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Tax Alert

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Decree 252 on Tax administration

On 30 June 2026, the Government issued Decree No. 252/2026/ND-CP ("Decree 252") providing detailed guidance on a number of articles and measures for the implementation of Law on Tax Administration No. 108/2025/QH15.

Decree 252 has a broad scope of regulation covering various tax administration matters, including tax declaration, supplementary tax declaration, tax withholding, declaration and payment on behalf, tax payment deadlines, tax refund, tax exemption, tax reduction, tax debt management, enforcement measures, and tax administration with regard to business activities on e-commerce platforms ("E-commerce"), etc.

Some of the key new developments introduced under Decree 252 are summarised below:

1. Clarification of certain definitions

- Decree 252 provides further clarification on several concepts, including "Other force majeure events", "e-commerce platforms and digital platforms with online ordering and payment functions".
- The "Tax finalisation period", except for Personal Income Tax ("PIT") finalisation, is determined based on the annual accounting period in accordance with accounting regulations.

2. Changes to tax declaration deadlines

- The deadline for quarterly provisional tax payment, including provisional Corporate Income Tax ("CIT") payment, is the last day of the first month of the quarter following the quarter in which the tax liability arises.
- Individuals deriving income from salaries and wages, who are required to directly conduct PIT finalisation must submit the PIT finalisation dossiers no later than the last day of the fourth month following either (i) the end date of the calendar year, or (ii) the last day of the month marking the completion of a 12 consecutive month period.

3. Amendments to regulations on supplementary tax declaration dossiers

- Where a competent authority issues a conclusion, judgment, or decision determining that a seller has used illegal invoices or illegally used invoices, the purchaser is required to submit a supplementary tax declaration to adjust the tax obligations relating to the relevant invoices (including tax periods already subject to inspection or audit) and will be subject to penalties in accordance with applicable regulations.
- Where a taxpayer submits a supplementary tax declaration or makes adjustments pursuant to a written conclusion or assessment decision issued following a tax inspection or audit by the tax authority relating to a supplementary Corporate Income Tax ("CIT") return under the Global Anti-Base Erosion (GloBE) rules, the applicable exchange rate applied shall be the exchange rate used in the initial tax declaration, or, where the taxpayer has not yet submitted the tax declaration, the exchange rate applicable on the last day of the tax declaration deadline.

4. Fulfillment of tax payment obligations in case of immigration exit

- Where an enterprise is not operating at its registered address and fails to complete the procedures to reactivate/terminate its tax code within 120 days from the date of the tax authority's notification, the business individuals, household business owners, individuals who are beneficial owners, and legal representatives of the enterprise may be subject to a temporary exit ban.
- The tax authority may lift an exit ban when the taxpayer has settled part of the outstanding tax liabilities and the remaining tax debt falls below the prescribed threshold of VND 50 million for individuals/household businesses, or VND 500 million for enterprises, cooperatives and unions of cooperatives.

5. Tax declaration and payment obligations for foreign organisations and non-resident individuals conducting business through E-commerce platforms and other digital services

- Decree 252 introduces an exemption from tax registration requirement for overseas suppliers ("OSs") in certain circumstances;
- The tax filing frequency applicable to OSs has been revised to monthly filing or filing upon each payment transaction, as the case may be;
- The Decree further clarifies the entitlement of OSs to claim benefits under an applicable double taxation agreement, subject to the satisfaction of relevant conditions;
- Additional provisions are introduced regarding the tax registration and tax filing obligations of non-resident individuals conducting business through E-commerce platforms that do not have online ordering and online payment functions;
- The subjects responsible for withholding and paying tax on behalf in respect of business activities on E-commerce platforms has been expanded to include direct owners of e-commerce platforms, organisations/individuals authorized to manage the platform, or organisations in Vietnam conducting other digital economic activities on behalf of foreign E-commerce platform operators to make income payments to household businesses and business individuals from digital content products and services.
- Decree 252 introduces a mechanism allowing domestic and foreign operators of E-commerce platforms with online ordering and payment functions to withhold and remit VAT and CIT on behalf of OSs conducting business through such E-commerce platforms.
- Where an organization conducting business in Vietnam applying the VAT credit method has already withheld and remitted VAT and CITon behalf of an OS, or VAT and PIT on behalf of a non-resident individual, such organization must notify the E-commerce platform operator for avoidance of duplicate tax withholding for the same transaction.
- The timing of tax withholding is determined as the earlier of the payment date; or the date on which the transaction is confirmed as successful and payment is accepted.
- Tax code used for tax payment-on-behalf:
  - For domestic E-commerce platform operators and organisations in Vietnam: register a separate withholding tax code;
  - Foreign E-commerce platform operators: use their registered tax code.

6. International cooperation on tax, and preferential regime for taxpayers

- Decree 252 introduces a mechanism of simultaneous tax audits in accordance with the Multilateral Convention on Mutual Administrative Assistance in Tax Matters, to which Vietnam is a signatory.
- The Decree also establishes a framework for a “preferential regime for taxpayers”, including detailed provisions on forms of preferential treatment available to eligible taxpayers; the scope of application, eligibility criteria, and the procedure and mechanisms for implementing the preferential regime.

7. Obligations to provide, collect and verify information under international treaties, international tax agreements and the standards of the Global Forum on Transparency and Exchange of Information for Tax Purposes

- Taxpayers, organisations and relevant individuals are required to provide tax authorities with information and data relating to legal owners, beneficial owners, banking information, accounting records and other information of taxpayers, agencies, organisations and relevant individuals for tax administration purposes. Other information may also be required, including country-by-country reports, financial account information reporting under the Common Reporting Standard applicable to persons not resident for tax purposes in Vietnam, crypto-asset reports, and other reports required under international tax treaties to which Vietnam is a party or international tax agreements signed by Vietnam.
- Branches and representative offices of foreign companies operating in Vietnam are required to declare information on the legal owners and beneficial owners of the overseas parent company upon initial tax registration and whenever there are changes to tax registration information in accordance with tax registration regulations. Relevant records and supporting documentation must be retained for a minimum period of 05 years.

8. Effective date and transitional provisions

- Decree 252 takes effect from 1 July 2026.
- The provisions on the allocation of VAT payable regulated under Article 15 of Decree 252 will remain applicable until 31 December 2026.
- Decree No. 125/2020/ND-CP dated 19 October 2020 on administrative sanctions for tax and invoice violations together with its subsequent amending and supplementing decrees will continue to remain in force until replaced by new regulations.

Please contact KPMG for consultation on any matters your business may be concerned about regarding Decree 252.

Contact us

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