

The Government has issued Decree No. 122/2025/ND-CP on delegation of authority in tax administration, including APA processing and approval

On 11 June 2025, the Government issued Decree No. 122/2025/ND-CP ("**Decree 122**") on the delegation and decentralisation of authority in the field of tax administration, including notable revisions related to the handling and approval of Bilateral and Multilateral Advance Pricing Agreement (APA). The Decree takes effect from 1 July 2025.

In this Tax Alert, we highlight the key changes introduced under Decree 122 regarding APA.

1. Key Changes in the approval authority for Bilateral and Multilateral APA

Previously, for the bilateral and multilateral APA involving foreign tax authorities, pursuant to Clause 5, Article 41 of Decree No. 126/2020/ND-CP dated 19 October 2020 ("**Decree 126**"), the Ministry of Finance was responsible for submitting the APA to the Government and the Prime Minister for consultation before approval and signing. However, Decree 122 has now delegated and decentralized this authority to the Minister of Finance, including:

- Exercise the authority to consult and decide on signing the content of bilateral and multilateral APAs;
- Exercise the authority to determine the effective date of bilateral and multilateral APAs.

Note: for unilateral APAs, the authority to approve and sign remains with the Ministry of Finance, as previously stipulated in Clause 5, Article 41 of Decree 126.

2. APA implementation process

Under Decree 122, the Tax Department continues to play a central role in the technical implementation and processing of APA dossiers, including:

- Developing the APA negotiation plan, consulting relevant ministries/agencies (if necessary), and submitting it to the Minister of Finance for approval before initiating negotiations;
- Conducting official discussions and negotiations on the APA content in accordance with the approved plan;
- Drafting the APA for the Minister of Finance to sign.

3. Transitional provisions – Unified treatment for pending APA cases

For bilateral and multilateral APA applications submitted to the tax authorities prior to the effective date of Decree 122 but not yet reported to the Government and the Prime Minister, the authority to approve and sign now lies with the Minister of Finance.

4. Conclusion

The delegation of authority for approving and signing bilateral and multilateral APA to the Minister of Finance marks a strategic reform that aims to streamline administrative procedures, reflecting Vietnam's clear commitment to removing regulatory bottlenecks and facilitating the promptly processing of APA applications.

Should your Company require further information or assistance, please do not hesitate to contact KPMG Vietnam.

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