



Strengthening tax audits in 2026 for long term loss making and low margin enterprises

On 31 March 2026, the Department of Taxation (“DoT”) issued Official Letter No. 1927/CT-KTr requiring provincial and municipal tax departments, the Large Enterprise Tax Division, and the e-commerce Tax Division to strengthen tax administration and implement thematic tax audits in 2026 for enterprises that have incurred losses over many years or operate with low profit margins.

In addition, on 1 April 2026, the DoT issued Decision No. 446/QĐ-CT approving the 2026 specialized tax audit plan, together with a list of 108 enterprises across the country subject to this special tax audit program. This list was determined based on risk analysis and will serve as a key basis for the implementation of tax audits in 2026.

In particular, under Official Letter No. 1927, enterprises that continuously declare losses over multiple years while still expanding investment, increasing charter capital, or maintaining significant revenue are identified as a key tax risk group and will be prioritized for inclusion in the tax audit plan.

Accordingly, enterprises are classified into the following two groups:

- Group 1 (Appendix I): The managing tax authorities of the relevant taxpayers shall immediately develop and implement tax audits at the taxpayers’ premises during 2026.
- Group 2 (Appendix II), comprising enterprises with annual revenue of VND 1,000 billion or more that incurred losses consecutively in 2023 and 2024: The managing tax authorities will continue to analyze business results and Corporate Income Tax (“CIT”) finalization dossiers for 2025 to identify enterprises with high tax risks and determine whether to include them in the 2026 tax audit plan.

Direction and key focus areas of tax audits in 2026

Tax audits in 2026 for long-term loss-making and low-margin enterprises will focus on the following issues:

- Assessing the reasonableness of the relationship among revenue, costs, and profits; reviewing expense items of significant value or unusual nature and their relevance to the taxpayers’ business activities.
- Examining the timing and basis for revenue recognition and output Value Added Tax (“VAT”) to ensure proper recording in relevant accounting periods, tax declarations, and tax payable in accordance with tax regulations, thereby detecting risks of under recognition or incorrect tax declaration.
- Reviewing declarations of output and input VAT; inspecting invoices and supporting documents to ensure validity and correct declaration periods.

- Examining the cost of goods sold, administrative expenses, and selling expenses to ensure that such expenses are related to production and business activities.
- Strengthening the examination of related party transactions and intra group charges (interest expenses, intra group services, royalties/franchise fees, etc.) to ensure compliance with the arm's length principle and accurate reflection of economic value created in Vietnam.

Implementation and timeline

According to the plan, tax authorities will conduct tax audits starting from April 2026 and complete them no later than December 2026.

Please contact KPMG for advice on the 2026 tax audit plan and appropriate preparatory steps to ensure readiness for upcoming tax audits.

Contact us

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