
TAX BULLETIN May 2025

1. Implementation of Circular No. 32/2025/TT-BTC dated May 31, 2025, effective from June 1, 2025

Circular No. 32/2025/TT-BTC, issued on May 31, 2025, and effective from June 1, 2025, provides guidance on implementing several provisions of the Law on Tax Administration (dated June 13, 2019), Decree No. 123/2020/ND-CP (dated October 19, 2020) regarding invoices and documents, and Decree No. 70/2025/ND-CP (dated March 20, 2025), which amends and supplements certain articles of Decree No. 123/2020/ND-CP. This circular replaces Circular No. 78/2021/TT-BTC dated September 17, 2021 of the Ministry of Finance.

Key points effective from June 1, 2025:

- Organizations withholding PIT must discontinue the use of electronic PIT withholding certificate implemented under previous regulations and transition to electronic PIT withholding certificate as specified in Decree No. 70/2025/ND-CP dated March 20, 2025.
- E-invoice service providers that have signed contracts for the provision, receipt, transmission, and storage of invoice data with the General Department of Taxation (which will be referred to as the Tax Department from March 1, 2025) before June 1, 2025, will continue implementing the signed contracts.
- Business households and individuals selling goods and services directly to consumers, as defined in Clause 8, Article 1 of Decree No. 70/2025/ND-CP, must use e-invoices generated from cash registers from the time their tax authority accepts the registration for use. This includes cases where the use of such e-invoices was registered before June 1, 2025.
- Enterprises engaged in direct-to-consumer sales, including commercial centers, supermarkets, retail businesses (excluding cars, motorbikes, motorcycles, and other motor vehicles), food and beverage services, restaurants, hotels, passenger transport services, direct support services for road transport, art and entertainment services, film screenings, and other personal services specified in the Vietnamese Economic Sector System, that have registered to use electronic invoices (whether with or without tax authority codes) before June 1, 2025, may either:
 - Switch to e-invoices generated from cash registers, as outlined in Decree No. 70/2025/ND-CP, or
 - Continue using their previously registered electronic invoices with tax authorities.

2. Handling Requests for Tax Treaty Application in Cases of Tax Authority Refusal

(Official Letter No. 1421/CT-CS dated May 27, 2025, issued by the Tax Department)

If a taxpayer disagrees with the notice issued by the Regional Tax Office regarding their ineligibility for tax exemption under the Double Taxation Avoidance Agreement (DTA), they have the right to file an appeal, initiate a lawsuit in accordance with the law on appeal, or contact the tax authority for guidance. Furthermore, according to the instructions outlined in

Official Letter No. 5029/TCT-PC dated November 9, 2023 of the General Department of Taxation on enforcing discipline in the issuance of official letters related to tax policy guidance and tax management concerning taxpayers' obligations, the official letter on tax exemption application dossiers under the DTA falls under the jurisdiction of the Regional Tax Office. Accordingly, the Regional Tax Office shall review the taxpayer's records and explanations to process the case in compliance with legal regulations. If the matter exceeds its jurisdiction, the Regional Tax Office must submit a report to the Tax Department, clearly detailing the issue, relevant legal basis, and a proposed resolution plan for consideration and decision-making.

3. PIT withholding on advance severance allowance

(Official Letter No. 12044/CCTKV01-QLDN5 dated 05 May 2025 issued by the Regional Tax Office No. I)

According to point b.6, Clause 2, Article 2, Circular No. 111/2013/TT-BTC, severance allowances paid to employees in accordance with the correct beneficiaries and amounts as stipulated by the Labor Code and the Social Insurance Law are exempt from PIT. However, if the amount paid exceeds the regulated severance allowance, it must be subject to PIT. In cases where the company advances a severance allowance to the employee, the advance must be combined with the salary for PIT withholding purposes before being paid to the employee, following the guidelines in Article 25, Circular No. 111/2013/TT-BTC.

4. Review and Adjustment of Registered Business Lines for Tax Purposes

(Official Letter No. 976/CCTKV02-CNTK, dated April 26, 2025, issued by the Regional Tax Office No. II)

Currently, many enterprises and organizations have registered business lines with tax authorities that do not align with their actual operations. This inconsistency results in non-compliance with regulations, posing challenges for statistical analysis and tax management by both tax authorities and other relevant agencies. To address this issue, the Regional Tax Office No. II requests enterprises and organizations to review and adjust their registered business lines if they do not match their primary activities. Adjustments should be made via the official tax system at <http://tracuunnt.gdt.gov.vn>. For enterprises subject to tax registration through the one-stop mechanism, as stipulated in Point a, Clause 1, Article 30 of the Law on Tax Administration, any changes or additions to business lines must be reported in accordance with Article 56 of Decree No. 01/2021/ND-CP. The relevant dossier should be submitted online to the Business Registration Office under the Department of Finance.

The purpose of the request for the adjustment of business lines is to enable enterprises within the region to determine whether they are required to apply electronic invoices generated from cash registers, as specified in Point 8, Article 1 of Decree No. 70/2025/ND-CP. This requirement will take effect on June 1, 2025.

5. Deadline for Submission of Tax Exemption and Reduction Applications Under the Tax Treaty

(Official Letter No. 818/CT-CS dated 24 April 2025 issued by the Department of Taxation)

Enterprises shall submit their applications for tax exemption or reduction under the Double Taxation Avoidance Agreement (DTA) to the tax authority at least 15 days before the tax filing deadline, as stipulated in Article 62 of Circular No. 80/2021/TT-BTC. After this deadline, enterprises still have the right to submit their tax exemption applications to the Tax authority. However, The Vietnam Tax authority only rejects applications if the enterprise requests the DTA applications for tax amounts incurred more than three years before the request date, in accordance with Clause 1, Article 6 of Circular No. 205/2013/TT-BTC, dated December 24, 2013.