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Decree 117 on tax management for business activities on e-commerce platforms and digital platforms

On 9 June 2025, the Government issued Decree 117/2025/NĐ-CP (Decree 117) regulating tax management for business activities on e-commerce platforms and digital platforms of households and individuals.

Decree 117 takes effect from 1 July 2025, and stipulates that organizations managing e-commerce platforms both domestically and internationally (including organizations that manage e-commerce trading floors, organizations that manage digital platforms with payment functions, and other organizations engaged in digital economic activities as prescribed) are responsible for withholding and paying taxes as follows:

- The value-added tax (VAT) payable according to regulations for each transaction providing goods and services that generate domestic revenue for households and individuals conducting business on e-commerce platforms.
- The personal income tax (PIT) payable according to regulations for:
 - (i) each transaction providing goods and services that generate revenue both domestically and internationally for resident individuals conducting business on e-commerce platforms
 - and
 - (ii) each transaction providing goods and services that generate domestic revenue for non-resident individuals conducting business on e-commerce platforms.

For e-commerce platforms without payment functions, households and individuals must self-declare and pay taxes as prescribed. In cases where households and individuals have had taxes withheld and paid by the e-commerce platform management organization or have self-declared and paid taxes but their total annual revenue is not subject to tax, they must carry out the tax refund procedure by submitting a request document to the tax authority managing the area where the household or individual resides (current residence/temporary residence/permanent residence).

Some points to note for organizations managing e-commerce platforms according to Decree 117 are summarized below for readers' reference and proactive compliance.

1. Withholding point

Organizations managing e-commerce platforms must withhold the VAT and PIT payable for each transaction providing goods and services that generate revenue on the e-commerce platform under their management as soon as the transaction is confirmed successful and payment is accepted for the sale of goods and services on the e-commerce platform.

2. Amount of withholding tax

The amount of VAT and PIT to be withheld is determined based on a percentage (%) of the revenue from each transaction of selling goods and providing services, specifically the amount of goods and services sold by the household or individual that the platform collects.

In cases where the organization managing the e-commerce platform cannot determine whether the nature of the transaction generating revenue from the e-commerce platform is goods or services, the highest withholding percentage will be applied.

Tax and withholding percentage	Goods	Services	Transportation and services associated with goods
VAT	1%	5%	3%
PIT			
▪ Tax resident	0,5%	2%	1,5%
▪ Tax non-resident	1%	5%	2%

3. Method of declaring and paying taxes on behalf

- The tax authority issues:
 - (i) a separate tax identification number (10-digit tax number) for domestic organizations managing e-commerce platforms to declare and pay the withheld tax amount
 - or
 - (ii) a 10-digit tax identification number for foreign organizations managing e-commerce platforms to fulfill tax obligations arising in Vietnam and to declare and pay the withheld tax of resident households and individuals conducting business on foreign e-commerce platforms.
- The tax declaration documents for the withheld tax include the Tax withholding declaration form No. 01/CNKD-TMĐT and the detailed list of tax withheld form No. 01-1/BK-CNKD-TMĐT issued together with Decree 117.
- Organizations managing e-commerce platforms must declare the withheld tax monthly and submit the tax declaration documents electronically to the tax authority managing the organization.
- Organizations managing e-commerce platforms must prepare a detailed list of tax payments form No. 01/BKNT-TMĐT attached to this Decree and send it to the tax authority after completing the payment to the state budget.



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