax administration regulations.

Our observations

Official Letter 6810 clarifies the exchange rate to be used for invoicing purposes but does not address the exchange rate applicable for tax determination purposes. At present, the VAT and CIT regulations do not provide specific guidance on the exchange rate used in determining taxable revenue for certain transactions dominated in foreign currency.

Businesses may therefore wish to continue monitoring further guidance from the tax authorities, particularly in relation to the determination of export revenue for VAT refund purposes, taxable revenue for CIT purposes, or revenue subject to foreign contractor tax.

2. Imported cargo insurance services subject to 10% VAT

Under the VAT regulations applicable prior to 1 July 2025 under Circular 219¹, insurance services relating to imported goods qualified for the 0% VAT rate on the entire contract value, including cases where the services were performed partly in Vietnam and partly outside Vietnam.

However, this treatment is no longer retained under Decree 181². Specifically, Decree 181 does not provide a separate provision allowing imported cargo insurance services to apply the 0% VAT rate.

On this basis, in Official Letter No. 3078/BNI-QLDN1 dated 26 March 2026, the Bac Ninh Province Tax Office confirmed that imported cargo insurance services are not eligible for the 0% VAT rate and are therefore subject to VAT at 10%.

¹ Circular No. 219/2013/TT-BTC (Circular 219) dated 31 December 2013 issued by the Ministry of Finance, providing guidance on the implementation of the Law on VAT and Decree No. 209/2013/ND-CP dated 18 December 2013 of the Government detailing and guiding the implementation of a number of articles of the Law on VAT.

² Decree No. 181/2025/ND-CP (Decree 181) dated 1 July 2025 issued by the Government, detailing the implementation of a number of articles of the Law on VAT No. 48/2024/QH15 dated 26 November 2024.

Our observations

The above guidance indicates that, in the absence of a specific provision under Decree 181, the tax authorities are adopting a cautious approach to the application of the 0% VAT rate under Decree 181. Businesses may wish to review the VAT treatment applied to imported cargo insurance services provided on or after 1 July 2025 and assess any potential implications.

3. Conditions for applying the 0% VAT rate to construction activities in non-tariff zones

In Official Letter No. 4113/QNI-QLDN2 dated 18 August 2026, the Quang Ninh Province Tax Office confirmed that construction and installation services supplied to an export processing enterprise (EPE) may qualify for the 0% VAT rate, provided that all conditions prescribed under Article 18 of Decree 181 are satisfied.

Notably, Article 18 of Decree 181 requires taxpayers to maintain sufficient documentation supporting the export transaction, including a contract, proof of non-cash payment, and a customs declaration in accordance with applicable regulations. However, the regulations do not clearly address whether the customs declaration requirement applies only where customs procedures are required under customs legislation, or whether the existence of a valid customs declaration is mandatory condition in all cases for the application of the 0% VAT rate.

In the above Official Letter, the tax authorities also advised the taxpayer to consult with the customs authorities to determine whether customs procedures are required for machinery, equipment and materials supplied during the construction process, particularly under turnkey construction contracts involving the supply of materials.

Our observations

The interpretation reflected in Official Letter 4113 may be viewed as relatively stringent when considered in conjunction with Article 28 of Decree 181. Specifically, Article 28 sets out a separate set of conditions for applying the 0% VAT rate to construction and installation activities performed overseas or within non-tariff zones and does not expressly require a customs declaration as one of the qualifying conditions. The requirement to consider customs procedures in respect of machinery, equipment and materials supplied under the contract may give rise to an interpretation that the customs declaration requirement under Article 18 should additionally be satisfied in respect of the goods component of the contract, including in cases where customs regulations permit the parties not to lodge a customs declaration.

Under current customs regulations, goods supplied from the domestic market to an EPE for use in construction projects are generally subject to customs procedures. However, certain exceptions apply. For example, in respect of construction materials used for project execution, and goods serving the operation of office facilities or the daily needs of employees working within an EPE, the parties may elect whether to conduct customs procedures. In such circumstances, where no customs declaration is obtained, businesses may face a risk that the tax authorities could challenge the application of the 0% VAT rate to the relevant supplies.

Contractors undertaking construction and installation activities for EPEs may therefore wish to assess customs procedural requirements at an early stage of the project and ensure that appropriate supporting documentation is maintained throughout project implementation to mitigate potential VAT risks during future tax audits.

CIT

1. CIT incentives not available for income attributable to outsourced processing activities performed outside the incentive area

In Official Letter No. 4233/QNI-QLDN2 dated 24 August 2026 (Official Letter 4233), the Quang Ninh Province Tax Office took the view that where a company with location-based CIT incentives engages another company to perform part of its production process outside the incentive area, the portion of income attributable to the outsourced processing activities would not qualify for CIT incentives.

Accordingly, the company is required to separately account for the profits eligible for CIT incentives and those not eligible for such incentives. Where separate accounting is not feasible, the income should be allocated in accordance with the provisions of Decree 320³.

Notably, the position that CIT incentives are not available in respect of income attributable to processing activities performed outside the incentive area had previously been set out by the General Department of Taxation (now the Tax Department) in Official Letter No. 4083/TCT-CS dated 15 September 2023. However, Official Letter 4233 further clarifies that this principle applies even where only part of the production process is outsourced, rather than the entire manufacturing activity relating to the finished product.

Our observations

Official Letter 4233 reinforces the tax authorities' view that CIT incentives should not apply to income attributable to activities actually carried out outside the incentivised area.

Businesses currently benefitting from location-based CIT incentives may wish to review their production processes and outsourced activities to assess the scope of income eligible for incentives, and also consider maintaining appropriate accounting records or allocation methodologies to support the determination of incentive-eligible income and mitigate potential tax audit risks.

2. Clarification on the non-cash payment requirement for payments made to individuals

A common practical issue that arises is how to determine whether the non-cash payment condition is satisfied in cases where payments are made to multiple individuals on the same day, such as bonuses, gifts, or cash lucky money payments. Under Decree 320, expenses arising from individual payments of VND5 million or more may be disallowed for CIT deductibility purposes if they are not supported by non-cash payment evidence. However, the regulations do not clearly specify whether the phrase "individual payments of VND5 million or more" should be assessed on a per-recipient basis or by reference to the aggregate value of a payment made to multiple individuals and recorded under a single transaction.

In Official Letter No. 3067/VLO-QLDN1 dated 12 August 2026, the Vinh Long Province Tax Office provided the following clarification:

- Where remuneration is paid to multiple individuals on the same day and the amount paid to each individual is less than VND5 million, the company is not required to maintain non-cash payment supporting documents.

³ Decree No. 320/2025/ND-CP (Decree 320) dated 15 December 2025 issued by the Government, detailing a number of articles of and providing measures for the implementation of the Law on CIT No. 67/2025/QH15 dated 14 June 2025.

- Where multiple payments are made to the same individual on the same day and the aggregate amount paid reaches or exceeds VND5 million, the expense will only be deductible if supported by non-cash payment documents.

Our observations

This guidance clarifies that the non-cash payment requirement should be assessed based on the aggregate amount paid to each income recipient, rather than the total amount paid by the businesses on a particular day.

Businesses should maintain adequate supporting documentation evidencing the amounts paid to each individual, particularly where multiple payments are made to the same individual within a single day.

E-invoicing and tax administration

1. Support payments may give rise to invoicing obligations

In Official Letter No. 8081/CTH-QLDN1 dated 14 September 2026 (Official Letter 8081), the Can Tho City Tax Office considered the invoicing treatment of support payments made by a company to its distributors, where entitlement to such payments was conditional upon the achievement of sales targets and compliance with certain obligations, including brand promotion, product display, adherence to sales policies, and other commitments under the parties' agreement.

According to the tax authorities:

- Where a support payment is related to the sale of goods or the provision of services, the distributor is required to issue an invoice.
- Where a support payment is not related to the sale of goods or the provision of services, no invoice is required.

Official Letter 8081 further clarifies that business individuals and households with annual revenue not exceeding VND1 billion, while not required to use invoices, may voluntarily register to use invoices in accordance with the regulations. This may enable such taxpayers to comply with invoicing requirements where the relevant support payment is considered subject to invoicing.

Our observations

Official Letter 8081 does not clarify whether the criterion of being "related to the sale of goods or the provision of services" should be assessed from the perspective of the payer or the recipient of the support payment. However, based on the conditions for receiving the support payment described in the case, including brand promotion, product display, compliance with sales policies, and other commitments under the parties' agreement, the tax authorities appear to place greater emphasis on the substance of the arrangement rather than the form designated to the payment.

Accordingly, where the recipient of a support payment performs obligations that are service-like in nature for the benefit of the payer, the support payment may be treated as consideration for services and therefore be subject to invoicing requirements under the applicable regulations.

This interpretation may have implications for a range of common trade support arrangements, including product display allowances, outlet development support, sales promotion incentives, and similar payments. Businesses may wish to review the substance of such arrangements to determine the appropriate invoicing and tax treatment.

2. Overseas profit remittance procedures transition to electronic filing

In Official Letter No. 9940/TPHCM-QLDN3 dated 24 July 2026, the Ho Chi Minh City Tax Office reiterated that taxpayers are required to carry out tax administration procedures electronically in accordance with the Law on Tax Administration 2025⁴ and Circular 89⁵. This requirement extends to notifications of profit remittance abroad and related supporting documents, which were previously commonly submitted in paper form.

Our observations

Businesses planning to remit profits overseas should pay close attention to the tax authorities' requirements regarding the method of submission. Continuing to follow paper-based filing procedures, or failing to comply fully with electronic filing requirements, may result in applications not being accepted or requests for additional documentation, potentially delaying or disrupting profit remittance plans for foreign investors.

Businesses may therefore wish to review their procedures and supporting documentation for profit remittance procedures at an early stage. They may also consider assessing other tax procedures that have traditionally been carried out in paper-based filings, such as notifications for the application of Double Taxation Agreements (DTAs), requests for tax clearance confirmations, and similar submissions, in order to minimize potential administrative challenges arising from the transition to electronic filing.

3. Tax registration requirements for branches and representative offices of foreign companies in Vietnam

On 17 July 2026, the Tax Department issued Official Letter No. 4937/CT-NVT (Official Letter 4937) providing guidance on the tax registration requirements for branches and representative offices (ROs) of foreign companies operating in Vietnam that are required to register directly with the tax authorities. Official Letter 4937 was issued to facilitate the implementation of the new tax registration requirements introduced under the Law on Tax Administration 2025, Decree 252, and Circular 90⁶.

One of the key aspects of Official Letter 4937 is the clarification of the requirement to disclose information relating to the legal owner and beneficial owner of the foreign parent company.

Accordingly, branches and ROs of foreign companies are required to provide such information in Form BK07-DKT issued together with Circular 90. Official Letter 4937 also provides guidance on the principles for identifying legal owners and beneficial owners by reference to the applicable enterprise law and anti-money laundering regulations.

For the initial tax registration, the registration dossier of a branch or RO must include Form BK07-DKT together with the other prescribed tax registration documents. The application must be submitted electronically through platforms designated by the competent authorities.

⁴ Law on Tax Administration No. 108/2025/QH15 (Law on Tax Administration 2025) dated 10 December 2025 issued by the National Assembly.

⁵ Circular No. 89/2026/TT-BTC (Circular 89) dated 30 June 2026 issued by the Ministry of Finance, providing detailed guidance on certain provisions of the 2025 Law on Tax Administration and Decree No. 252/2026/ND-CP (Decree 252) issued by the Government, detailing certain provisions of and prescribing measures for the implementation of the 2025 Law on Tax Administration.

⁶ Circular No. 90/2026/TT-BTC dated 30 June 2026 issued by the Ministry of Finance, providing guidance on tax registration (Circular 90).

For branches and ROs that were granted tax codes before 1 July 2026, Form BK07-DKT must be supplemented when any tax registration amendment is filed, if information relating to the legal owner and beneficial owner has not previously been declared.

In addition, local tax authorities have been instructed to review existing branches and ROs and request taxpayers to update this information in the tax database. As a result, businesses may receive requests to supplement these disclosures even where no tax registration amendment procedure is currently being undertaken.

Our observations

Foreign companies with branches or ROs in Vietnam may wish to proactively:

- Review the ownership structure of the foreign parent company to accurately identify its legal owners and beneficial owners
- Prepare the information and supporting documentation required for the completion of Form BK07-DKT
- Assess the ability to comply with the new disclosure requirements, particularly where the group has a multi-tiered ownership structure or operates across multiple jurisdictions
- Be prepared to provide additional information during the tax registration process or upon request from the tax authorities

The requirement to disclose information on legal owners and beneficial owners indicates an increased focus by the tax authorities on collecting and standardizing ownership information relating to foreign entities operating in Vietnam, in line with broader initiatives to enhance corporate transparency and strengthen anti-money laundering measures.

Accordingly, foreign companies with branches or representative offices in Vietnam may wish to proactively review their ownership structures and prepare the relevant information in advance in order to minimize potential administrative challenges when carrying out tax registration procedures or responding to requests for information updates from the tax authorities.



Shape the future
with confidence

Contacts



Robert King | EY Vietnam, Laos, Cambodia Tax Leader

EY Consulting Vietnam Joint Stock Company

robert.m.king@vn.ey.com



Thinh Xuan Than | Senior Partner | Tax

EY Consulting Vietnam Joint Stock Company - Ho Chi Minh City Office

thinh.xuan.than@vn.ey.com



Trang Pham | Senior Partner | Tax

Ernst & Young Vietnam Limited - Hanoi Office

trang.pham@vn.ey.com

Japanese Business Services (JBS)



Takahisa Onose | EY Vietnam, Laos, Cambodia JBS Leader

Ernst & Young Vietnam Limited

takahisa.onose@vn.ey.com



Takaaki Nishikawa | Associate Partner

EY Consulting Vietnam Joint Stock Company

takaaki.nishikawa@parthenon.ey.com

Korean Business Services (KBS)



Kyung Hoon Han | Associate Partner

Ernst & Young Vietnam Limited

kyung.hoon.han@vn.ey.com



Dong Ho Park | Assistant Director

Ernst & Young Vietnam Limited

dongho.park@vn.ey.com

Chinese Business Services (CBS)



Owen Tsao | Director

Ernst & Young Vietnam Limited

owen.tsao@vn.ey.com

EY | Building a better working world

EY is building a better working world by creating new value for clients, people, society and the planet, while building trust in capital markets.

Enabled by data, AI and advanced technology, EY teams help clients shape the future with confidence and develop answers for the most pressing issues of today and tomorrow.

EY teams work across a full spectrum of services in assurance, consulting, tax, strategy and transactions. Fueled by sector insights, a globally connected, multi-disciplinary network and diverse ecosystem partners, EY teams can provide services in more than 150 countries and territories.

All in to shape the future with confidence.

EY refers to the global organization, and may refer to one or more, of the member firms of Ernst & Young Global Limited, each of which is a separate legal entity. Ernst & Young Global Limited, a UK company limited by guarantee, does not provide services to clients. Information about how EY collects and uses personal data and a description of the rights individuals have under data protection legislation are available via ey.com/privacy. EY member firms do not practice law where prohibited by local laws. For more information about our organization, please visit ey.com.

©2026 EY Consulting Vietnam Joint Stock Company. All Rights Reserved.

APAC No. 16300901

ED None

This material has been prepared for general informational purposes only and is not intended to be relied upon as accounting, tax, legal or other professional advice. Please refer to your advisors for specific advice.

ey.com/en_vn