

---

## TAX BULLETIN - February 2026

### **1. Summary of Decree No. 373/2025/NĐ-CP dated 31<sup>st</sup> December 2025**

On December 31, 2025, the Government issued Decree No. 373/2025/NĐ-CP amending and supplementing several articles of Decree No. 126/2020/NĐ-CP dated 19<sup>th</sup> October 2020, which provides detailed regulations for several articles of the Law on Tax Administration 2019. Below is a summary of notable amendments introduced in Decree 373/2025/NĐ-CP:

- (i) Amending and supplementing Article 9 of Decree 126/2020/NĐ-CP on criteria for quarterly tax declaration for VAT and PIT**
  - Amendment to Point b, Clause 1: Taxpayers subject to monthly PIT declarations under Point a, Clause 1, Article 8 of this Decree may opt for quarterly PIT declarations if they meet the criteria for quarterly VAT declarations.
  - Addition of Clause 3 on the handling of cases where taxpayers have declared taxes quarterly but do not meet the conditions for quarterly declarations.
  
- (ii) Amending and supplementing Point b.2, Clause 8, Article 11 of Decree 126/2020/NĐ-CP regarding resident individuals earning salaries/wages from two or more income-paying organizations**
  - Resident individuals earning salaries or wages from two or more organizations that apply withholding at source shall submit their annual finalization tax return to the tax authority managing the organization that pays the highest income during the year.
  - If multiple organizations pay equal highest income, the individual may submit the finalization documents to any tax authority managing those income-paying organizations.
  
- (iii) Amending and supplementing Article 13 of Decree 126/2020/NĐ-CP regarding cases where tax authorities calculate taxes and issue tax payment notices.**
  
- (iv) Amending and supplementing the annexes issued together with Decree 126/2020/NĐ-CP**
  - Amendment and supplement to Annex I – List of tax declaration documents
  - Amendment and supplement to Annex II – List of notices
  - Amendment and supplement to Annex III – List of forms

※ Decree 373/2025/NĐ-CP takes effect from 14<sup>th</sup> February 2026.

## 2. Tax Treatment for Bonus Payments

*(Official Letter No. 5491/CT-CS dated 25<sup>th</sup> November 2025 of the Tax Department)*

Regarding bonus payments made to enterprises, the Tax Department provides guidance to Ninh Binh Tax Authority as follows:

- **Regarding VAT:** It is necessary to determine whether the bonus payment is substantively related to the sale of goods. If it is related to the sale of goods, the bonus is considered part of the payment for goods and is subject to VAT.
- **Regarding CIT:** Bonus expenses that comply with the conditions stipulated in Article 4 of Circular No. 96/2015/TT-BTC and are not categorized as non-deductible expenses under CIT regulations shall be deductible when determining taxable income.

On 14<sup>th</sup> June 2025, the National Assembly issued Law on Corporate Income Tax No. 67/2025/QH15, effective from October 1, 2025 and applicable for the 2025 CIT tax period. The Ministry of Finance is currently drafting the Decree guiding implementation of the CIT Law, including provisions on deductible and non-deductible expenses and non-cash payment documents.

## 3. Re-registering Dependents When Changing Workplace

*(Official Letter No. 6030/CT-NVT dated 16<sup>th</sup> December 2025 of the Tax Department)*

According to this official letter, the Tax Department provides the following guidance: When individual taxpayers change workplaces, income-paying organizations are not interconnected for information sharing. Therefore, the new employer has no basis to apply deductions for dependents previously registered. **Taxpayers must re-register dependents in order to apply deductions for tax declarations during the year at the new workplace.**

## 4. VAT and CIT policies applied to Damaged Inventory Products

*(Official Letter No. 10744/BNI-QLDN1 dated 31<sup>st</sup> December 2025 of Bac Ninh Tax Department)*

- **Regarding VAT input credits:** VAT input on goods subject to VAT that are damaged (spoiled, deteriorated) and not compensated shall be creditable if the conditions specified in Article 23 of Decree No. 181/2025/NĐ-CP dated 1<sup>st</sup> July 2025 are met.
- **Regarding deductible expenses for CIT:** The valuation of damaged inventory and destruction costs may be included as deductible expenses when determining taxable

income, in accordance with Point I, Clause 2, Article 9 of Decree No. 320/2025/NĐ-CP dated 15<sup>th</sup> December 2025.

- **Regarding sale of destroyed finished goods:** The company must issue VAT invoices, declare and calculate output VAT, and determine taxable CIT income in accordance with VAT Law, CIT Law, and related guidance documents.

## 5. VAT Rate applied to Scrap Recovered from the Production of Goods Eligible for Reduced VAT Rate (8%)

*(Official Letter No. 1058/BNI-QLDN2 dated 28<sup>th</sup> January 2026 of Bac Ninh Tax Department)*

According to current regulations, if the company sells goods produced by itself that are subject to the standard 10% VAT rate and do not fall under Points a, b, or c, Clause 1, Article 1 of Decree No. 174/2025/NĐ-CP dated 30<sup>th</sup> June 2025, an 8% VAT rate may be applied. **For scrap recovered during production, when such scrap is sold, the applicable VAT rate is the rate corresponding to the specific scrap goods.**