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Tax & Legal Newsletter

March 2025

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Vietnam Tax Firm of the Year (2021 – 2024)

ITR ASIA-PACIFIC TAX AWARDS 2024

Table of content

01 Tax Administration

- New organizational structure of the Tax authorities (Read more) 5

02 Corporate Income Tax

- Determining CIT incentives for enterprises currently enjoying tax incentives based on their preferential location 7
- Determining deductible expenses for the depreciation of fixed assets 7
- Non-deductibility of land rental costs not yet used for business 7

03 Indirect Tax

- Guidance on VAT Refund for investment project 9
- Guidance on declaring specialized invoices in the electricity trading industry 9
- Guidance on online advertising invoices and VAT deduction 9
- Guidelines for issuing VAT invoices for on-the-spot exported goods 10
- Guidance on VAT for goods exported via foreign E-commerce platforms 10

04 Personal Income Tax

- Regarding the implementation of providing information on PIT paid on behalf of individuals (Read more) 12
- PIT on determining taxable income for PIT 13
- Regarding PIT on in-kind gifts during holidays, New Year, for outstanding employees, or prize draw winners 13
- Regarding PIT withholding on income and PIT finalization for the employee during probation period 14
- PIT on profit distribution and capital transfer 14
- Guidance on PIT on reward from promotional program 15
- Regarding PIT policy on Contract penalty capital investment 15
- PIT finalization procedures for terminated foreign employees 16
- Issuance of the automatic PIT refund process 16

05 Foreign Contractor Withholding Tax

- FCWT on late loading/unloading penalties paid to foreign shipping company 18
- FCWT on machinery and equipment with installation and warranty support 18

Vietnam Tax Firm of the Year (2021 – 2024)

ITR ASIA-PACIFIC TAX AWARDS 2024

Table of content (cont.)

Legal 06

- The Government details the electricity operation license 20
- Labor classification standards according to working conditions 21

Trade & Customs 07

- Organizational restructure of Customs authorities (Read more) 23
- Import duty refund for imported goods that have to be re-exported 24
- HS code classification for four-wheeled electric vehicle for carrying passengers 24
- Implementation of the new Organizational structure of Customs authorities 25
- Management measures for products containing industrial precursors 25

01

Tax Administration

4

Tax Administration

Highlighted News

New organizational structure of the Tax authorities

The organizational structure of the Tax authorities and tax agencies at all levels has been reorganized according to the Decision No. 381/QD-BTC dated 26 February 2025 issued by the Ministry of Finance regulating the functions, tasks, authorities and structure of the Department of Taxation (formerly the General Department of Taxation), Decision No. 904/QD-BTC dated 03 March 2025 issued by the Ministry of Finance regulating the functions, tasks, authorities and organizational structure of the Regional Tax Sub-Department; Decision No. 15/QD-CT dated 03 March 2025 issued by the Department of Taxation regulating the functions, tasks, authorities of the district Tax Division.

The system of Tax authorities shall be organized vertically from central to local following the model of 03 levels:

1) Tax Department (Former General Department of Taxation);
2) Regional Tax Sub-Department (20 Regional Tax Sub-Departments are established to replace the 63 provinces/city Tax Departments);
3) Inter-district Tax Division.

The new model is based on the principle of "taxpayer categories-based management combined with functional management." Accordingly, each tax officer is responsible for managing specific taxpayers and will provide comprehensive support across all functions, including tax registration, tax declaration, debt management, policy and tax administration consultation, etc.

For detailed information, please refer to the Deloitte Tax alert about new organizational structure of the Tax authorities.

(Decision No. 381/QD-BTC dated 26 February 2025, Decision No. 904/QD-BTC dated 03 March 2025 issued by the Ministry of Finance; Decision No. 15/QD-CT dated 03 March 2025 issued by the Department of Taxation)

Deloitte Vietnam's recommendations

- Businesses need to quickly adapt to changes in the management model and management process of the Tax authorities. You should contact the tax officer in-charge to find out the new process of handling the outstanding issues that the enterprise has submitted and is pending from the former Tax authority.
- Businesses should review and archive complete tax dossiers and relevant supporting documents, ensuring consistent compliance with tax law in the process of transitioning to the new managing Tax authorities.
- Contact a consultant for assistance in resolving issues and enhancing tax compliance.

02

Corporate Income Tax

6

Corporate Income Tax

Guidance ruling

Determining Corporate Income Tax ("CIT") incentives for enterprises currently enjoying tax incentives based on their preferential location

In cases where an enterprise has an investment project eligible for CIT incentives due to its location in a preferential area, the income entitled to the tax incentive is the income derived from the production and business activities of the investment project within the preferential area, excluding income that is not eligible for incentives as stipulated by the CIT Law.

CIT incentives do not apply to:

- Income not generated within the preferential location;
- Income that does not arise from the production and business activities of the investment project.

(Official Letter No. 995/TTC-CS dated 28 February 2025 issued by the General Department of Taxation)

Determining deductible expenses for the depreciation of fixed assets

In cases where fixed assets lack documentation proving the enterprise's ownership (the enterprise has not been granted the Certificate of land use right, ownership for assets attached to the land) as required by law, such assets do not meet the conditions for depreciation and recognition of deductible expense when determining CIT taxable income.

(Official Letter No. 655/TCT-TS dated 14 February 2025 issued by the General Department of Taxation)

Non-deductibility of land rental costs not yet used for business

In cases where a company incurs a one-time land rental payment for the entire lease term and management fees for leased land that has not yet been utilized for its business operations, such expenses are not deductible when determining CIT taxable income at the time the leased land has not been put into business use.

(Official Letter No. 140/CT-CS dated 14 March 2025 issued by the Department of Taxation)

03

Indirect Tax

8

Indirect Tax

Guidance ruling

Guidance on Value-Added Tax ("VAT") Refund for investment project

In the case where the company is a VAT-registered business under the credit method and is carrying out a new investment project in three phases (with phases 1 and 2 already in operation, and phase 3 still in the investment stage), the input VAT on goods and services incurred during the investment phase of the project is refundable. If any phase or investment item is completed and there is VAT payable, the company must offset the input VAT of the investment project with the VAT payable from its ongoing business activities. After the offset, if the cumulative input VAT of the investment project that has not yet been fully deducted is VND 300 million or more, the VAT of the investment project will be refunded.

(Official Letter No. 661/TCT-CS dated 17 February 2025, issued by the General Department of Taxation)

Guidance on declaring specialized invoices in the electricity trading industry

The company may issue invoices for the previous month's production based on the payment reconciliation between the company and the electricity trading company, no later than the 20th of the following month, and to declare VAT in the tax period when the tax obligation arises, as guided in the Official Letter No. 4938/CTBDI-TTHT dated 20 December 2024 (not declaring VAT based on the invoice issuance period). In the case where the company has declared VAT based on the invoice issuance date from 2019 until before the Tax Department issued the official letter responding to the VAT declaration for the electricity trading industry, the Tax Department will report to seek the General Department of Taxation's opinion on whether the company needs to supplement the VAT declaration records.

(Official Letter No. 508/CTBDI-TTHT dated 17 February 2025, issued by the Binh Dinh Tax Department)

Guidance on online advertising invoices and VAT deduction

VAT declaration and deduction

One of the conditions for deducting input VAT is having a valid VAT invoice for goods or services purchased, or tax payment documents for VAT at the import stage, or tax payment documents for VAT on behalf of the foreign party.

According to the invoices attached to the inquiry letter from the unit, which were issued by foreign suppliers, these are businesses operating on digital platforms that have registered for tax in Vietnam, paying VAT and corporate income tax under the method based on revenue (the General Department of Taxation publicly lists foreign suppliers who have registered for tax on the electronic portal for foreign suppliers at: etaxvn.gdt.gov.vn). These are not VAT invoices for entities declaring VAT under the credit method, and therefore, they do not meet the requirements for input VAT deduction according to the regulations.

(Official Letter No. 473/CTPHY-TTHT dated 20 February 2025, issued by the Phu Yen Tax Department)

Indirect Tax

Guidance ruling (cont.)

Guidelines for issuing VAT invoices for on-the-spot exported goods

In the case where the company sells goods under a contract with a foreign partner that does not have a presence in Vietnam and designates a company in Vietnam for the delivery of the goods, which qualifies as a "place of export," if the goods are transported to the border gate or to the location where export procedures are completed, the company shall use an internal transfer and dispatch note as stipulated in Clause 14, Article 10 of Decree No. 123/2020/ND-CP mentioned above.

After completing the export procedures for the goods, the company will issue a VAT invoice for the exported goods. The specific way to fill out the invoice is as follows:

- Buyer's full name: enter the name of the foreign buyer.
- Name of the purchasing entity: enter the name of the company receiving the goods.
- Delivery location: the delivery location in Vietnam (as per the contract).
- Tax identification number: blank.

(Official Letter No 2721/CTBDU-TTHT dated 27 February 2025 issued by the Binh Duong Tax Department)

Guidance on VAT for goods exported via foreign e-commerce platforms

Based on the opinions of the Ministry of Industry and Trade and the Ministry of Information and Communications, in cases where a business engages in the sale of goods on a foreign e-commerce platform, it does not meet the conditions for applying the 0% VAT rate and VAT deduction or refund according to the current VAT laws and regulations.

(Official Letter No. 986/TCT-CS dated 28 February 2025 issued by the General Department of Taxation)

04

Personal Income Tax

11

Personal Income Tax

Highlighted News

Regarding the implementation of providing information on Personal Income Tax ("PIT") paid on behalf of individuals

Businesses that withhold and pay (PIT) on behalf of employees who earn income from salaries and wages are required to provide information on the amount of PIT paid on behalf of each employee based on the PIT payment documents. This requirement aims to facilitate the implementation of the automatic PIT refund process starting in 2025.

Specifically, the information to be provided to the tax authority (where the tax declaration is submitted) includes general information about the tax payment documents; detailed information for each individual who had PIT withheld and paid on their behalf (taxpayer Identification number, taxpayer name, amount of PIT withheld, amount of PIT paid into the state budget, and any overpaid tax from previous periods that was offset, if applicable).

The information must be provided through the General Department of Taxation's e-portal. Currently, the General Department of Taxation has upgraded the HTKK application to assist businesses in creating and generating detailed tax payment files for each employee's PIT to be submitted to the General Department of Taxation's Portal immediately after-tax payment completion. Instructions on how to perform this process are provided in the attached appendix.

(Official Letter No. 828/TCT-KK dated 25 February 2025, issued by the General Department of Taxation)

Deloitte Vietnam's recommendations

According to Official Letter No. 828/TCT-KK from the General Department of Taxation, the provision of data on the monthly PIT paid on behalf of employees by employer indicates that the Tax authority is increasing its inspection and requiring taxpayers to comply with the deadlines for tax declaration. Therefore, organizations/entities paying income need to pay attention to the following:

- Ensure compliance with tax declaration deadlines as prescribed;
- Review the declarations to ensure compliance and detect any inaccuracies (if any);
- In case of discrepancies, make corrections in accordance with current tax laws.

Personal Income Tax

Guidance ruling

PIT on determining taxable income for PIT

In cases where the company pays for travel expenses with the name of the individual recipient specified, the amount is considered taxable personal income. However, if the payment for service fees does not specify the name of the individual recipient and is instead paid collectively for a group of employees, it will not be considered as taxable personal income.

As for the uniform allowance provided to employees, which aligns with the criteria for determining taxable income under CIT regulations in accordance with the relevant guidelines for the implementation of the CIT Law, it will not be included in the taxable personal income.

(Official Letter No. 688/CTTNI-TTHT dated 12 February 2024 issued by the Tay Ninh Tax Department)

Regarding PIT on in-kind gifts during holidays, New Year, for outstanding employees, or prize draw winners

PIT on gifts in kind during holidays, New Year, outstanding employees, and prize draws:

- In cases where the nature's gift is considered as salary or wages for the company's employees: if the gift is considered a non-cash benefit provided by the company to specific individuals under any forms. The company must declare and withhold tax on the income as salary or wages, as prescribed for income from salaries and wages (excluding bonus payments as defined in Clause e, Article 2 of Circular No. 111/2013/TT-BTC).
- In cases where the gift is not considered salary or wages:
  - If the company gives a gift in kind (i.e. merchandise or souvenir) that does not fall under the categories of gifts defined in Clause 10, Article 2 of Circular No. 111/2013/TT-BTC, this income is not considered taxable income from receiving a gift.
  - If the gifts fall under the categories defined in Clause 10, Article 2 of Circular No. 111/2013/TT-BTC, it is considered taxable income from receiving a gift.
- In cases where gifts are given to a group/ collective basis: The gift provided to the group is not considered taxable income.
- In cases where the company organizes a prize draw for individuals: If the prize value exceeds VND 10 million (for each instance of winning, regardless of the number of times the prize is received), it will be included in the taxable income from winning prizes.

(Official Letter No. 260/CTHNA-HKDCN dated 12 February 2025 issued by the Ha Nam Tax Department)

Personal Income Tax

Guidance ruling (cont.)

Regarding PIT withholding on income and PIT finalization for the employee during probation period

PIT withholding on income from salaries and wages is conducted in accordance with the provisions of point b and point i, Clause 1, Article 25 of Circular No. 111/2013/TT-BTC dated 15 August 2013 issued by the Minister of Finance.

Regarding the annual tax finalization for probationary employees, if they authorize an organization or individual paying income to finalize their tax, the procedure should follow the provisions in Clause d.2, point d, Clause 6, Article 8 of Decree No. 126/2020/ND-CP dated 19 October 2019 by the Government. If they did not authorize others to finalize their tax, they must directly file the PIT finalization with the Tax authority in accordance with the provisions in Clause d.3, point d, Clause 6, Article 8 of Decree No. 126/2020/ND-CP dated 19 October 2020 by the Government.

(Official Letter No. 760/CTBRV-TTHT dated 17 February 2025 issued by the Ba Ria - Vung Tau Tax Department)

PIT on profit distribution and capital transfer

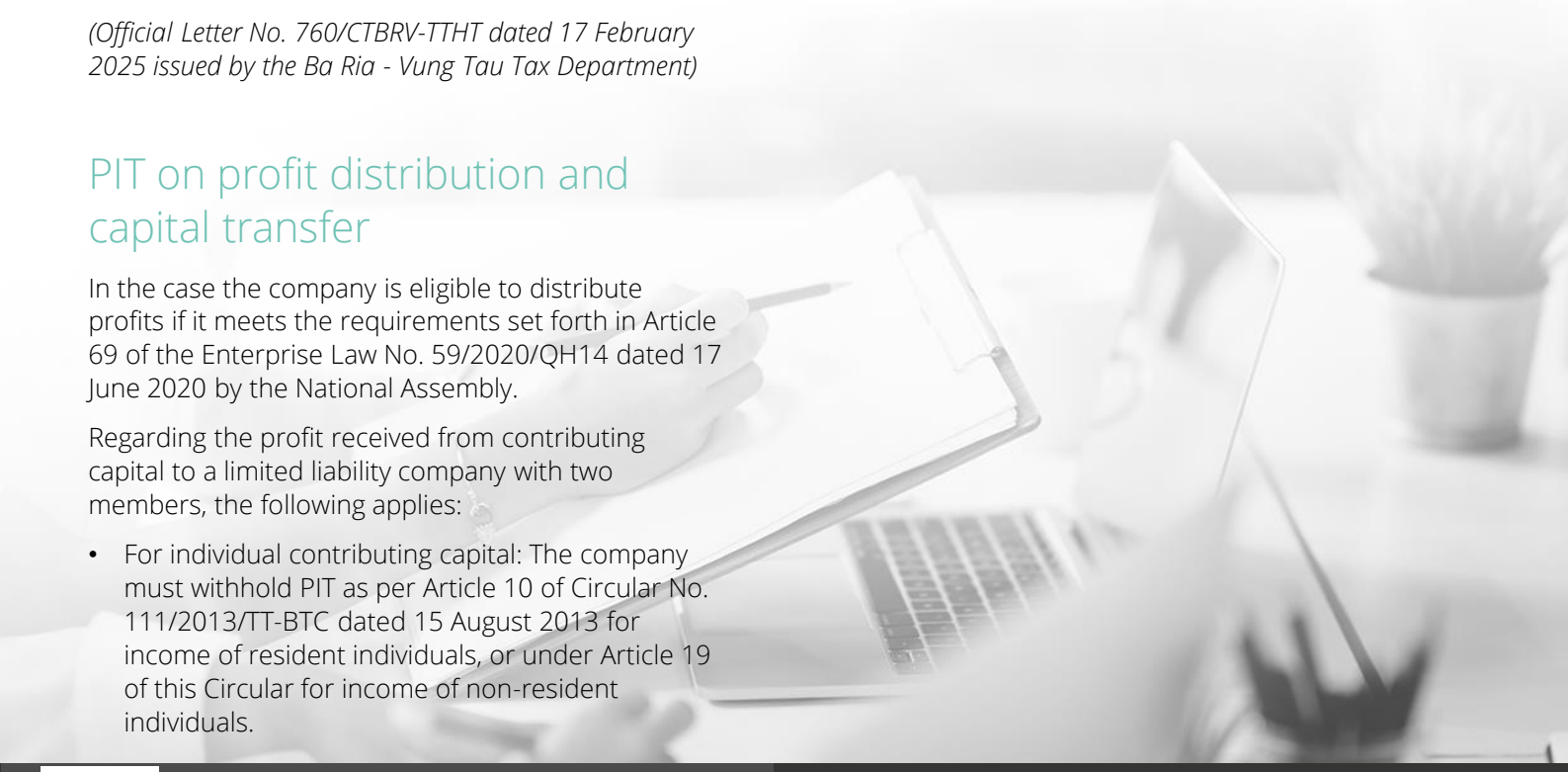
In the case the company is eligible to distribute profits if it meets the requirements set forth in Article 69 of the Enterprise Law No. 59/2020/QH14 dated 17 June 2020 by the National Assembly.

Regarding the profit received from contributing capital to a limited liability company with two members, the following applies:

- For individual contributing capital: The company must withhold PIT as per Article 10 of Circular No. 111/2013/TT-BTC dated 15 August 2013 for income of resident individuals, or under Article 19 of this Circular for income of non-resident individuals.
- For foreign investors contributing capital: The distributed income from capital contributions is exempt from corporate income tax if it meets the criteria in Clause 6, Article 8 of Circular No. 78/2014/TT-BTC dated 18 June 2014. When foreign investors transfer profits abroad, they must notify the transfer to the Tax authorities either directly or through the company in which they invested, using the form attached to Circular No. 186/2010/TT-BTC dated 18 November 2010.

If a foreign investor gifts part of their capital in a limited liability company with two or more members to an individual, the income the individual receives is considered a gift and is subject to PIT. The company must withhold PIT on the individual's income in accordance with Article 16 of Circular No. 111/2013/TT-BTC dated 15 August 2013 for resident individuals or under Article 23 of this Circular for non-resident individuals.

(Official Letter No. 93/CTLAN-TTHT dated 08 January 2025 issued by the Long An Tax Department)



Personal Income Tax

Guidance ruling (cont.)

Guidance on PIT on reward from promotional program

In cases where the company runs a promotional program in which customers individually receive gifts such as securities, capital shares in economic organizations, business establishments, real estate, or other assets that require registration of ownership or usage, the income from these gifts is subject to PIT.

If the company awards gifts to customers based on the quantity or value of goods or services purchased, and this is not covered under the provisions in Clause 10, Article 2 of Circular No. 111/2013/TT-BTC, then this income is not subject to PIT on gifts.

In cases where the company gives gifts to business households, the company must declare and pay taxes on behalf of the household as per the provisions in Clause c, Article 1, and Item 1, Appendix I of Circular No. 40/2021/TT-BTC. The tax declaration documents are specified in Clause a, Article 1, Article 16 of Circular No. 40/2021/TT-BTC.

(Official Letter No. 184/CTHYE-TTHT dated 10 January 2025 issued by the Hung Yen Tax Department)

Regarding PIT policy on contract penalty capital investment

1. In cases where the company signs a deposit agreement with an individual for the transfer/lease of land use rights or ownership of a villa within the company's project, but for some reason, the company cannot fulfill the terms of the contract, and according to the contract terms and mutual agreement, the company is required to pay compensation and a deposit penalty to the individual. If the deposit contract and the payments are in accordance with the facts and regulations, the compensation and penalty payments that the company must pay to the individual will not be considered as taxable PIT income under the provisions of the PIT Law.
2. In the case where the company signs a Business Cooperation Contract (BCC) with an individual: The company commits to paying the individual a fixed profit amount calculated as a percentage of the capital contribution, regardless of the actual business results of the project. In this case, although the legal form of the contract is BCC, the essence of the contract is a loan. Therefore, the annual income received by the individual from the company is considered investment income and is subject to PIT as stipulated by the PIT Law, with a tax rate of 5% on taxable income.

Regarding the penalty for contract violations, late payment interest, or compensation that the company must pay to the individual upon contract termination, based on mutual agreement and compliance with regulations, if it is identified as income subject to tax from capital investment under Clause 1, Article 12 of the Personal Income Tax Law dated 21 November 2007, it will also be subject to PIT at a rate of 5% on taxable income.

(Official Letter No. 952/CTBGI-TTHT dated 24 February 2025 issued by the Bac Giang Tax Department)

Personal Income Tax

Guidance ruling (cont.)

PIT finalization procedures for terminated foreign employees

In cases where a foreign employee, who is a resident, terminates their employment contract in the middle of the fiscal year, they must directly declare their PIT finalization with the tax authority before departure. If the individual authorizes the income-paying organization or another organization/person to finalize the tax on their behalf, the process must follow the correct procedures for document submission and tax filing deadlines as per the regulations.

For employees with a single source of income from salaries or wages who do not authorize others to finalize their tax, or those who have resigned or have multiple sources of income (including temporary income from other places) not exceeding VND 10 million and have already had 10% PIT withheld, the company is not required to finalize the tax on their behalf.

(Official Letter No. 952/CTBGI-TTHT dated 24 February 2025 issued by the Bac Giang Tax Department)

Issuance of the automatic PIT refund process

Immediately after the deadline for submitting the PIT finalization declaration of income-paying organizations, the Tax Department's application will automatically review and consolidate data to generate the suggested PIT finalization declaration.

Taxpayers can use the eTax Mobile application or the electronic Tax application for individuals provided by the General Department of Taxation to check the information on the suggested PIT finalization declaration automatically generated by the Tax Department's system.

suggested PIT finalization declaration, they can confirm and submit the tax finalization document via the application. If they disagree with the suggested declaration, the taxpayer can correct the information in the corresponding fields and provide reasons for the discrepancies with the figures suggested by the Tax authority, then submit the tax finalization document along with supporting documents.

For the suggested PIT finalization return with a refund request, if the following conditions are met, the system will automatically process the tax refund:

i. At the time of processing the PIT refund file of the taxpayer, the income-paying organization has completed its obligation to remit the PIT withheld on behalf of the taxpayer, or the total PIT paid by the individual taxpayer has been fully remitted to the state budget for the finalization period with the refund request.

ii. The PIT refund file has the "Total taxable income" field matching the data in the tax finalization period from the Tax Department's database at the time of file processing, and the "Total tax refund requested" field is less than or equal to the total data in the tax finalization period from the Tax Department's database.

iii. The taxpayer's refund account information is verified and linked to the Tax Department's database.

However, if the above conditions are not fully met, the system will generate a proposal to assign tax department staff to review and process each refund case individually.

(Decision No. 108/QD-TCT dated24 January 2025, issued by the General Department of Taxation and Official Letter No. 126/DNL-THNV dated14 February 2025, issued by the Large Enterprise Tax Department)

05

Foreign Contractor Withholding Tax

17

Foreign Contractor Withholding Tax

Guidance ruling

Foreign Contractor Withholding Tax ("FCWT") on late loading/ unloading penalties paid to foreign shipping company

A Vietnamese company has signed an import coal transportation contract with a foreign coal carrier, Company B. Under the terms of the contract, if Company B receives a payment as a penalty or compensation for late loading/unloading, leading to demurrage beyond the agreed period, such income falls under the scope of FCWT as stipulated in Article 1 of Circular No. 103/2014/TT-BTC. Specifically:

- VAT: Not subject to VAT declaration and payment.
- CIT: Determined in accordance with Article 13, Section 3, Chapter II, Circular No. 103/2014/TT-BTC.

(Official Letter No. 966/CT-TTHT dated 18 February 2025 issued by the Thanh Hoa Tax Department)

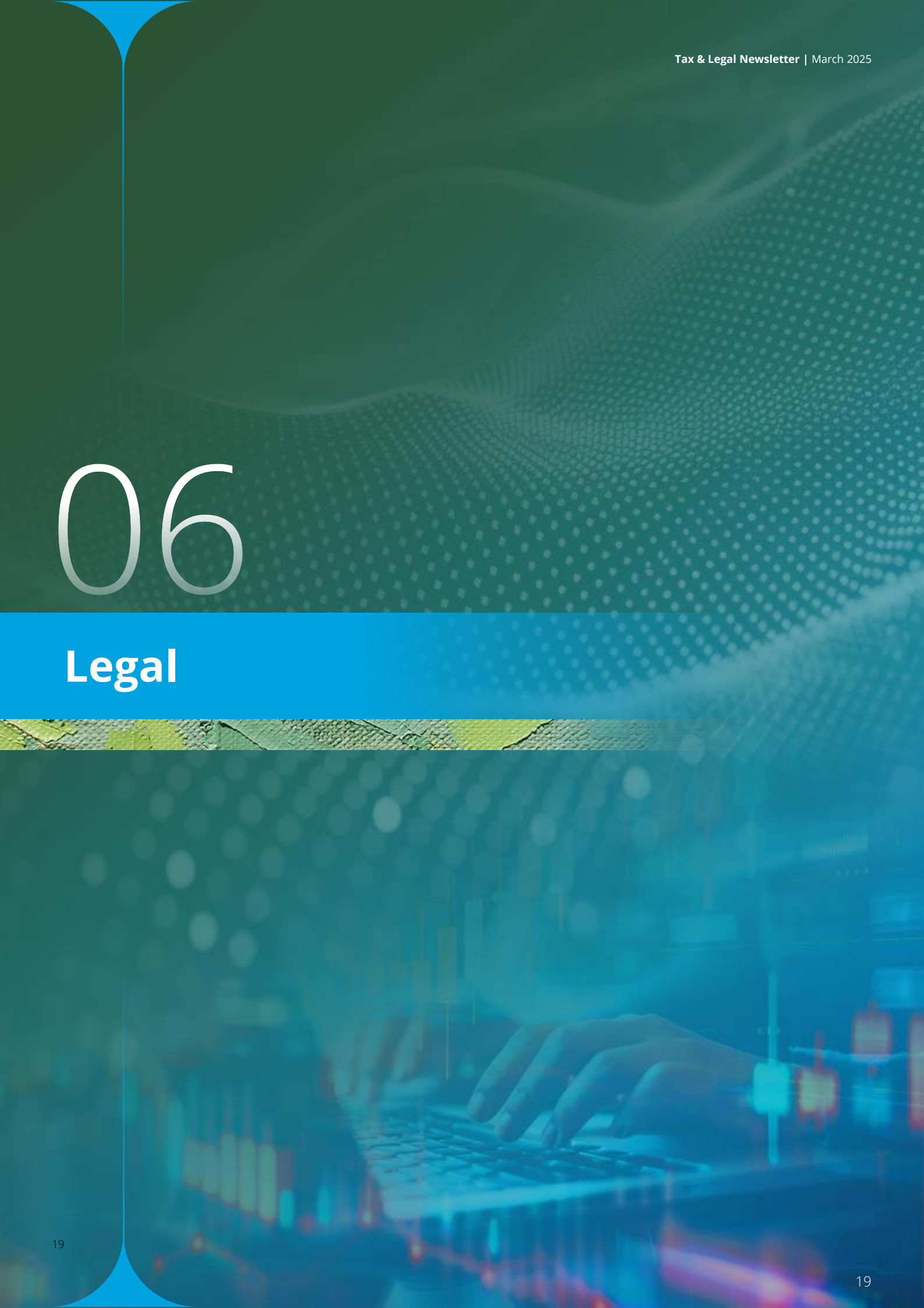
FCWT on machinery and equipment with installation and warranty support

If the company is an export processing enterprise (EPE) as defined by law, the purchase and sale of goods and services between a foreign entity and the EPE are not subject to VAT. However, the company is responsible for withholding and remitting CIT on behalf of the foreign contractor and subcontractor before making payments to them.

(Official Letter No. 921/CTQNI-TTHT dated 18 February 2025 issued by the Quang Ninh Tax Department)

06

Legal



19

Legal

Legal Document

The Government details the electricity operation license

The Government's Decree No. 61/2025/ND-CP detailing several articles of the Electricity Law on electricity operation activity licenses has been effective from 04 March 2025, which includes the following main contents:

- Conditions for the fields requiring the issuance of electricity operation licenses;
- Dossiers and procedures for issuance of electricity operation licenses;
- Cases of exemption from electricity operation licenses;
- The duration of the electricity operation licenses according to the field of operation and the case of licensing;
- Dossiers and procedures for revocation of electricity operation licenses; and
- Competence to issue electricity operation licenses.

Accordingly, for power generation works for self-use, without selling electricity to other organizations and individuals, and are not connected to the national power system, the power generation works will be exempt from applying for electricity operation licenses without limiting the capacity scale; in case the works are connected to the national power system, they are exempt from electricity operation licenses if the installed capacity is less than 30 MW.

For power generation works that sell electricity to other organizations and individuals, if the installed capacity is less than 01 MW, they are exempt from electricity operation licenses in the field of power generation.

In case of electricity trading in rural, mountainous, border and island areas, and purchasing electricity with a capacity of less than 100 kVA from the distribution grid to sell electricity directly to electricity users in rural, mountainous, border and island areas, they are exempt from electricity retail licenses.

(Decree No. 61/2025/ND-CP dated 04 March 2025 of the Government detailing several articles of the Electricity Law on electricity activity licenses)

Legal

Legal Document

Labor classification standards according to working conditions

Circular No. 03/2025/TT-BLDTBXH dated 11 February 2025, stipulating labor classification standards according to working conditions was issued by the Ministry of Labor, War Invalids and Social Affairs. Accordingly, working conditions will include 06 types, divided into 03 groups as follows:

- Type I, II, III: Non-heavy, non-toxic and non-dangerous occupations and works;
- Type IV: Heavy, hazardous and dangerous occupations and works;
- Type V and VI: Extremely heavy, hazardous, and dangerous occupations and works.

The main method for classifying working conditions is the scoring assessment method based on at least 06 characteristic factors corresponding to the occupation or work out of a total of 23 factors listed in Appendix I of the Circular, and the selected factors must ensure that they fully reflect 03 groups of factors in the system of indicators on working conditions, which include:

- Group A: Group of factors to assess occupational environmental hygiene;
- Group B: Group of factors to assess the impact of occupational psychophysiology;
- Group C: Group of evaluation factors on Ecgonomi - the organization of labor.

Employers must have the following responsibilities:

- Control dangerous and harmful factors according to the provisions of Decree No. 39/2016/ND-CP, ensuring the following principles:
  - Regularly monitor and supervise dangerous and harmful factors at the workplace;
  - Ensure that a person or department is assigned to be responsible for the control of dangerous and harmful factors in the workplace;
  - Keep records on the control of dangerous and harmful factors in accordance with regulations. For production and business establishments, it is necessary to stipulate the control of dangerous factors and harmful factors to each group, team and workshop;
  - Publicize the results of control of dangerous and harmful factors for employees to know;
  - Ensure a process is in place for controlling dangerous and harmful factors at the workplace in accordance with regulations.
- Based on the results of monitoring the working environment and the results of prevention and control of dangerous and harmful factors to evaluate the improvement of working conditions of the occupations and jobs being applied;
- Determine the type of working conditions if necessary, according to the methods mentioned above.

Circular No. 03/2025/TT-BLDTBXH will take effect from 01 April 2025.

(Circular No. 03/2025/TT-BLDTBXH dated 11 February 2025 of the Ministry of Labor, War Invalids and Social Affairs stipulating labor classification standards according to working conditions)

07

Trade & Customs

22

Trade & Customs

Highlighted News

Organizational restructure of the Customs authorities

On 26 February 2025, the Ministry of Finance issued Decision No. 382/QĐ-BTC regulating the functions, tasks, authorities and structure of the Department of Customs. Accordingly, the Department of Customs shall inherit the tasks, authority, obligations and responsibilities of the General Department of Customs as stipulated in legislative documents, guidance, procedures and statutes issued by the Minister of Finance until this Decision is amended or replaced by competent authorities.

Accordingly, the system of the Customs authorities shall be organized following the model of 03 levels:

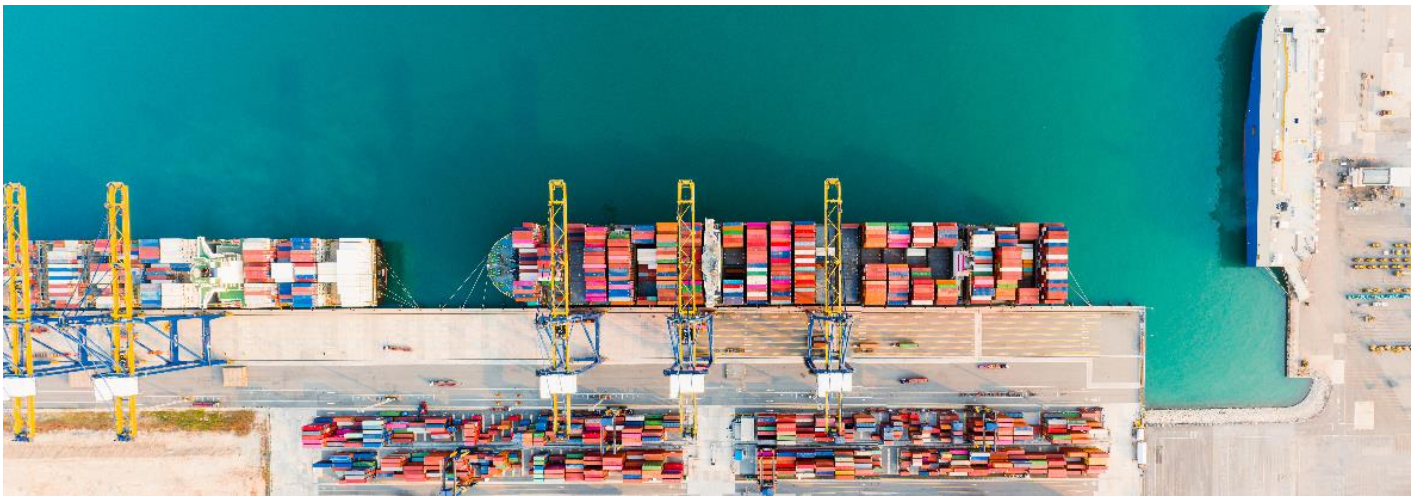
- The Department of Customs consists of 12 units at the central level (including: Offices, Divisions, Inspection and Audit Division, Anti-Smuggling Investigation Sub-department and Post-clearance Audit Sub-department);
- Regional Sub-departments of Customs are organized into 20 regions;
- The number of Custom border gate/out-of-border gate does not exceed 165 units.

This Decision takes effect from 01 March 2025.

Moreover, on 05 March 2025, the Ministry of Finance issued Decision No. 966/QD-BTC regulating the functions, authorities and organizational structure of the Sub-Department of Customs under the Department of Customs. Concurrently, the Department of Customs also issued Decision No. 10/QD-CHQ on the same day regulating the units under the regional Sub-department of Customs.

Please refer to Deloitte's Alert on New organizational structure of the Customs authorities HERE.

(Decision No. 382/QD-BTC dated 26 February 2025, Decision No. 966/QD-BTC dated 05 March 2025 issued by the Ministry of Finance and Decision No. 10/QD-CHQ dated 05 March 2025 issued by the Department of Customs)



Trade & Customs

Guidance ruling

Import duty refund for imported goods that have to be re-exported

Regarding cases where goods are imported with tax obligations fulfilled but then have to be re-exported, the Department of Customs (formerly the General Department of Customs) has issued guiding official letters, specifically:

- Official Letter No. 837/TCHQ-TXNK dated 20 February 2025: If the enterprise has violation and being penalized, hence the imported goods are required to be re-exported, the customs authority will void the import declaration as prescribed, and the paid duties will be handled as excess duty paid in accordance with the Tax Administration Law.
- Official Letter No. 896/TCHQ-TXNK dated 21 February 2025: If the imported goods, with duty obligation already fulfilled, have to be re-exported without being used or undergoing any processing stage and the duty refund dossier is submitted in accordance with regulations, then the paid import duty shall be refunded.

(Official Letter No. 837/TCHQ-TXNK dated 20 February 2025 and Official Letter No.896 dated 21 February 2025 issued by the Department of Customs)

HS code classification for four-wheeled electric vehicle for carrying passengers

Regarding the HS code classification of the "Electric four-wheeled for carrying passenger vehicles" product, Official Letter No. 140/CHQ-NVTHQ has been issued as guidance, notably:

The ***"electric vehicle for carrying passengers with 4 wheels and 08 seats"*** product is suitable for classification under the ***heading 87.03*** "Motor cars and other motor vehicles principally designed for the transport of persons (other than those of heading 87.02), including station wagons and racing cars", ***sub-heading 8703.10*** "- Vehicles specially designed for travelling on snow; golf cars and similar vehicles", ***HS code 8703.10.10*** "-- Golf cars (including golf buggies) and similar vehicles".

Accordingly, electric vehicles with the same description, characteristics, structure, and technical specifications shall be classified under the same HS code, regardless of whether they are used in restricted traffic areas or in public transportation.

(Official Letter No. 140/ CHQ-NVTHQ dated 13 March 2025 issued by the Department of Customs)

Trade & Customs

Guidance ruling (cont.)

Implementation of the new organizational structure of the Customs authorities

On 13 March 2025, the Department of Customs has issued Official Letter No. 128/CHQ-GSQL regulating the reconfiguration of the information technology (IT) system to align with the new customs organizational structure. In the upcoming period, the Department of Customs plans to deactivate the codes of the merged units. To facilitate customs management after the code deactivation, the following guidance is provided:

- For enterprises perform customs procedures for the first time (processing export, manufacturing export, EPE): Declare manufacturing facility information and processing contracts under the customs codes of the customs division that managing industrial zones ("IZs"), export processing zones ("EPZs"), and high-tech zones, and carry out customs procedures at the offices of the corresponding customs division (the surviving units after merging).
- For enterprises currently under the management of the former Sub-Department of Customs:
  - If there are changes in production facilities, processing contracts, or finalization reports, enterprises must update the information under the former Sub-Department of Customs code.
  - In the case of performing new processing contracts and storing raw materials, supplies, or products outside the manufacturing facility, enterprises must notify the processing contract and storage locations under the customs codes of the customs division managing the IZs, EPZs, and high-tech zones.
- For customs declarations registered at the merged customs units but not yet completed and still pending in the system: The surviving customs units must proactively review and remind the declarants to supplement customs dossiers and complete the required procedures in accordance with regulations.

(Official Letter No. 128/CHQ-GSQL dated 13 March 2025 issued by the Department of Customs)

Management measures for products containing industrial precursors

Hai Phong Customs Department (now known as the Customs Sub-Department of Region III) submitted Official Letter No. 1186/HQHP-GSQL on 17 February 2025, and Official Letter No. 1265/HQHP-GSQL on 18 February 2025 to the General Department of Customs (now known as the Department of Customs) reporting on the import activities of products containing industrial precursors. Accordingly, the enterprises that had applied for import licenses on the National Single Window portal but were rejected by Vinachemia as the products were not in scope of special management. In certain cases, the enterprise has already sent Official letters to Vinachemia but yet received feedback.

(Official Letter No. 1186/HQHP-GSQL dated 17 February 2025, and Official Letter No. 1265/HQHP-GSQL dated 18 February 2025, issued by the Hai Phong Customs Department (currently the Customs Sub-Department of Region III))

On 13 March 2025, Official Letter No. 117/CHQ-GSQL of the Customs Department has been sent to the Investigation Police Department on Drug-related Crimes, Ministry of Public Security, proposing consultation with relevant ministries and agencies and report to the competent authorities for consideration and decision on the application of management measures for goods containing industrial precursor listed in Category IVB of the precursor list issued under Decree No. 57/2022/ND-CP, but are not in scope of management of Decree No. 113/2017/ND-CP (e.g., household use items such as paints, cleaners, etc.).

(Official Letter No. 117/CHQ-GSQL dated 13 March 2025 issued by the Department of Customs)

Vietnam Tax Firm of the Year (2021 – 2024)

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