

## Law on Tax Administration No. 108/2025/QH15

On 10 December 2025, the National Assembly passed the Law on Tax Administration No. 108/2025/QH15 ("**Law on Tax Administration No. 108**").

Some notable new contents of Law on Tax Administration No. 108 are as follows:

### 1. Tax declaration and tax calculation

- Shortening the time limit for supplementing tax declarations and other State budget payables to five (05) years from the due date for filing of initial tax return.
- Amending provisions on supplementing tax declarations for the tax periods that have been inspected or audited:
  - Taxpayers may submit supplementary tax declarations that result into an increase in tax payable, or a decrease in tax exempted, reduced, refunded, credited, or overpaid, subject to the approval of the tax authority.
  - Taxpayers will be subject to administrative penalties and late payment interest as if the violations were detected by the tax authorities or other competent inspection bodies during the tax audit.
- Abolishing the provision that previously exempted late payment interest where the overpaid tax was offset against the outstanding tax liabilities.

### 2. Tax withholding, declaration and payment obligations for indirect capital transfer

- Introducing obligations for entities established under Vietnamese laws where the indirect investment arises, requiring them to withhold, declare and pay capital gain tax for indirect capital transfer transactions.

### 3. Tax audit and tax inspection

- Removing tax inspection provisions from the scope of the Law on Tax Administration.
- Specifying time limits for tax audit conducted at the taxpayers' premises:
  - Normal cases: No more than twenty (20) working days;
  - Taxpayers with related-party transactions: No more than forty (40) working days, extendable by an additional forty (40) working days if necessary;
  - Cases requiring information exchange with foreign tax authorities: Up to two (02) years.
- Limiting on-site tax audit at taxpayers' premises to high-risk taxpayers in the following cases: entities undergoing reorganization, change in business location, dossiers of tax exemption, tax reduction, or tax non-collection.

### 4. Advance Pricing Agreement ("APA") mechanism

- Removing the requirement to use verified commercial databases to ensure legal validity. Instead, APA application will rely on the databases used in tax administration for entities with related-party transactions.

- Amending the approval authority for bilateral and multilateral APAs involving foreign tax authorities. Decisions will now be made by the head of the tax authority in accordance with the regulations issued by the Minister of Finance, rather than under the previous provisions of international treaties and international agreements.

## 5. Rights and obligations of relevant stakeholders in tax administration

- Expanding the tax authorities' powers to apply measures to prevent and secure enforcement of tax penalties, including:
  - Requesting taxpayers to suspend business operations;
  - Requesting the business registration authority to temporarily suspend changes to business registration for taxpayers.
- Adding tasks and responsibilities for credit institutions and foreign bank branches, including:
  - Periodically providing information on taxpayers' payment account numbers linked to their tax codes upon account opening and closing;
  - Connecting and sharing transaction-related and other taxpayer information for tax administration purposes.
- Codifying income payers' responsibilities to provide the tax authorities with information on income payments, withheld tax amounts, and other State budget payables declared and paid on behalf of taxpayers.

Law on Tax Administration No.108 takes effect from 01 July 2026.

Please contact KPMG for further advice on your concerns about this Law.

## Contact us

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