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Technical Update

November 2026

I. Corporate Income Tax ("CIT")

CIT incentives for strategic investors in special economic zones

On 24 August 2026, the National Assembly passed Law No. 18/2026/QH16 ("Law 18") on Urban Development, which grants CIT incentives to strategic investors carrying out projects in priority sectors in special economic zones, such as logistics, high technology, seaport and airport infrastructure, clean energy, and high-quality healthcare and education. Investors meeting the conditions on investment capital, equity and disbursement schedule are entitled to the same CIT incentives as projects located in areas with especially difficult socio-economic conditions. The period of application of the preferential CIT rate for income from new investment projects in priority sectors may be extended by up to five years, subject to a decision by the Chairperson of the People's Committee of the special economic zone.

Law 18 takes effect from 1 October 2026; the CIT incentive provisions apply from the 2027 tax year.

II. Value Added Tax ("VAT")

1. Consistent handling of VAT refund claims based on the amount at risk

On 18 September 2026, the Department of Taxation ("DoT") issued Official Letter No. 6936/CT-QLTT providing consistent guidance on processing VAT refunds. Key points are as follows:

- Risk information or alerts on the seller, the invoice, or parties in the supply chain (tier-2, tier-3 suppliers and beyond) serve only as a basis for risk assessment. They are not, on their own, grounds for moving a claim to pre-refund audit, rejecting a refund, or recovering VAT already refunded.
- For claims under the "refund first, audit later" procedure, where the tax administration information system identifies only part of the refund amount as risky, only that part is subject to pre-refund audit. The remaining amount continues to be processed under the "refund first" procedure if all statutory conditions are met, without waiting for the outcome of the audit or verification of the risky part.

2. VAT refunds where bank payment documents are available at the time of pre-refund audit

Under Official Letter No. 7236/CT-QLNT dated 30 September 2026 of the DoT, the tax authorities will consider granting a VAT refund where the enterprise has bank payment documents for its exported goods or services at the time of the pre-refund audit and meets the other statutory conditions for VAT credit and refund.

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3. 0% VAT on services supplied to Export Processing Enterprises ("EPE") regardless of where the services are performed

Under Official Letter No. 2590/CST-GTGT dated 25 August 2026 of the Department of Tax, Fee and Charge Policy Management and Supervision, Ministry of Finance, the application of 0%VAT to services supplied to EPEs is not determined by where the services are performed. Instead, it depends on whether the services are supplied directly to the EPE, consumed in the non-tariff zone, directly serve the EPE's export production, are not subject to any exclusions, and supported by the required documentation.

4. International transport support services performed outside Vietnam fall outside the scope of the VAT Law

Under Official Letter No. 5744/CT-CS dated 10 August 2026 and Official Letter No. 7634/CT-QLNT dated 14 October 2026 of the DoT, international transport support services (such as cargo handling, customs clearance, loading and unloading, lifting and packing) supplied by a Vietnamese enterprise to another Vietnamese enterprise fall outside the scope of the VAT Law if both of the following conditions are met: (i) the services are performed outside Vietnam; and

(ii) the services are not used for business operations or consumption in Vietnam.

The service provider must still issue a valid VAT invoice to the buyer in this case.

5. VAT treatment for EPEs terminating their projects before meeting customs inspection and supervision requirements

Under Official Letter No. 7839/CT-QLNT dated 20 October 2026 of the DoT, an EPE that terminates its investment project during the investment phase, before being confirmed as meeting customs inspection and supervision requirements, is not entitled to the tax treatment applicable to non-tariff zones. Purchases of goods and services from domestic suppliers are treated as domestic transactions within Vietnam, and suppliers must adjust or replace the e-invoices issued in accordance with the regulations.

III. Personal Income Tax ("PIT")

PIT exemption under the Law on Urban Development

Under Law No. 18/2026/QH16 on Urban Development, salary and wage income earned by experts, scientists, individuals with exceptional talent, and innovative entrepreneurs working at innovative start-up enterprises, science and technology organisations, innovation centres, and start-up support intermediaries located in the City covered by the Law is exempt from PIT for five consecutive years, subject to the criteria and conditions set by the City People's Council.

IV. Special Sales Tax ("SST")

0% SST rate on all types of gasoline

On 31 October 2026, the Government issued Resolution No. 45/2026/NQ-CP ("Resolution 45") setting a 0% SST rate on all types of gasoline.

Resolution 45 applies from 1 November 2026 to 31 March 2027

V. Tax administration and invoices

1. Tax registration procedures for individual insurance agents

On 23 October 2026, the DoT issued Official Letter No. 7978/CT-NVT providing consistent guidance on tax registration for individual insurance agents, as follows:

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- Individuals operating as a household business register for tax together with their household business registration. Individuals who do not set up a household business register for tax directly with the tax authorities.
- No supporting documents are required for the tax registration dossier. Individuals without a fixed place of business declare their place of residence as their head office address; the tax authorities should not reject a dossier on the grounds that the declared address is an apartment.
- Individuals already registered and operating as a household business or individual business who start working as insurance agents should provide their existing tax code to the insurance company for tax declaration and withholding purposes, and update their tax registration information or register an additional business location, as applicable.

2. New tax rate codes on e-invoices

Under Decision No. 1233/QĐ-CT dated 27 August 2026 of the DoT, two new values have been added to the list of tax rates shown on e-invoices:

- "KTPVDC" for goods and services outside the scope of the VAT Law;
- "KTGTT" for amounts not included in the VAT taxable price.

Decision 1233 takes effect from 27 August 2026.

VI. Labour – Payroll

Regional minimum wages applicable from 1 January 2027

Under Decree No. 399/2026/NĐ-CP dated 2 November 2026 of the Government, the minimum wages applicable from 1 January 2027 are adjusted as follows:

- Region I: VND 5,700,000/month (VND 27,400/hour);
- Region II: VND 5,080,000/month (VND 24,400/hour);
- Region III: VND 4,450,000/month (VND 21,400/hour);
- Region IV: VND 4,040,000/month (VND 19,400/hour).

VII. Other policy updates

Tax incentives for cultural activities under Resolution No. 28/2026/QH16

On 24 April 2026, the National Assembly issued Resolution No. 28/2026/QH16 on the development of Vietnamese culture, effective from 1 July 2026. Notable tax measures include:

- Organisations and individuals investing in digital infrastructure, high-tech solutions for culture, and certain key cultural industries (including cultural tourism, cinema, performing arts, fine arts, and online games featuring educational content or promoting Vietnamese cultural and historical values) are entitled to the following tax incentives:
  - CIT exemption for two years and a 50% reduction of CIT payable for the following four years on income derived from the enterprise's cultural activities;
  - PIT and CIT exemption on income from the transfer of shares, capital contributions, capital contribution rights, share purchase rights, or rights to purchase capital contributions in enterprises in connection with cultural activities;
  - PIT exemption for two years and a 50% reduction of PIT payable for the following four years on salary and wage income received by experts and scientists from the enterprise's cultural activities.

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- A 5% VAT rate applies to film production, distribution and screening; exhibitions; training and competition services for disability sports or professional sports; and performing arts activities not covered by Point k, Clause 2, Article 9 of the VAT Law.

Resolution 28 takes effect from 1 July 2026.

Please contact KPMG for advice on any matters of interest to your company.

Contact us

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