
TAX BULLETIN April 2025

1. Amendment on tax invoicing regulations

On 20th March 2025, the Government issued Decree 70/2025/ND-CP amending and supplementing a number of articles of Decree 123/2020/NĐ-CP providing tax invoicing rules, which will take effect from 1st June 2025. Some of the key changes in this Decree are summarized as follows:

➤ *Expanding the usage of e-invoices*

Foreign suppliers without a permanent establishment in Vietnam that conduct e-commerce business, digital platform-based business and other services that voluntarily register to use e-invoice.

➤ *Additional rules for e-invoices*

- Supplement regulations on invoices for export processing enterprises (EPE) with business activities other than export processing activities according to the law on industrial parks and export processing zones:
 - declare VAT by the subtraction method: use sales invoices
 - declare VAT by the credit method: use VAT invoices
- Supplement the form of e-commercial invoices - a type of invoice managed by the Tax authority, to be used for exported goods/services. Accordingly, e-commercial invoices can be used for both tax and customs purposes if conditions for electronic transfer of data to tax authorities are satisfied.

(If the exporter does not meet the conditions for transmission of commercial invoice data electronically to the Tax authority, then the exporter may choose to apply electronic VAT invoice or electronic sales invoice.

➤ *Requirements on invoice contents*

- Supplement regulations on displaying the identification code of buyer on the invoice.
- Supplement regulations on the invoice content of special cases: food and beverage, transportation, casino services, etc.
- In case of discounting for goods; giving, donating goods and services, the seller is allowed to issue an invoice for the total value of the discount, donation of goods.

➤ *Timing of invoice issuance*

- For the export of goods (including toll-manufactured goods), an e-invoice must be issued by the working day following customs clearance.
- For services provided to foreign organizations and individuals, the timing of invoice issuance is the same as that for services provided domestically, i.e. upon completion of service provision, regardless of whether payment has been received or not.

- Invoices can be issued up to 7 days after the normal period or the month-end for cases requiring time for data reconciliation, including services such as TV advertising, e-commerce, banking (excluding lending activities), international money transfers, securities.
 - The requirement for end-of-day or end-of month total invoice issuance for banking, securities, insurance services, retail business activities, and food and beverage services is abolished.
 - Digital signature and sending to tax authority: must be done by the working day after invoice issuance.
- ***Handling e-invoices with errors; replacing, amending invoices***
- Remove regulation on cancelling e-invoices with tax authority verification code if the invoice is not sent to the buyer.
 - Supplement regulations requiring a seller and buyer to have a written agreement specifying the errors before adjusting or replacing an electronic invoice. For individual buyers, the seller must notify the buyer directly or announce on the seller's website.
 - Allow the issuance of one adjustment or a replacement invoice for multiple erroneous e-invoices issued within the month to the same buyer.
 - The seller and buyer must make supplementary declarations regarding the adjustment or replacement invoices in the period in which the original invoice(s) was/ were issued.
 - Supplement regulations on adjusting invoices for special cases, for example: goods and services with changes in value after settlement; trade discounts based on quantity and sales of goods and services; return of goods and services
- ***Other rules***
- In case where invoices with a different time of invoice signing and issuance, the time of signing and sending the code to the Tax authority is no later than the next working day from time of invoice issuance.
 - Timing of tax declaration
 - Seller: upon invoice issuance.
 - Buyer: upon receiving valid invoice.

2. VAT applied to cloud computing service (Official letter No. 529/CT-CS dated 10th April 2025 of the Tax Department)

Pursuant to current tax regulations and report by Hanoi Tax Office (which currently is the Regional Tax Office No. 1) in the Official letter No. 67216/CTHN-TTHT dated 18th December 2024, the Tax Department agrees with the proposal by Hanoi Tax Office that cloud computing service will be treated as telecommunication service for the purpose of applying VAT regulations from the 1st January 2015 onwards.

3. CIT treatment with respect to land rental paid for unused area for business operation (Official letter No. 140/CT-CS dated 14th March 2025 of the Tax Department)

Pursuant to current tax regulations, in case the Company has paid land rental in lump sum for the whole renting period and management costs for using the land, for the land area which has not yet been used for business operation, the corresponding amount of rental and management costs will not deductible for purpose CIT purpose.