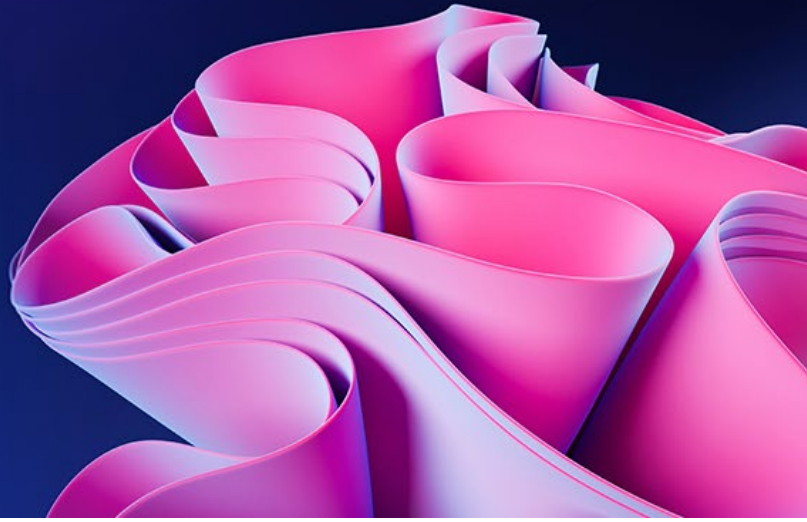


Tax Alert

January 2025



DECREE 180 ON REDUCTION OF 2% VALUE-ADDED TAX IN THE FIRST HALF OF 2025

On 30 November 2024, the National Assembly passed Resolution No. 174/2024/QH15, covering in which the provision on continuing to reduce the value-added tax rate by 2% for groups of goods and services specified at Point a, Section 1.1, Clause 1, Article 3 of the National Assembly's Resolution No. 43/2022/QH15 on fiscal policy, currency to support the socio-economic recovery and development program during the period from 1 January 2025 to 30 June 2025.

On 31 December 2024, the Government issued Decree 180/2024/ND-CP ("Decree 180") on VAT reduction following Resolution No. 174/2024/QH15, specifically:

- Reduce VAT for groups of goods and services which are currently subject to the tax rate of 10% to 8%, except for the following groups:
 - Telecommunications, financial activities, banking, securities, insurance, real estate trading, metals and prefabricated metal products, mining products (excluding coal mining), coke, refined petroleum, chemical products (*Details stipulated under Appendix I issued together with Decree 180*);
 - Goods and services subject to Special Consumption Tax (*Details stipulated under Appendix II issued together with Decree 180*);
 - Information technology in accordance with the regulations on information technology (*Details stipulated under Appendix III issued together with Decree 180*).
- The VAT reduction applies to all stages including import, manufacturing, processing and trading.
- The VAT reduction is applicable to business establishments that adopt VAT credit method and business establishments (including business households and business individuals) that declare and pay VAT at a deemed rate (%) of revenue.

Decree 180 takes effect from 01 January 2025 until 30 June 2025.

Please contact KPMG for further consultation on your ongoing queries.

Contact us

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