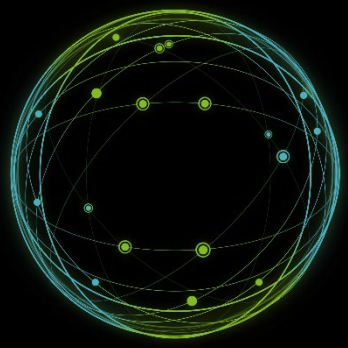
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# International Tax
## Vietnam Highlights 2026

Updated January 2026



## Recent developments

For the latest tax developments relating to Vietnam, see Deloitte tax@hand.

## Investment basics

**Currency**: Vietnam Dong (VND)

**Foreign exchange control**: VND must be used in transactions between Vietnamese entities and individuals, unless specifically allowed otherwise under the foreign exchange control regulations. A foreign currency may be used as the functional currency for accounting and reporting purposes, subject to certain conditions. Both residents and nonresidents may hold bank accounts in any currency. Foreign currency may be remitted overseas, although registration and/or tax requirements may need to be met.

**Accounting principles/financial statements**: Vietnamese Accounting Standards and the Vietnamese accounting system apply. Statutory financial statements must be prepared, audited, and submitted annually, except for listed companies whose financial statements must be audited and submitted on a semi-annual basis. IFRS adoption is encouraged and is mandatory for certain enterprises. Vietnamese Financial Reporting Standards also are being developed based on internationally accepted standards.

**Principal business entities**: These are the joint stock company, limited liability company, and private enterprise. Branches of foreign corporations are limited to certain industries.

## Corporate taxation

| Rates | |
|---|---|
| **Corporate income tax rate** | 20% |
| **Branch tax rate** | 20% |
| **Capital gains tax rate** | 20% |

**Residence**: Residence is not defined, but a company generally is considered to be resident if it is incorporated in Vietnam.

**Basis**: Residents are taxed on worldwide income; nonresidents are taxed only on Vietnamese-source income. Foreign-source income derived by residents is subject to corporate income tax in the same way as Vietnamese-source income. Branches are taxed in the same way as subsidiaries.

**Taxable income**: Tax is imposed on a company's profits, which include the profits of affiliates and branches (dependent units). Taxable profits include income from the sale of goods; the provision of services; the leasing or sale of assets; the transfer of property, shares, or a business; joint venture operations with other economic entities; and financial operations.

**Rate**

### General

The standard corporate income tax rate is 20%. The rate for enterprises operating in the oil and gas and natural resource sectors ranges from 25% to 50%, depending on the project.

A 15% corporate income tax rate applies to small and medium-sized enterprises (SMEs) with annual total revenue not exceeding VND 3 billion, and a 17% rate applies to SMEs with annual total revenue in excess of VND 3 billion but not exceeding VND 50 billion.

The revenue used as the basis for determining the applicable tax rate is the total revenue of the immediately preceding period. Exclusions from the preferential corporate income tax rate include income from specific sectors (such as the exploration and exploitation of petroleum and rare natural resources), or cases where the taxpayer is a subsidiary or an affiliated company with related parties that do not meet the conditions for applying the preferential tax rates.

### Surtax

There is no surtax.

### Alternative minimum tax

There is no alternative minimum tax.

### Global minimum tax (Pillar Two)

Vietnam has implemented rules that generally are in line with the global anti-base erosion (GloBE) or "Pillar Two" model rules published by the OECD/G20 Inclusive Framework on BEPS that are designed to ensure a global minimum level of taxation of 15% for multinational enterprise (MNE) groups with annual consolidated revenue of at least EUR 750 million. The IIR (income inclusion rule) and the qualified domestic minimum top-up tax (sometimes referred to as a QDMTT) apply from 2024 fiscal years beginning on or after 1 January 2024. The UTPR (sometimes referred to as the undertaxed profit(s) rule or the undertaxed payments rule) has not been considered.

Entities within the scope of Vietnam's GloBE rules include constituent entities (companies, organizations, permanent establishments, etc.) of MNEs that have annual revenue of EUR 750 million or more in the consolidated financial statements in at least two of the four immediately preceding years. An MNE is defined as a group that includes at least one constituent entity or permanent establishment that is not located in the ultimate parent entity's jurisdiction.

**Taxation of dividends**: Dividends received by one Vietnamese company from another are not subject to tax, provided the dividends are paid out of profits on which the payer company has paid corporate income tax.

**Capital gains**: There is no separate capital gains tax; gains are taxed at the standard corporate income tax rate of 20%. Shares transfered by a domestic seller are subject to corporate income tax at 20% on the capital gain, while shares transfered by a foreign seller (whether direct or indirect) are subject to a tax rate of 2% of the transfer value. The transfer value is based on the actual contract price, although a deemed fair market value will be used if no contract price is available or if the price stated in the contract is deemed not to be on arm's length terms.

**Losses**: Losses may be carried forward to offset taxable income for up to five consecutive years after the year in which the losses are incurred. The carryback of losses is not permitted. Group loss relief is not allowed. Income from real estate

transfers, investment project transfers, and the transfer of rights to participate in investment projects may be offset by losses from other business activities (other than income from activities benefiting from corporate income tax incentives).

**Foreign tax relief**: Foreign tax paid may be credited against Vietnamese tax but must be determined based on pretax income. The credit is limited to the amount of Vietnamese tax payable on the foreign-source income.

**Participation exemption**: See "Taxation of dividends," above.

**Holding company regime**: There is no holding company regime.

**Incentives**: Preferential tax rates of 10% (for 15 years, with a possible extension for up to a further 15 years with prior approval) and 17% (for 10 years) are available for taxpayers engaged in incentivized sectors or locations as stipulated by the government.

Preferential tax rates of 10% and 15% apply for the entire duration of projects involving certain activities (e.g., cultivation, animal husbandry, processing in the field of agriculture and fisheries). The 10% rate applies to projects that are located in "difficult" and "especially difficult" regions, and the 15% rate applies to any other qualifying projects.

A preferential rate of 10% applies for the entire life of a project in certain socialized sectors (e.g., education, health, culture, sports, environment). A four-year tax holiday followed by a 50% tax reduction for a further five to nine years also is available in addition to the preferential tax rates, depending on the project location.

Special tax incentives also are available for qualified research and development and special large-scale investment projects, which include:

- A preferential tax rate of between 5% and 10% for the first 15 to 22.5 years, with the possibility of an extension of up to 15 years, but not exceeding the duration of the investment project;
- A tax exemption for a period of four to six years; and
- A reduction of 50% of the tax payable for nine to 13 years.

The preferential tax rates apply as from the first year that revenue is generated from incentivized activities. The tax holidays apply as from the first year that taxable income is generated or the fourth year that revenue is generated, whichever is earlier.

Existing taxpayers with new investment projects (or that are expanding investment projects) also are entitled to certain tax incentives, subject to conditions.

## Compliance for corporations

**Tax year**: The tax year is the same as a company's financial year, which generally is the calendar year. A company must notify the tax authorities if its financial year differs from the calendar year, but only a quarter-end financial year is allowed.

**Consolidated returns**: Consolidated returns are not permitted; each company with independent legal status is required to file a separate return.

**Filing and payment**: Companies are required to make quarterly provisional corporate income tax payments based on estimates. The total of the provisional corporate income tax payments made in four quarters of the tax year must be at least 80% of the annual corporate income tax liability. Any shortfall is subject to a late payment penalty. Corporate income tax returns must be filed annually by the last day of the third month after the tax year end.

**Penalties**: Penalties apply for failure to file, late filing, or filing a fraudulent return. Taxpayers are subject to an extra 0.03% penalty per day of late payment, a penalty of 20% on underreported amounts, and more stringent penalties for evasion (up to 300%).

**Rulings**: A taxpayer may request a tax ruling from the local or national tax authorities to clarify specific tax concerns. Tax rulings are generally binding on the tax authorities that issue them, provided the taxpayer has fully and accurately disclosed all relevant facts and complies with the conditions stated in the ruling. The taxpayer may also choose to rely on the ruling.

A ruling issued by local tax authorities may not be binding on higher-level tax authorities. In the event of a future audit or inspection conducted by a higher-level authority, if a different interpretation is reached, the higher-level authority may override the local ruling.

## Individual taxation

| Rates | | |
|---|---|---|
| **Individual income tax rate** | **Monthly taxable income (VND)** | **Rate** |
| **Employment income: resident** | Up to 10 million | 5% |
| | Over 10 million and up to 30 million | 10% |
| | Over 30 million and up to 60 million | 20% |
| | Over 60 million and up to 100 million | 30% |
| | Over 100 million | 35% |
| **Employment income: nonresident** | | 20% |
| **Capital gains tax rate** | | 20%/2%/0.1% |

**Residence**: An individual is resident if the individual: (i) spends 183 days or more in aggregate in a 12-month period in Vietnam, starting from the date the individual arrives in Vietnam; (ii) maintains a residence in Vietnam; or (iii) has leased a residence for 183 days or more in a tax year, unless the individual is present in Vietnam for less than 183 days and can prove residence in another jurisdiction.

**Basis**: Residents are taxed on their worldwide income; nonresidents are taxed only on Vietnamese-source income.

**Taxable income**: Employment income, including most employment benefits (whether in cash or in kind), is fully taxable except for certain income or benefits as regulated, including relocation allowances, home leave air fares, school fees, per diems, payments for overtime or night shifts, and payments for unused annual leave. Severance allowances, redundancy compensation, income from compensation under life insurance and non-life insurance contracts, and pensions paid by the Social Insurance Fund, supplementary pension insurance funds, and voluntary pension funds are not taxable.

Taxable income also includes dividends; interest (except for interest on government bonds, interest on local government bonds, interest on bank deposits, and interest on life insurance contracts); capital gains derived from securities trading; private business income with annual revenue exceeding VND 500 million; and income exceeding VND 20 million from franchising, inheritance, transfers of land use rights, gifts, winnings, and prizes. Income from the transfer of the Vietnamese national domain name ".vn," greenhouse gas emission reduction outcomes and carbon credits, license plates obtained through auction in accordance with the law, digital assets, and gold is also taxable. Profits derived from the carrying on of a trade or profession generally are taxed in the same way as profits derived by companies.

**Rates**: For employment income, progressive rates ranging from 5% to 35% apply to residents. However, where there is no labor contract or the contractual term is less than three months, the income derived is subject to a flat rate of 10% on payments of VND 2 million and above.

Employment income of nonresidents is subject to a flat rate of 20%.

Income from sources other than employment is taxed at rates ranging from 0.1% to 20%, which apply to both residents and nonresidents.

**Capital gains**: Residents and nonresidents are subject to a tax rate of 20% on gains from the transfer of shares in limited liability companies, partnerships, and joint ventures. As from 1 July 2026, where the acquisition cost and related expenses cannot be determined, an individual income tax rate of 2% is imposed on the transfer price.

Both residents and nonresidents are subject to a tax rate of 0.1% on sale proceeds from the transfer of securities (e.g., shares, call options on shares, bonds, treasury bills, fund certificates, other securities according to the Law on Securities) in joint stock companies (whether public or private).

**Deductions and allowances**: Subject to certain restrictions, tax deductions are granted for compulsory social security contributions made by employees, including social insurance (SI), health insurance (HI), and unemployment insurance (UI, not applicable to expatriates), and compulsory professional liability insurance for certain occupations. Other tax deductions include a personal deduction and a dependent deduction of VND 15.5 million per taxpayer and VND 6.2 million per dependent (subject to frequent adjustments), voluntary retirement fund contributions and charitable contributions, and contributions to supplementary retirement insurance in accordance with the Law on Social Insurance. The purchase of voluntary retirement insurance and life insurance within the limits prescribed by the government, and expenditure on healthcare and education or training for the taxpayer and their dependents subject to the prescribed limits also are deductible.

High-tech personnel may be entitled to a five-year tax exemption for employment income if they are engaged in research and development on important or strategic technology listed as priorities under the high-tech regulations, or involved in activities related to training and human resources for the digital technology industry, and work in specified areas, including digital technology industry projects located in concentrated digital technology zones, or research, development, and production projects involving key digital technology products, semiconductors, and artificial intelligence systems.

**Foreign tax relief**: Foreign tax paid may be credited against Vietnamese tax but must be determined based on pretax income. The credit is limited to the amount of Vietnamese tax payable on the foreign-source income.

## Compliance for individuals

**Tax year**: The tax year generally is the calendar year. For foreign individuals arriving in Vietnam during a calendar year and staying in Vietnam for less than 183 days in that calendar year but more than 183 days in a period of 12 consecutive months, the first tax year is the 12-month period from the date of first arrival. For resident foreign individuals leaving Vietnam, the tax year is from January to the month of departure.

**Filing status**: Individuals must file separate returns; joint filing is not permitted.

**Filing and payment**: Tax on employment income is withheld by the employer and remitted to the tax authorities on a monthly or quarterly basis. The employer must submit an annual finalization return by the last day of the third month following the calendar year end.

For individuals who file tax returns directly with the tax authorities, the normal deadline for tax return submission and tax payment is the last day of the fourth month following the calendar year end. In special cases, the deadlines may vary depending on the individual's circumstances, such as dates of arrival in and departure from Vietnam.

**Penalties**: Penalties apply for failure to file, late filing, or filing a fraudulent return. Taxpayers are subject to an extra 0.03% penalty per day of late payment, a penalty of 20% on underreported amounts, and more stringent penalties for evasion (up to 300%).

**Rulings**: A taxpayer may request a tax ruling from the local or national tax authorities to clarify specific tax concerns. Tax rulings are generally binding on the tax authorities that issue them, provided the taxpayer has fully and accurately disclosed all relevant facts and complies with the conditions stated in the ruling. The taxpayer may also choose to rely on the ruling.

A ruling issued by local tax authorities may not be binding on higher-level tax authorities. In the event of a future audit or inspection conducted by a higher-level authority, if a different interpretation is reached, the higher-level authority may override the local ruling.

## Withholding tax

**Rates**

| Type of payment | Residents | | Nonresidents | |
|---|---|---|---|---|
| | Company | Individual | Company | Individual |
| **Dividends** | 0% | 5% | 0% | 5% |

| | | | | |
|---|---|---|---|---|
| **Interest** | 0% | 5% | 5% | 5% |
| **Royalties** | 0% | 5% | 10% | 5% |

**Dividends**: No withholding tax is imposed on dividends paid to resident or nonresident companies. Dividends paid to resident and nonresident individuals are subject to a 5% withholding tax rate unless, in the case of nonresidents, the rate is reduced under an applicable tax treaty.

**Interest**: No withholding tax is imposed on interest paid to resident companies. A 5% withholding tax rate applies to interest paid to resident individuals, as well as nonresident companies and individuals. The rate for nonresidents may be reduced under an applicable tax treaty.

**Royalties**: No withholding tax is imposed on royalties paid to resident companies. A 5% withholding tax rate applies to royalties paid to resident and nonresident individuals, while a 10% rate applies to royalties paid to nonresident companies. The rates for nonresidents may be reduced under an applicable tax treaty. Income derived by a nonresident from the transfer of a right to use a trademark also is subject to VAT at a rate of 5%.

**Fees for technical services**: No withholding tax is imposed on technical service fees paid to resident companies. The rate is 5% for technical service fees paid to nonresident companies unless the rate is reduced under an applicabletax treaty. For business individuals, technical service fees are subject to withholding tax at rates ranging from 1% to 2% for residents and 1% to 5% for nonresidents, depending on the specific service provided. For non-business individuals, the withholding tax rates applied to technical service fees are similar to the tax rates applied to employment income, which are progressive tax rates ranging from 5% to 35% for resident individuals and 20% for nonresident individuals (see “Rates” under “Individual taxation,” above). The rate for nonresident individuals may be reduced under an applicable tax treaty. Income derived by a nonresident from technical service fees also is subject to VAT at a rate of 5%.

**Branch remittance tax**: There is no branch remittance tax.

## Anti-avoidance rules

**Transfer pricing**: Vietnam has transfer pricing rules that generally follow the OECD guidelines. The following methodologies are permitted: comparable uncontrolled price (CUP), resale price, cost plus, comparable profit, and profit split. The taxpayer is required to prioritize the CUP method; other methods should be applied only after rejection of the CUP. The taxpayer must establish that it is using the “best” method appropriate under the circumstances. Contemporaneous documentation is required under rules that generally follow the OECD BEPS action 13 recommendations. The tax authorities may adjust profits if the pricing strategy is found not to be at arm’s length. The Vietnamese transfer pricing rules also incorporate the “substance over form” principle, leading to certain types of related party expenses being regulated as nondeductible for corporate income tax purposes. Advance pricing agreements are possible.

**Interest deduction limitations**: For entities with related party transactions, the deductibility of total net interest expense (i.e., interest expenses less interest income from bank deposits and lending) from related and unrelated transactions is capped at 30% of EBITDA (earnings before interest, taxes, depreciation, and amortization). Nondeductible interest may be carried forward for five years and offset where the net interest expense/EBITDA ratio is below 30%.

**Controlled foreign companies**: There are no controlled foreign company rules.

**Anti-hybrid rules**: There are no anti-hybrid rules.

**Economic substance requirements**: Corporate income tax may be deemed payable where transactions do not have economic substance.

**Disclosure requirements:** Certain multinational enterprises are required to disclose detailed information on related party transactions by submitting an annual declaration form (along with the corporate income tax return) and prepare transfer pricing documentation composed of a local file, a master file, and a country-by-country report (as necessary).

**Exit tax**: There is no exit tax. A temporary exit suspension may be applied to any individuals with outstanding tax debts.

**General anti-avoidance rule**: The tax authorities may deny tax treaty benefits by disregarding transactions that were not entered into for commercial purposes but only to obtain tax benefits.

## Value added tax

| Rates | |
|---|---|
| **Standard rate** | 8%/10% |
| **Reduced rate** | 0%/5% |

**Taxable transactions**: VAT is imposed on most common goods and services.

**Rates**: A temporarily reduced standard rate of VAT of 8% applies to most goods and services until 31 December 2026. For goods and services that are excluded from the temporary reduction, the standard rate of VAT is 10%. Reduced rates of 0% and 5% apply.

**Registration**: All organizations and individuals carrying on the production or trading of taxable goods and services in Vietnam must register for VAT purposes. Each branch or outlet of an enterprise must register separately and declare tax on its own activities. Transfers of goods between branches may be subject to VAT. Registration for VAT is required within 10 days of the date the business establishment license was issued. Business households or individuals without a business license may register for VAT at the same time as their first VAT declaration.

Overseas suppliers engaging in e-commerce, digital platform-based activities, or the provision of other services to organizations or individuals in Vietnam are obliged to register, declare, and pay taxes in Vietnam directly or through an authorized representative.

**Filing and payment**: Monthly filing and payment of outstanding VAT must be made by the 20th day of the following month. Quarterly VAT filing and payment are allowed for certain taxpayers and must be made by the 30th day of the following quarter.

**Other**: Electronic invoicing is mandatory.

## Other taxes on corporations and individuals

Unless otherwise stated, the taxes in this section apply both to companies and individuals and are imposed at the national level.

**Social contributions and payroll taxes**: For Vietnamese employees, the employer is required to make SI, HI, UI, and labor accident and occupational disease insurance contributions of 17.5%, 3%, 1%, and 0.5% (0.3% for special cases with official approval), respectively. Vietnamese employees are required to make SI, HI, and UI contributions at rates of 8%, 1.5%, and 1% of the employee's salary, allowances, and other additional income, respectively.

For foreign employees, in certain circumstances, the employer is required to contribute to HI at a rate of 3% and to SI at a rate of 17.5% (17.3% for special cases with official approval). The SI contribution includes a contribution to the retirement, sickness, maternity, occupational diseases, and accident funds. Foreign employees are required to make HI contributions at a rate of 1.5% in certain circumstances and retirement and death fund contributions for SI at a rate of 8%.

**Capital duty**: There is no capital duty.

**Real property tax**: The municipal authorities impose tax (e.g., land rental tax, land use fees) on the use of real property.

**Transfer tax**: There is no transfer tax.

**Stamp duty**: A stamp duty of 0.5% to 15% is imposed on certain types of assets, including real property.

**Net wealth/worth tax**: There is no net wealth tax or net worth tax.

**Inheritance/estate tax**: Inheritances and gifts above VND 20 million are subject to income tax at 10% (see "Taxable income" under "Individual taxation," above).

**Other**: Foreign contractor withholding tax is imposed on income from the provision of goods and services by nonresident entities (except on income from pure trading transactions with a delivery point to the border of Vietnam), which comprises corporate income tax and VAT at a total combined rate ranging from 0.1% to 15%.

**Tax treaties**: Vietnam has concluded approximately 80 tax treaties. The Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting (BEPS MLI) entered into force for Vietnam on 1 September 2023.

For information on Vietnam's tax treaty network, visit Deloitte International Tax Source.

**Tax authorities**: Provincial tax departments; Department of Taxation; Ministry of Finance

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