

# NEWSLETTER

February 2025



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I – UPDATES ON ACCOUNTING - TAX

\* **Decree 20/2025/ND-CP**

- **Issued by:** The Government

- **Dated:** 10/02/2025

- **Content:** Amending and supplementing a number of articles of Decree 123/2020/ND-CP dated November 5, 2020 on tax management for companies with related party transactions

The amended and supplemented contents include:

- The affiliated relationship between the enterprise and the guarantor or lender related to the condition of total outstanding loan of the borrowing enterprise. This provision does not apply to the following cases:
  - ✓ The guarantor or lender is an economic organization operating under the provisions of the Law on Credit Institutions that does not directly or indirectly participate in the management, control, capital contribution, or investment in the borrowing enterprise or the guaranteed enterprise.
  - ✓ The guarantor or lender is an economic organization operating under the provisions of the Law on Credit Institutions and the borrowing or guaranteed enterprise that is not directly or indirectly subject to the management, control, capital contribution, or investment of another party.
- The affiliated relationship between enterprises (including independent accounting branches that declare and pay corporate income tax) that are subject to the actual management, control, and decision-making on the production and business activities of the other enterprise.
- The affiliated relationship between credit institutions and subsidiaries or controlling companies or affiliated companies of credit institutions as prescribed in the Law on Credit Institutions.
- Replacing Appendix I - Information on affiliated relationships and affiliated transactions issued with the Corporate Income Tax Finalization Declaration.

*This Decree takes effect from March 27, 2025 and applies from the 2024 corporate income tax period.*

**\* Decree 49/2025/ND-CP**

- **Issued by:** The Government

- **Dated:** 28/02/2025

- **Nội dung:** Regulations on threshold for temporary suspension of exit

Application of tax debt thresholds and debt periods in cases of temporary suspension of exit

1. Business individuals, business household owners who are subject to compulsory enforcement of administrative decisions on tax management have tax debts of VND 50 million or more and the tax debt has been overdue for more than 120 days.
2. Individuals who are legal representatives of enterprises, cooperatives, and cooperative unions who are subject to compulsory enforcement of administrative decisions on tax management have tax debts of VND 500 million or more and the tax debt has been overdue for more than 120 days.
3. Business individuals, business household owners, individuals who are legal representatives of enterprises, cooperatives, and cooperative unions that are no longer operating at the registered address and have tax arrears that are past the prescribed payment deadline and have not fulfilled their tax payment obligations after 30 days from the date the tax authority notifies them of the application of temporary exit suspension measures.
4. Vietnamese people leaving the country to settle abroad, Vietnamese people residing abroad, and foreigners who, before leaving Vietnam, have tax arrears that are past the prescribed payment deadline and have not fulfilled their tax payment obligations.

*This Decree takes effect from the date of signing and promulgation.*

**\* Official letter 982/TCT-CS**

- **Issued by:** The General Department of Taxation

- **Dated:** 28/02/2025

- **Content:** Tax policy for export processing enterprises

Export processing enterprises that repair molds for domestic enterprises and exercise import, export, and wholesale distribution rights (without establishing wholesale establishments) in accordance with the provisions of law shall comply with the provisions of Decree No. 35/2022/ND-CP dated May 28, 2022, which specifically applies to export processing zones and export processing enterprises.

The company may choose to apply the VAT calculation method to declare, pay VAT, and use invoices in accordance with regulations.

**\* Official letter 1872/BTC-TCT**

- **Issued by:** The Ministry of Finance
- **Dated:** 17/02/2025
- **Content:** VAT policy for domestic goods brought into bonded warehouses

In the case of domestic enterprises selling goods to foreign traders with presence in Vietnam and being assigned to deliver goods to a third party, a Vietnamese enterprise, through a bonded warehouse, it does not meet the conditions for exported goods sold to organizations and individuals abroad and consumed outside Vietnam or goods sold to organizations and individuals in non-tariff zones and consumed in non-tariff zones. It is not subject to the case of exported goods entitled VAT rate of 0% according to regulations on Value Added Tax.

**\* Official letter 1893/CTBDU-TTHT**

- **Issued by:** The Tax Department of Binh Duong Province
- **Dated:** 13/02/2025
- **Content:** Personal income tax obligations for overseas housing rental activities of resident individuals

In case a foreigner is a tax resident individual in Vietnam and has income which is subject to personal income tax from house rental activities arising outside the territory of Vietnam, he/she is subject to personal income tax. Individuals with real estates for rent abroad shall submit tax declaration dossiers to the directly managing tax authority where the individual resides (in Article 11 of Decree 126/2020/ND-CP) according to Form No. 01/TTS - Tax declaration for property rental activities according to the instructions in Article 14 of Circular 40/2021/TT-BTC).

**\* Official letter 2257/CTBDU-TTHT**

- **Issued by:** The Tax Department of Binh Duong Province
- **Dated:** 20/02/2025
- **Content:** Tax policy on commission expenses paid to foreign countries

In case a company signs a contract with a foreign non-resident individual to introduce customers to sell goods and provide services abroad, the income from brokerage commissions for introducing customers abroad of the non-resident individual is determined as income arising outside Vietnam and is not subject to contractor tax. The organization paying this income does not deduct personal income tax when paying the brokerage commission.

In case a company signs a contract to hire a foreign enterprise to provide services of introducing customers to sell goods and provide services abroad of the company (in Vietnam) in the foreign market, this brokerage service of the foreign enterprise is not subject to foreign contractor tax.

**\* Official letter 2629/CTBDU-TTHT**

- **Issued by:** The Tax Department of Binh Duong Province
- **Dated:** 25/02/2025
- **Content:** Issuing invoices of export processing enterprises

Export processing enterprises operating under the regulations of export processing enterprises when selling goods and providing services domestically and when selling goods and providing services between organizations and individuals in the duty-free zone, exporting goods and providing services abroad, will use electronic sales, clearly stating on the invoice "For organizations and individuals in the duty-free zone". If the company has issued a VAT invoice to the buyer, the company will handle the erroneous invoice according to the provisions of Clause 2, Article 19 of Decree 123/2020/ND-CP.

In case the company only has export activities, it is not required to submit a value-added tax declaration.

## II – UPDATES ON INVESTMENT - ENTERPRISES

### Restructuring of Ministries, Ministerial-level agencies, and Government-affiliated agencies

From March 1, 2025, Ministries and Government-affiliated agencies will operate with streamlined operations under new decrees:

- Ministry of Home Affairs: 22 units (Decree No. 25/2025/ND-CP)
- State Bank of Vietnam: 20 units (Decree No. 26/2025/ND-CP)
- Ministry of Finance: 35 units (Decree No. 29/2025/ND-CP)
- Ministry of Construction: 23 units (Decree No. 33/2025/ND-CP)
- Ministry of Agriculture and Environment: 30 units (Decree No. 35/2025/ND-CP)
- Ministry of Education and Training: 18 units (Decree No. 37/2025/ND-CP)
- Ministry of Justice: 20 units (Decree No. 39/2025/ND-CP)
- Ministry of Industry and Trade: 22 units (Decree No. 40/2025/ND-CP)
- Ministry of Health: 20 units (Decree No. 42/2025/ND-CP)....

### Amendment to penalties for consumer rights protection violations

On February 21, 2025, the Government issued Decree No. 24/2025/ND-CP amending Decree No. 98/2020/ND-CP on administrative penalties in commercial activities, counterfeit goods, prohibited goods, and consumer rights protection.

- The amendments introduce new penalties and significantly increase fines for violations such as:
- Trading goods of unclear origin;
- Temporary import for re-export and temporary export for re-import violations;
- Consumer rights protection violations.

*This Decree takes effect from the date of signing.*

### New environmental protection regulations effective from February 28, 2025

On February 28, 2025, the Ministry of Natural Resources and Environment issued Circular No. 07/2025/TT-BTNMT amending Circular No. 02/2022/TT-BTNMT, detailing the implementation of the Environmental Protection Law. Key amendments include:

- Regulations on environmental impact assessment report evaluation and environmental permit issuance;
- Waste monitoring;
- Annual environmental protection reporting requirements;
- Revision and supplementation of key templates: Environmental Impact Assessment Reports, Environmental Permits, Adjusted Environmental Permits, and Environmental Registration Documents for investment projects and facilities.

*This Circular shall take effect from the date of signing, replacing Circular No. 04/2023/TT-BTNMT and Decision No. 3323/QĐ-BTNMT.*

### Conditions for issuing electricity operation licenses from March 4, 2025

On March 4, 2025, the Government issued Decree No. 61/2025/ND-CP detailing several provisions of the 2024 Electricity Law concerning electricity operation licensing, including:

- Conditions, application documents, and procedures for obtaining electricity operation licenses;
- Capacity thresholds exempt from electricity operation licenses;
- License validity periods.....

*This Decree takes effect from the date of signing.*

### III – UPDATES ON LABOR - INSURANCE

#### Visa exemption for tourists from three countries visiting Vietnam

On January 15, 2025, the Government issued Resolution No. 11/NQ-CP on visa exemptions. From March 1, 2025, to December 31, 2025, citizens from Poland, the Czech Republic, and Switzerland will be exempt from visas for stays of up to 45 days upon entry for tourism purposes under programs organized by Vietnamese international travel service providers. This exemption applies regardless of passport type, provided entry conditions are met according to Vietnamese law.

*This Resolution takes effect from the date of signing.*

#### Organizational structure of Vietnam Social Security from March 1, 2025

On February 26, 2025, the Ministry of Finance issued Decision No. 391/QD-BTC defining the functions, tasks, authority, and organizational structure of Vietnam Social Security (VSS) under the Ministry of Finance. Effective March 1, 2025, VSS shall operate under a three-tier system:

- Vietnam Social Security Headquarters: 14 advisory units at the central level;
- Regional Social Security Offices: 35 regional offices under VSS;
- District-Level Social Security Offices: Social Security offices at district, town, and city levels under regional social security offices.

*This Decision takes effect on March 1, 2025.*



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