Tax & Legal Alert

Update on the Law on Corporate Income Tax No. 67/2025/QH15 approved at the 9th session of the 15th National Assembly

July 2025

Highlighted new points in the 2025 Law on Corporate Income Tax

As part of the 9th session of the 15th National Assembly, the Law on Corporate Income Tax ("CIT") No. 67/2025/QH15 was officially approved on 14 June 2025, following a period of public consultation and draft revisions. This marks a significant milestone in the ongoing efforts to improve Vietnam's tax legislation framework, with the aim of facilitating business activities while ensuring fairness and transparency in the administration and collection of CIT. The new Law on CIT No. 67/2025/QH15 replaces the Law on CIT No. 14/2008/QH12 (amended and supplemented by Law No. 32/2013/QH13, Law No. 71/2014/QH13, Law No. 61/2020/QH14, Law No. 12/2022/QH15 and Law No. 15/2023/QH15), and will take effect from **01 October 2025**, and will apply to the **2025 tax year**.

Below is Deloitte's detailed update on several key amendments introduced under the Law on CIT No. 67/2025/QH15.

Expansion of CIT taxpayer including entities operating in the e-commerce sector

In line with the policies to enhance tax administration and ensure transparency in the e-commerce sector, the new Law on CIT introduces two additional categories of taxpayers, including:

1. **Foreign enterprises** without a permanent establishment in Vietnam, that **conduct e-commerce or digital platform-based business activities**, shall pay CIT on taxable income sourced in Vietnam;
2. **Permanent establishments of foreign enterprises**, including **e-commerce platforms and digital platforms** through which such enterprises provide goods and services in Vietnam.

Regulations on offsetting CIT from overseas-sourced investment income of Vietnamese enterprises

- ✓ Vietnamese enterprises that **earn** income from business and production activities abroad **during a tax period** are allowed to offset the CIT paid overseas against their CIT payable in Vietnam. However, the offsetting amount must not exceed the CIT amount calculated in accordance with Vietnamese CIT regulations. This represents a significant **change** from the current regulation;
- ✓ In cases where a Vietnamese enterprise is subject to additional CIT payments under the Income Inclusion Rule ("IIR") on global minimum taxable income, such additional CIT may also be offset against the CIT payable in Vietnam in accordance with the Law on CIT.

Highlighted new points in the 2025 Law on Corporate Income Tax (cont.)

Revisions and supplements to tax-exempt income

- ✓ Income derived from the forestry, planting, live-stock production, processing of agricultural and aquatic products, **in cases where such products are purchased for processing**, by enterprises operating in specially-difficult socio-economic locations;
- ✓ A **03-year tax exemption** limit is introduced for income from the performance of scientific research, technological development, innovation, digital transformation contracts; income from the sale of products created using newly applied technologies for the first time in Vietnam; and income from the sale of trial production products, including from controlled-trial production period;
- ✓ **Sponsorships** received from **unrelated** enterprises or organizations/individuals (domestic and foreign) for activities related to scientific research, technological development, innovation, and digital transformation;
- ✓ Income received as compensation from the State in accordance with applicable laws, income from the initial transfer of carbon credits, interest on green bonds, and the initial transfer of green bonds;
- ✓ Financial support from State budget, and from Investment Support Fund of the Government.

Allow to offset income from real estate and investment project transfers against losses from other business activities, excluding incentivized activities

The Law on CIT introduces a new provision allowing income from real estate transfers, investment project transfers, and the transfer of rights to participate in investment projects, to be **offset against** losses from other business activities (except for income from **activities currently enjoying CIT incentives**).

Under previous regulations Law No. 32/2013/QH13, enterprises were only allowed to offset **losses** from real estate transfers against profits from business activities, the reverse **offset** was not allowed. The change under the 2025 Law on CIT is expected to enhance transparency, better align with practical realities and international practices, and support the development of the real estate market. It is also anticipated to unlock the potential of economic sectors, particularly the private sector, which is increasingly operating across multiple industries and business sectors.

Highlighted new points in the 2025 Law on Corporate Income Tax (cont.)

Revisions and supplements of some deductible expenses and non-deductible expenses

1. Supplement **deductible expenses** including:

   - ✓ Additional expenses (calculated as a percentage of actual incurred costs) related to the enterprise's research and development ("R&D") activities during the tax period;
   - ✓ Donations for cultural activities; disaster and epidemic prevention, response, and recovery; contributions as prescribed by the Government or the Prime Minister for localities in areas with extremely difficult socio-economic conditions; and sponsorships for scientific research, technological development, innovation, and digital transformation;
   - ✓ Expenses for scientific research, technological development, innovation, and digital transformation;
   - ✓ Certain business-related expenses **not directly matched with revenue** generated in the same period, subject to guidance from the Government;
   - ✓ Supporting expenses for the construction of public facilities that **also** serve the enterprise's business purposes;
   - ✓ Expenses related to greenhouse gas emission reduction for carbon neutrality and net-zero goals, as well as for reducing environmental pollution, provided they are also related to business activities;
   - ✓ Contributions to certain funds established under decisions of the Prime Minister and regulations of the Government;
   - ✓ Expenses supported by sufficient invoices and non-cash payment evidence in accordance with regulations, except for specific cases as **stipulated by the Government**. This provision is aligned with the Value Added Tax ("VAT") Law No. 48/2024/QH15, effective from 01 July 2025;
   - ✓ Input VAT on goods and services directly related to the enterprise's business operations where such VAT cannot be fully credited and is not eligible for a refund.

2. Supplement and revision (legal codification) of **non-deductible expenses** including:

   - ✓ Interest expenses during the investment phase that have already been capitalized into the investment value; and interest on loans from non-credit institutions that exceed the limits set out under the Civil Code;
   - ✓ Supplement non-deductible expenses include those that fail to meet the conditions or purposes of expenditures as prescribed by relevant sector-specific regulations.

Highlighted new points in the 2025 Law on Corporate Income Tax (cont.)

CIT rate of small and medium-sized enterprises ("SMEs")

- ✓ A CIT rate of 15% applies to enterprises with annual total revenue not exceeding VND 3 billion;
- ✓ A CIT rate of 17% applies to enterprises with annual total revenue over 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 CIT period (The Government will provide detailed guidance on this provision). The Law on CIT excludes certain cases, such as income from specific sectors, cases where the taxpayer is a subsidiary or an affiliated company whose related parties do not meet the conditions for applying the preferential tax rates.

Highlighted new points in the 2025 Law on Corporate Income Tax (cont.)

Supplement and revision of incentivized business activities

No.	Supplementary business sector	Applicable CIT incentive
1	Application of strategic technologies as prescribed by law.	✓ Exemption for 04 years, 50% reduction for 09 subsequent years; ✓ Preferential 10% rate for 15 years, which may be **extended** for up to 15 additional years for projects with a minimum investment capital of VND 6,000 billion and significant socio-economic impact warranting special encouragement.
2	Manufacturing of cybersecurity products and provision of cybersecurity services; production of key digital technology products and provision of key digital technology services; manufacturing of electronic equipment in accordance with the Law on Digital Technology Industries; R&D, design, manufacturing, packaging, and testing of semiconductor chip products; and development of artificial intelligence data centers.	
3	Manufacturing of key chemical industry products and key mechanical engineering products in accordance with the provisions of law.	
4	Supporting industrial products for the manufacturing of textiles and garments, leather and footwear, electronics and information technology (including semiconductor design and manufacturing), automobile production and assembly, and mechanical engineering.	✓ Exemption for 04 years, 50% reduction for 09 subsequent years; ✓ Preferential 10% rate for 15 years. ✓ In cases where the Certificate of Incentives/Confirmation of Incentives is granted after the time revenue or income arises, the incentives shall be applied starting **from the year the certificate/confirmation is issued.**
5	Science and technology enterprises in accordance with the Law on Science, Technology, and Innovation.	
6	Automobile manufacturing and assembly; production of other digital technology products.	✓ Exemption for 02 years, 50% reduction for 04 subsequent years; ✓ Preferential 17% rate for 10 years.
7	Investment in and operation of technical facilities supporting SMEs, incubators for SMEs, and co-working spaces supporting innovative SME start-ups, in accordance with the Law on Support for SMEs.	

Highlighted new points in the 2025 Law on Corporate Income Tax (cont.)

Supplement and revision of conditions for preferential CIT incentivized locations

No.	Incentivized location being revised/supplemented	Applicable CIT incentive
1	Economic zones located in areas with difficult or especially difficult socio-economic conditions.	✓ Exemption for 04 years, 50% reduction for 09 subsequent years; ✓ Preferential 10% rate for 15 years.
2	Centralized digital technology zones established by decision of the Prime Minister.	
3	Economic zones not located in areas with difficult or extremely difficult socio-economic conditions.	✓ Exemption for 2 years, 50% reduction for 4 subsequent years; ✓ Preferential 17% rate for 10 years.
4	Industrial zones not located in areas with difficult or extremely difficult socio-economic conditions.	No longer eligible for incentive

Changes to the conditions on the scale of projects eligible for CIT incentives

- ✓ Removal of regulations on CIT incentive for income generated from new investment projects in the manufacturing sector with **a minimum capital scale of VND 6,000 billion**;
- ✓ For investment projects in the manufacturing sector with **a minimum capital scale of VND 12,000 billion**, the technology requirement has been revised, instead of requiring appraised technology as previously. Therefore, the project must now utilize technology that meets standards prescribed by the Minister of Science and Technology.
- ✓ Supplement cases of **investment projects eligible for special investment incentives and support under the Law on Investment**. The Government will provide detailed regulations on the timeline for disbursement of registered total investment capital in these cases.

Highlighted new points in the 2025 Law on Corporate Income Tax (cont.)

Amendments and supplements to principles and conditions for tax incentives on expansion investment project

1. Supplement cases considered as expansion investments now include activities aimed at **reducing pollution or improving the environment;**

2. In case the **existing project is still within the incentive period**, the additional income from the expansion investment will **enjoy the same tax incentives as the existing project for the remaining period**, and it is **not** required to separately account for the additional income from the expansion investment;

3. In case incentive period of the existing project **has already expired**, the additional income from the expansion investment will be eligible for tax exemption and reduction but not for preferential tax rates, provided that one of the following conditions is met:

   ✓ The historical cost of fixed assets increases upon the completion of the disbursement of the registered expansion investment capital, reaching the minimum threshold as prescribed by the Government;

   ✓ The ratio of the historical cost of fixed assets upon the completion of the expansion investment disbursement increases by at least 20% compared to the total historical cost of fixed assets before the expansion began;

   ✓ The design capacity increases by at least 20% upon the completion of the disbursement of the registered expansion investment capital compared to the design capacity before the expansion began.

Amendments and supplements to regulations on the establishment of the Science and Technology Development Fund of enterprises

✓ The maximum appropriation rate **is increased** from 10% to 20% of the annual taxable income;

✓ The interest rate used to calculate interest on the amount of CIT recovered due to unused funds will be the yield of 05-year government bonds, or 10-year bonds if 05-year ones are unavailable, issued nearest to the time of recovery. The interest calculation period is 02 years;

✓ For enterprises undergoing restructuring such as mergers, consolidations, demergers, conversions of ownership or business type, the newly established entity or the receiving entity (after the merger/consolidation/demerger/conversion) shall inherit and be responsible for managing and using the Science and Technology Development Fund of the pre-restructured enterprise.

Highlighted new points in the 2025 Law on Corporate Income Tax (cont.)

Some key regulatory points to be further detailed in upcoming guidelines

1. The Government will stipulate cases that CIT payable calculated as a **percentage of revenue** for certain cases, notably for foreign enterprises earning income in Vietnam that is not related to the activities of a permanent establishment (if any). **This regulation may potentially affect tax obligations arising from capital transfer transactions in Vietnam by foreign enterprises**;

2. If the Organization for Economic Co-operation and Development ("OECD") or the United Nations ("UN") introduces provisions or guidelines that provide **more favorable** taxing rights to source countries, including Vietnam, the Government shall be authorized to issue specific regulations to implement those provisions;

3. The Government is mandated to provide detailed guidance of some Articles of the 2025 Law on CIT, at Decree level.

Recommendations for enterprises

Recommendations for enterprises

- ✓ The 2025 Law on CIT reflects the strong commitment of the National Assembly and the Government to developing **a robust legal framework with clear regulations that support and align with sector-specific laws** related to business operations in practice, while also enabling taxpayers to comply effectively with the law. At this stage, this is the initial step in introducing general provisions, and detailed implementation guidelines will be further specified in forthcoming Decrees and Circulars, which businesses should continue to monitor.

- ✓ From a business perspective, in light of the changes introduced by the amended Law on CIT, enterprises are recommended to **carefully assess the impacts and formulate tax and investment planning strategies**. Specifically, enterprises should evaluate how the regulatory changes may affect their operations, including implications for cash flow, profitability, tax incentives, investment decisions, and risk management.

- ✓ Given the visible implications of this new Law on CIT, the business community is encouraged to work closely with tax professionals to assess and analyze the impact of the new regulations on their specific circumstances, ensuring compliance and effective tax and business strategy planning.

Deloitte Vietnam's support

Our Advisory team includes numerous professionals in corporate taxation who can promptly support enterprises in the following areas:

Regulatory update

Timely updates to the company on regulatory changes and requirements related to the new Law on CIT.

Compliance review

Conduct a thorough review of affected items to assess the Company's level of compliance. Where requirements are not met, we will advise on potential risks and provide recommendations for appropriate remedial actions.

Assist in developing internal control procedures

Assist enterprises in developing or reviewing internal control procedures related to affected activities, to ensure proper reflection of tax obligations in accordance with the new changes.

Provide support through training sessions and workshops

Organize training sessions and workshops to enhance the understanding of company personnel in charge regarding the amended and supplemented legal regulations under the new provisions.

The official content of the Law on CIT is in the process of being published following its approval by the National Assembly. The information provided in this alert is based on the most up-to-date details available at the time of publication and may differ from the official legislation once formally released in accordance with the law.

If you have any questions relating to Tax and Legal matters, please do not hesitate to contact our professionals at Deloitte Vietnam.

Vietnam Tax Firm of the Year (2021 – 2024)

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