

Tax & Legal Alert

Decree No. 117/2025/ND-CP on tax administration for household and individual business activities on e-commerce and digital platforms

June 2025



Tax administration for household and individual business activities on e-commerce and digital platforms

On 09 June 2025, the Government officially issued Decree No. 117/2025/ND-CP ("Decree 117"), providing detailed regulations on tax administration applicable to business activities conducted by households and individuals via e-commerce and digital-based platforms. The Decree will take effect from 01 July 2025.

1

Tax withholding obligation of e-commerce and digital platforms

The below entities are required to withhold, declare, and remit taxes on behalf of resident and non-resident households and individuals:

- ✓ Foreign and domestic e-commerce and digital platforms with integrated **payment functions**;
- ✓ Vietnam-based entities acting on behalf of foreign platform providers to pay income to households and individuals for digital content or services.

2

Self-declaration obligations of households and individuals

Resident and non-resident business households and individuals conducting business on platforms **without payment functions** are required to self-declare and directly pay taxes to the Tax authority via electronic means.



Guidance on tax withholding obligation by e-commerce and digital platforms



Applicable withheld taxes

1. **Value-Added Tax ("VAT"):** withhold and remit on each domestic transaction.
2. **Personal Income Tax ("PIT"):**
 - ✓ Resident sellers: withholding and remittance are required for each transaction generating revenue both **domestically and abroad**;
 - ✓ Non-resident sellers: withholding and remittance apply only to transactions generating **domestic** revenue.

The tax amount is calculated as a percentage (%) of the revenue from each transaction. Tax rates are as table below:

Transaction type	VAT rate	PIT rate (resident)	PIT rate (non-resident)
Goods	1%	0.5%	1%
Services	5%	2%	5%
Transportation & Services associated with goods	3%	1.5%	2%

In cases cannot breakdown the value of goods or services, the highest will be applied (i.e., 5% VAT, 2% PIT for residents and 5% PIT for non-residents)



Tax calculation and determination

- ✓ E-commerce platform operators must withhold tax immediately upon successful transaction confirmation and payment acceptance;
- ✓ Transaction revenue is defined as the amount receivable by the household/individual that is collected by the platform on their behalf;
- ✓ In case of return/ cancellation, it can be offset against the tax obligations at the time of return/ cancellation.



Guidance on tax withholding obligation by e-commerce and digital platforms



Tax compliance

1. Tax registration:

- ✓ The Vietnamese platform is assigned a separate 10-digit tax identification number ("TIN") by the Tax authority's system for the purpose of declaring and paying the withheld tax, and is not required to submit a tax registration dossier;
- ✓ The foreign platform will use a 10-digit TIN in accordance with Circular No. 80/2021/TT-BTC.

2. Declaration period: on a monthly basis.

3. The tax declaration dossier includes: (i) Tax Withholding Declaration Form; and (ii) Appendix which provides detailed information on each household and individual business, including their respective revenue and the corresponding withheld tax amount.

4. Detailed tax payment statement: After the tax payment, the payment amount of each household and individual is also required to be submitted to the Tax authority under the regulated form on a monthly basis.

5. Annual electronic tax withholding certificates: The e-commerce and digital platform organizations register to use and issue the annual electronic tax withholding certificates to households and individuals on their withholding taxes.



Deloitte's recommendations to e-commerce and digital platform organizations

The implementation of Decree 117 may lead to increased compliance costs for platforms, especially where they are required to withhold and remit taxes on behalf of sellers. In this circumstance, Deloitte recommends that e-commerce and digital platform operators take the following actions to ensure compliance and manage potential risks:

Preparation

Ensure your systems are set to support withholding at the transaction level. Analyze the requirements of the new Decree.

Adaptation

Promptly arrange internal procedures to comply with monthly tax filing starting from 01 July 2025, with the first deadline of 20 August 2025.

Consultation

Promptly consult with tax experts to comply with tax withholding obligations from 01 July 2025.



Self-declaration obligations of business households and individuals

	For resident individuals and households	For non-resident individuals
Tax obligations	Must declare and pay VAT and PIT, following Circular No. 40/2021/TT-BTC dated 01 June 2021 issued by the Ministry of Finance.	Must declare and pay VAT and PIT on income from domestic transactions on e-commerce platforms. The applicable tax rates are the same as those applied in cases where the platform withholds tax as above.
Tax registration, declaration and submission procedures	It is required to register for electronic tax transactions and obtain a TIN following Official Letter No. 311/TCT-DNNCN dated 20 January 2025 issued by the General Department of Taxation.	
	Tax declarations and payment must be submitted on monthly basis OR occurrence basis.	Tax declarations and payment must be submitted on occurrence basis.
	Tax declaration form No. 02/CNKD-TĐMT.	Tax declaration form No. 03/CNNN-TMĐT.
	Submits tax declaration electronically to the relevant managing tax office.	Submits tax declaration electronically to the E-commerce Tax Sub-Department in Vietnam..



Deloitte's recommendations to the individuals and households

In recent months, the Vietnamese Tax authorities have actively coordinated with the police at local levels to enhance oversight of household and individual businesses operating on e-commerce platforms. This includes verifying business registration, assessing actual revenue, and integrating with the national personal identification database. These efforts, along with upcoming regulations requiring e-commerce platforms to withhold and remit taxes on behalf of sellers starting from 01 July 2025, place greater responsibility on individuals to enhance tax compliance.

In response, Deloitte recommends that both resident and non-resident individuals and households earning income from e-commerce and digital activities review their taxable income and ensure proper tax registration, declaration, and payment. A detailed consultation with tax advisors is highly recommended.





**Vietnam Tax Firm
of the Year
(2021 – 2024)**



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