

Transfer Pricing in Vietnam



Annual compliance



Risk management



Policy planning



Dispute resolutions

Annual compliance requirements

TP Forms (Appendices)

- ✓ **Appendix I** – Information on related parties and related party transactions
(Reduced declaration for TP documentation exemption cases)
- ✓ **Appendix II** – Local File checklist
- ✓ **Appendix III** – Master File checklist
Appendices I, II and III shall be filed together with the annual corporate income tax (“CIT”) return.
- ✓ **Appendix IV** – Country-by-country (“CbC”) Report *(only Vietnamese ultimate parents)*
Appendix IV shall be filed within 12 months from the end of the applicable tax year.

TP Documentation package

- ✓ **Master File** – Report of the Group
- ✓ **Local File** – Report of local taxpayer

Master File and Local File shall be prepared before the annual CIT finalization return deadline and submitted upon written request (in Vietnamese).

- ✓ **CbC Report** – Copy of the Group’s CbC Report *(only taxpayers with foreign ultimate parent)*

Local filing of CbC Report may be required upon written request

TP Documentation exemption cases

- ✓ Revenue less than VND 50 billion and total value of related party transactions less than VND 30 billion; **OR**
- ✓ Concluded an Advance Pricing Agreement (“APA”); **OR**
- ✓ Annual revenue less than VND 200 billion and achieving operating margins from routine functions, no intangibles : 5% (distribution), 10% (manufacturing), 15% (processing); **OR**
- ✓ Only domestic related party transactions, all related parties subject to the same CIT rate and none enjoys CIT incentives.

TP administration & enforcement

Commonly seen TP audit cases

- ✓ Low profitability and/or consecutive losses.
- ✓ Significant related party transactions/ intra-group service and/or intangible-related charges.
- ✓ Inappropriate allocation of risks and accordingly profits for CIT purposes.

TP assessment and penalties

Transfer pricing assessment

- ✓ Non-compliance (e.g., failure to submit mandatory disclosures and/or TP documentation upon request, etc.) may be subject to deemed prices or profits for CIT purposes.

Penalties and late payment interest

- ✓ 20% penalty on CIT shortfall, plus late payment interest (0.03%/day).
- ✓ Other minor administrative penalties may also be applied.

Statute of limitations

- ✓ Generally, 10 years for tax collection and 5 years for imposing penalties.

TP dispute resolutions

- ✓ Domestic remedies (i.e., appeal, litigation).
- ✓ Mutual agreement procedures (“MAP”) under tax treaties.
- ✓ Unilateral, bilateral or multilateral APA.

How KPMG can support

- 01 Transfer pricing compliance support
- 02 Transfer pricing controversy and dispute resolutions
- 03 Transfer pricing consulting and advisory

KPMG Global Transfer Pricing Services in Vietnam



Transfer Pricing Firm of the Year

International Tax Review Asia-Pacific Tax Awards 2024

Contact us

Email: info@kpmg.com.vn

Joseph Vu
Partner
Head of Global Transfer Pricing Services

Nguyen Trung Thang
Director
Global Transfer Pricing Services

Tran Thi Thuy Ha
Partner
Global Transfer Pricing Services

Nguyen Thi Huyen Anh
Director
Global Transfer Pricing Services

Ca Nguyen Thuy Nhung
Director
Global Transfer Pricing Services

Ngo Minh Tri
Director
Global Transfer Pricing Services

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