



MINISTRY OF FINANCE

WHITE BOOK
VIETNAM
TAXATION
2026

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**MINISTRY OF FINANCE
DEPARTMENT OF TAXATION**



**WHITE BOOK
VIETNAM TAXATION 2026**

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Hanoi, June 2026

MESSAGE FROM THE MINISTER

Amidst the rapid, profound, and unpredictable evolution global and regional economic landscape, Vietnam remains steadfast in its objectives of macroeconomic stability, growth promotion, the enhancement of national competitiveness, and sustainable development. To contribute to the realization of these goals, the national financial system in general, and tax policy in particular, play a crucial role in mobilizing and efficiently allocating State Budget resources, creating a transparent and favorable investment and business climate, and modernizing the national public finance framework.

In recent years, the Vietnamese tax system has been continuously innovated, reformed, and comprehensively modernized across its institutions, policies, organizational structures, administrative methodologies, and service quality. The acceleration of administrative procedure reforms, combined with the application of digital transformation technologies and big data diagnostics, has progressively established a transparent, professional, and efficient tax governance architecture centered on serving citizens and enterprises.

Entering a new development phase, the Ministry of Finance is committed to continuously driving robust, comprehensive, and deep reforms of the tax system to converge with advanced international standards, while proactively expanding cooperation and connectivity with international tax authorities and global organizations to meet the evolving demands of the digital economy, green economy, and increasingly deep international integration.

The White Book-Vietnam Taxation 2026 is an official publication released by the Department of Taxation - Ministry of Finance to provide a comprehensive overview of tax policies, tax administration, and the continuous reform and modernization of the Vietnamese tax system. This publication not only reflects achieved outcomes, emerging challenges, and future strategic orientations, but also demonstrates the openness, transparency, and resolute commitment of the Ministry of Finance to building a modern, efficient, sustainable, and integrated national public finance framework.

The Ministry of Finance - Department of Taxation looks forward to the sustained partnership, close cooperation, and responsible contributions from the business community, citizens, and domestic and international organizations toward the reform and modernization trajectory of the Vietnamese tax system.

INTRODUCTION

The White Book–Vietnam Taxation 2026 has been prepared at a time when the Strategy for Reforming the Tax System through 2030 has completed its first five years of implementation. Based on the compilation and systematization of information from official data sources, the White Book–Vietnam Taxation 2026 provides essential information on the establishment and development of Vietnam’s tax system; the current tax policy framework; tax administration results; risk management and the prevention of tax fraud; digital transformation and modernization of the Tax Administration; transformation of the tax administration model; as well as development orientations for the 2026 – 2030 period.

As one of the State’s key instruments for mobilizing resources for the state budget, regulating the macroeconomy, and promoting sustainable development, Vietnam’s tax system has been continuously developed and improved in terms of tax policies, organizational structure, and administration methods. In recent years, digital transformation, tax administration modernization, and administrative procedure reform have brought significant changes, contributing to greater effectiveness and efficiency in state administration, facilitating taxpayer compliance, and meeting the requirements of increasingly deep international integration.

This publication has been prepared to serve the research, reference, and information needs of government agencies, international organizations, the business community, investors, educational institutions, researchers, and organizations and individuals interested in taxation in Vietnam. At the same time, it serves as an official source of information that contributes to enhancing transparency, openness, and accessibility of information regarding Vietnam’s tax system.

The White Book–Vietnam Taxation 2026 consists of seven chapters:

- Chapter I. Background and Role of the Vietnamese Tax System.
- Chapter II. Overview of the Current Tax Policy System.
- Chapter III. Performance Results of Tax Administration
- Chapter IV. Tax Risk Management and Fraud Prevention.
- Chapter V. Digital Transformation and Modernization of the Vietnam Tax Administration.
- Chapter VI. Transformation of the Tax Administration Model.
- Chapter VII. Orientations for the Period 2026 – 2030.

This is the first time that the Vietnam Taxation White Book has been compiled and published. The Ministry of Finance– Department of Taxation welcomes comments and feedback from government agencies, organizations, experts, researchers, the business community, and domestic and international readers to further improve the content, presentation methodology, and quality of information in future editions of the publication. All feedback and contributions should be directed to the following address: Tax Department, 1A Nguyen Cong Tru Street, Hai Ba Trung Ward, Hanoi City, or via email at: SachtrangCucThue@gdt.gov.vn.

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ABBREVIATIONS AND PROFESSIONAL TERMS

The table below explains common abbreviations and terms used in this edition, which are sorted alphabetically.

Abbreviation / Term	
AANZFTA	ASEAN-Australia-New Zealand Free Trade Area
ACFTA	ASEAN-China Free Trade Area
AFT	Asia Forum on Tax / Asian Initiative
AFTA	ASEAN Free Trade Area
AHKFTA	ASEAN-Hong Kong, China Free Trade Area
AIFTA	ASEAN-India Free Trade Area
AJCEP	ASEAN-Japan Comprehensive Economic Partnership
AKFTA	ASEAN-Korea Free Trade Area
APA	Advance Pricing Agreement
API	Application Programming Interface
ASEAN	Association of Southeast Asian Nations
BEPS	Base Erosion and Profit Shifting
CbC MCAA	Country-by-Country Multilateral Competent Authority Agreement
CEPA (Vietnam - UAE)	Comprehensive Economic Partnership Agreement
CIC	Citizen Identity Card
CIT	Corporate Income Tax
CPTPP	Comprehensive and Progressive Agreement for Trans-Pacific Partnership
DTA	Double Taxation Agreement
E-Commerce	Electronic Commerce
EFTA	European Free Trade Association
E-Invoice	Electronic Invoice
eTax / eTax Mobile	E-commerce Portal for Households and Individual Businesses
EUR	Euro
EVFTA	EU-Vietnam Free Trade Agreement
FDI	Foreign Direct Investment
FTA	Free Trade Agreement
G20	Group of Twenty
GDP	Gross Domestic Product

Abbreviation / Term	
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit
IF	Inclusive Framework
IMF	International Monetary Fund
IT	Information Technology
JICA	Japan International Cooperation Agency
KOL/KOC	Key Opinion Leader / Key Opinion Customer
LGSP	Local Government Service Platform
MAAC	Multilateral Convention on Mutual Administrative Assistance in Tax Matters
MAP	Mutual Agreement Procedure
MLI	Multilateral Instrument
OECD	Organization for Economic Co-operation and Development
PIT	Personal Income Tax
PS/NPSP	Public Services/National Public Services Portal
RCEP	Regional Comprehensive Economic Partnership
SCT	Special Consumption Tax
TADAT	Tax Administration Diagnostic Assessment Tool
TIN	Tax Identification Number
TMS	Tax Management System
TPR / TTR / Itnk	Application softwares to support risk assessment and tax audit of the tax authorities
UKVFTA	UK-Vietnam Free Trade Agreement
USD	United States Dollar
VAT	Value Added Tax
VCCI	Vietnam Chamber of Commerce and Industry
VCFTA	Vietnam-Chile Free Trade Agreement
VIFTA	Vietnam-Israel Free Trade Agreement
VJEPA	Vietnam-Japan Economic Partnership Agreement
VKFTA	Vietnam-Korea Free Trade Agreement
VN-EAEU FTA	Vietnam-Eurasian Economic Union Free Trade Agreement
VNeID	Vietnam Electronic Identification application

CHAPTER I

BACKGROUND AND ROLE OF THE VIETNAMESE TAX SYSTEM

1. Background and development of the Vietnam Tax Administration

On September 10, 1945, the Provisional Government of the Democratic Republic of Vietnam issued Decree No. 27 establishing the “Customs and Indirect Tax Department” directly under the Ministry of Finance, marking the birth of the revolutionary Vietnam Tax Administration. Throughout the stages of the national liberation struggle, national reunification, and post-war economic recovery and development, the financial and tax system has been continuously consolidated and refined, remaining closely aligned with the major transitions of the economy and the nation's development requirements.

During the resistance wars, the financial and tax system organized state budget revenue collection and mobilized public contributions via instruments such as war bonds, independence funds, and resistance funds. Following national reunification, the system reorganized its structure and established a unified administrative mechanism nationwide. Tax policies and budget revenue regimes were gradually synchronized, laying the foundation for national financial governance. Amidst challenging post-war conditions, the Vietnam Tax Administration focused on mobilizing resources for national reconstruction, while actively regulating the economy, distributing social resources, and ensuring national defense and security.

Entering the Doi Moi (Renovation) period, alongside the transition to a socialist-oriented market economy and international integration, the Vietnam Tax Administration has rolled out comprehensive reform programs across strategic phases.

2. The process of reform and modernization of the Vietnam Tax Administration

Over its 80-year history of formation and development – particularly following national reunification in 1975 and the initiation of the comprehensive economic Doi Moi (Renovation) with its significant milestone in 1986 – the Vietnam tax system has continuously reformed and refined itself to meet the economy's development needs and align with international practices. This reform process is divided into four primary phases:

- › The 1990–2000 period: Focusing on formulating and legislating tax policies.
- › The 2001–2010 period: Reforming tax administration and expanding international integration.
- › The 2011–2020 period: Modernizing tax administration and reforming administrative procedures.

- › The 2021-2030 period: Implementing comprehensive digital transformation and building a modern tax governance system.

It can be affirmed that each historical stage of the Vietnam Tax Administration's development marks a crucial transition in the modernization of the Vietnam tax system. The significant historical imprints of these periods have greatly contributed to advancing the Vietnam Tax Administration in accordance with its core values: “Transparency – Professionalism – Integrity – Innovation”.

2.1. The 1990 – 2000 Period

The 1990 – 2000 period marked a foundational shift in the history of Vietnam's tax system reform. Closely linked to the Doi Moi (Renovation) process and the transition to a socialist-oriented market economy, the tax system was gradually developed to be unified, synchronized, and operational in accordance with the development requirements of a multi-sector economy.

During the Doi Moi process, a comprehensive system of tax policies was legislated through a series of foundational laws, including the Revenue Tax, Profit Tax, Special Consumption Tax, and Export and Import Tax. These laid the basic legal framework for production and business operations, goods circulation, import-export activities, and investment attraction. Notably, the promulgation of the Law on Value Added Tax and the Law on Corporate Income Tax in 1997 (effective from 1999) to replace the Law on Revenue Tax and the Law on Profit Tax marked a critical milestone in reforming Vietnam's tax policy system.

In addition to fulfilling the function of mobilizing resources for the state budget, taxation during this period gradually affirmed its role as a vital macroeconomic regulatory tool of the State. It contributed to encouraging production, promoting the expansion of foreign economic relations, and establishing a level playing field among all economic sectors. The mindset regarding tax reform also shifted significantly from administrative collection mechanism to formulating tax policies based on the principles of transparency, stability, and alignment with international practices.

The reforms undertaken during this period not only laid the groundwork for a modern tax policy system but also established a crucial basis for the Vietnam Tax Administration to embark on in-depth reforms, accompanying the nation's integration and development in subsequent stages.

2.2. The 2001 – 2010 Period

Entering the 2001-2010 period, tax system reform was implemented against the backdrop of Vietnam's accelerated industrialization, modernization, and increasingly profound international economic integration, highlighted by the milestone of joining the World Trade Organization (WTO) in 2007. Alongside the integration, the tax policy system was progressively adjusted to comply with Vietnam's commitments upon WTO accession and free trade agreements. Key tax

types were further refined to encourage investment, promote exports, enhance competitiveness, and expand a sustainable revenue base for the state budget.

One of the most prominent milestones of this period was the enactment of the Law on Tax Administration in 2006. This legislation catalyzed a fundamental shift toward function-based tax administration in Vietnam, anchored in a self-assessment and self-payment mechanism for taxpayers. Concurrently, it established and standardized tax administration procedures, thereby elevating transparency, professionalism, and alignment with international practices.

2.3. The 2011 - 2020 Period

The 2011-2020 period marked a robust development for the Vietnam Tax Administration in modernizing administration and reforming administrative procedures toward openness, transparency, professionalism, and a taxpayer-centric service approach. Executing the Tax System Reform Strategy for the 2011-2020 period, the sector focused on perfecting a synchronized tax policy system consistent with a socialist-oriented market economy, while simultaneously accelerating the innovation of management methodologies line with international standards.

A major highlight of this period was the extensive application of information technology and the synchronized rollout of electronic tax services – spanning from registration, declaration, and payment to tax refunds. Tax administration progressively adopted risk management approaches, standardized operational processes, and enhanced data connectivity, thereby improving administrative efficacy and efficiency while reducing compliance costs for citizens and businesses.

Concurrently, the organizational structure of the Vietnam Tax Administration was continuously consolidated to be leaner and more specialized. Tax inspection, audit, and taxpayer communication and support activities underwent comprehensive reforms. The achievements during this period laid a crucial foundation for the Tax authorities to enter a phase of comprehensive digital transformation in the era of the digital economy and digital government.

2.4. The 2021 - 2030 Period

During the five-year period from 2021 to 2025, the Tax authorities evolved amidst the Fourth Industrial Revolution and the accelerated national digital transformation. The overarching objective is to build a modern, intelligent, and transparent tax administration system centered on serving taxpayers. This era also demanded the tax authorities to adapt to an expanding economy and a rapid surge in both the volume and complexity of the taxpayer base, while the organizational structure is required to be streamlined in accordance with reform mandates.

A paramount achievement of this phase is the continuous quality enhancement of the electronic tax system to meet the demands of modern tax administration. Specifically, the e-Tax Mobile application has emerged as a bright spot in the digital transformation process of the Vietnam Tax Authority, enabling millions of citizens to fulfill their tax obligations swiftly and conveniently via a digital platform, an achievement recognized at the National Digital Transformation Awards.

Furthermore, the successful nationwide rollout of electronic invoices (e-invoices) stands as one of the most prominent accomplishments of the Tax authorities, establishing a critical data foundation for more transparent and effective tax administration. The tax administration system is undergoing progressive digitalization, aiming to build a digital tax authority operating on a big data platform, integrating risk management and artificial intelligence. The development of an electronic taxpayer database and its interconnection with banks, customs, the state treasury, and various ministries have significantly contributed to enhancing the transparency of economic activities, combating tax evasion, and lowering compliance costs for enterprises.

Regarding institutional refinement, the tax legal framework continues to be strengthened to foster equity, transparency, and taxpayer facilitation, highlighted by the Law on Tax Administration No. 108/2025/QH15. This new legislation institutionalized the trajectory of comprehensive digital transformation in tax administration – spanning from management methodologies and organizational structures to the execution of administrative procedures in the digital environment. It also provides the legal basis for full-process online public services, operational workflow automation, and the legal validity of electronic administrative decisions. In parallel, Vietnam is incrementally perfecting its tax policies in alignment with global integration trends by implementing the Global Minimum Tax and expanding its international tax cooperation network by signing 81 Agreements for the Avoidance of Double Taxation. These actions enhanced the transparency and stability of the investment environment while reaffirming Vietnam's proactive role in global economic integration.

The 2026–2030 period will see the Tax authorities continue to solidify its pioneering position within the national financial system in the digital era, actively participating in the construction of a digital government and advancing toward an intelligent government model. The vision for 2030 is to evolve into an intelligent tax authority – a core component of the national digital economic infrastructure – operating with transparency, high efficiency, and advanced automation driven by big data and cutting-edge technologies, converging with international standards.

3. The role of tax in the national economy and finance

3.1. Taxes - The primary revenue source for the state budget

Tax is a mandatory contribution that organizations and individuals are obliged to pay to the State in accordance with legal regulations. It constitutes the primary, most stable, and sustainable revenue source for the state budget. Furthermore, it serves as a fundamental instrument enabling the State to secure resources for **socio-economic development, national defense and security**, and the execution of state management functions.

In the state budget revenue structure, taxes and fees account for an increasingly substantial proportion. This reflects a transition from an economy reliant on revenues from natural resources and crude oil to one driven by industrial production, services, and the digital economy.

Total state budget revenue for the 2021-2025 period reached VND 9,922 trillion, equivalent to 119.5% of the target set by National Assembly Resolution No. 23/2021/QH15 on the national financial plan and public debt borrowing and repayment for the five-year period 2021 - 2025. This equates to approximately 18.8% of the Gross Domestic Product (GDP), with an average annual growth rate of 12.2%.

Of this total, revenue collected by tax authorities is estimated at VND 8,569 trillion (comprising approximately VND 8,277 trillion in domestic revenue and VND 291.7 trillion in crude oil revenue). This accounts for about 86.4% of total state budget revenue, representing a 1.5-fold increase compared to the 2016 - 2020 period and a 2.5-fold increase compared to the 2011 - 2015 period.

In 2025, all 34 out of 34 localities exceeded their assigned revenue targets. The year 2025 recorded an all-time high revenue scale of VND 2,357 trillion, equivalent to 136.9% of the target assigned by the National Assembly and reflecting a 32.2% increase compared to 2024. Balanced revenue from import-export activities (import-export revenue minus VAT refunds) was estimated at VND 1,313 trillion, accounting for 13.2% of total state budget revenue; while aid revenue reached approximately VND 40.1 trillion, accounting for 0.4% of total state budget revenue.

8,569 trillion VND	Total state budget revenue administered by tax authorities in the period 2021 - 2025
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3.2. Core functions of taxation

A modern tax system performs six core functions simultaneously, which are interwoven and mutually supportive. These functions aim to secure financial resources for the State, regulate the economy, and ensure social equity.

CORE FUNCTIONS OF TAXATION	
①	Mobilizing Financial Resources for the State budget: Taxation serves as the primary mechanism for mobilizing financial resources for the State Budget, meeting expenditure requirements for socio-economic development, national defense and security, education, healthcare, and social security. In the 2021 – 2025 period, total revenue managed by tax authorities is estimated at VND 8,569 trillion, accounting for approximately 86.4% of total state budget revenue.
②	Macroeconomic Regulation and Development Orientation: Through tax rates, tax incentives, policies on tax exemption, reduction, and deferral, the State directs investment toward priority sectors, fields, and economic regions. Furthermore, it regulates consumption (e.g., Special Consumption Tax on alcohol, beer, tobacco, and automobiles), protects the environment (Environmental Protection Tax), and ensures international integration (import-export taxes aligned with Free Trade Agreement commitments).
③	Income Redistribution and Social Equity Assurance: Taxes contribute to the redistribution of income among population groups and among organizations and individuals in society, particularly through progressive taxes such as Personal Income Tax (PIT), regulating income among population groups, narrowing the wealth gap, and ensuring social equity.
④	Fostering International Economic Integration: Vietnam's tax policies have been progressively adjusted to align with international commitments. The reduction and elimination of tariffs according to committed roadmaps have facilitated import-export activities, attracted Foreign Direct Investment (FDI), and propelled Vietnam's deeper participation in global value chains.
⑤	Environmental Protection and Sustainable Development: The tax system encourages enterprises and consumers to transition toward more environmentally friendly options, regulates the exploitation and use of natural resources, and promotes the economical and efficient use of non-renewable resources.
⑥	Promoting Exports and Enhancing International Competitiveness: The Value-Added Tax (VAT) contributes to encouraging export activities through the application of a 0% tax rate coupled with the input VAT refund policy, enhances the competitiveness of Vietnam products in the international marketplace.

4. Institutional reform and organizational restructuring of the Tax Administration

4.1. The Evolution of the Tax Administration's organizational structure

On August 7, 1990, Decree No. 281-HDBT was issued, officially marking the establishment of the State Tax System from the central to local levels (comprising the General Department of Taxation at the central level, Provincial/Municipal Tax Departments, and District Tax Sub-departments). This separated tax administration from other administrative agencies, institutionalized the State Tax System directly under the Ministry of Finance by consolidating state-owned, industrial-commercial, and agricultural revenue collection units. Since then, the Vietnam Tax Administration's apparatus has operated under a unified and specialized framework and has managed revenue collection by tax types.

Table 1.1 – The Evolution of the Vietnam Tax Administration’s Organizational Structure

Period	Main Reform Contents	Results
2003 - 2007	Reorganizing the Vietnam Tax Administration apparatus from management by tax type → to management by function and by taxpayer, combined with tax type. The supporting apparatus for the Director General of the General Department of Taxation shifted from Divisions → to Department; reorganizing Divisions under Provincial Tax authorities and Teams, Squads under district level (Decision 218/2003/QĐ-TTg)	Reduced 1,128 units nationwide
2007 - 2016	Gradually restructuring comprehensively, specializing by function (Decision 76/2007/QĐ-TTg - primarily functional management model, combined with tax type and taxpayer management; Decision No. 115/2009/QĐ-TTg is the functional management model)	Reduced 2,756 units nationwide
2017 - 2021	Merging Tax Sub-departments and Tax Teams; reducing departments at the General Department of Taxation; streamlining units according to Resolution 18-NQ/TW	Reduced 2,485 units nationwide
March 2025	Abolishing the General Department model: Central level: General Department → Department Province level: Provincial/City Tax authorities → Regional Tax Sub-departments; District level: Tax Sub-departments → District-level Tax Teams; (abolishing 2,886 teams under Tax Sub-departments)	Reduced from over 4,000 units to 746 units
July 2025	Synchronizing with the 2-tier local government model: Central level: Remain Department of Taxation Provincial level: Regional Tax Sub-departments → Provincial/City Tax authorities Unit level: District-level Tax Teams → Grassroots Tax Offices	

4.2. Organizational model of the Tax Administration from July 1, 2025

In compliance with Resolution No. 18-NQ/TW dated October 25, 2017 of the Central Committee of the Communist Party of Vietnam on reforming and reorganization of the political system, and Conclusion No. 160-KL/TW dated May 31, 2025, of the Politburo regarding the implementation of the two-tier local government model, the Tax authorities has eliminated the General Department tier. This move establishes a streamlined, effective, and efficient organizational apparatus, placing taxpayers at the center of service.

Table 1.2 - The Vietnam Tax Administration Organizational Model from 01/7/2025

Level	Unit	Quantity	Main Function
At Central Level	Department of Taxation (12 subordinate units)	01	State management of taxes, organizing the implementation of revenue collection for the state budget; Organizing direct tax management for large enterprises and for taxpayers operating in the e-commerce sector, according to the assigned responsibilities
At Local Level	Provincial Tax Offices directly under the Central Government	34	Organizing the implementation of tax management for taxpayers within the scope of management according to the assignment of competent authorities.
	Commune-level Tax Offices (Local level)	350	Implementing tax, fee, and charge collection, and other revenues for the state budget within the managed area according to assigned responsibilities and decentralization.
TOTAL UNITS	Entire Vietnam Tax Administration (after reform)	746	Reduced by 82% compared to over 4,000 units before reform

This organizational restructuring stands as the most profound reform in the 80-year history of Vietnam's Tax authorities, achieving a lean structure while maintaining robust growth in state budget revenue – a compelling evidence to the effectiveness of the new organizational model.

Operating under the two-tier local government model from July 1, 2025, the tax authorities system executes tax administration across 34 provinces and municipalities, encompassing 3,321 commune-level administrative units.

At the central level, the Department of Taxation plays a unified role in management, direction, and operation for the entire Vietnam Tax Administration. It is responsible for issuing procedures and professional guidelines; building databases and IT systems; and directing key tasks such as e-commerce tax administration, digital transformation, and risk management.

Under the new model, Provincial Tax Offices serve as the focal point for organizing tax administration within their jurisdictions. They direct, guide, and supervise subordinate units; directly manage assigned taxpayers; and advise local Party committees on inter-sectoral coordination for budget revenue management.

Commune-level Tax Offices serve as the direct point of contact with localities, implementing tax laws and organizing administration of taxpayers, especially small and micro-enterprises, business households, and business individuals. Positioned closest to taxpayers, this tier fulfills routine administrative duties

while directly receiving, guiding, and clarifying tax policies. They play a critical role in closely monitoring local businesses, coordinating the rollout of electronic invoices, managing the transition from the presumptive tax to the declaration-based method, and collecting land-related financial obligations.

During the 2021 – 2026 period, the Tax authorities’ staffing is strictly managed according to the policy of streamlining the apparatus, reducing from 38,441 to 36,449 positions, a reduction of 1,992 positions (5.18%), amidst the Vietnam Tax Administration continuing to manage a large workload with 21 types of revenue, tax categories, over 300 types of fees, charges, and other revenues, accounting for 86,4% of the total state budget revenue.

In terms of organizational structure, the Department of Taxation currently has 01 Director General and 04 Deputy Directors General. At the Department of Taxation’s headquarters, there are 12 Heads of Divisions and equivalents, 34 Vice Heads of Divisions and equivalents, 10 Chiefs of Units, and 11 Vice Chiefs of Units. At the local level, there are 32 Managers of Provincial Tax Offices, 141 Deputy Managers of Provincial Tax Offices, 1,089 Chiefs and Vice Chiefs of Units, and 941 Managers and Deputy Managers of Commune-level Tax Offices. Following the organizational restructuring, the tax agency system has been fundamentally consolidated and is operating stably.

4.3. Innovation in the management model

Transitioning to a management model based on “taxpayer-segments combined with function-based administration”, each taxpayer is now assigned a dedicated tax official responsible for comprehensive monitoring across all functions. Conversely, a single tax official may manage multiple taxpayers. This model ensures operational continuity, clarifies accountability, and effectively avoids fragmentation in processing.

Practical implementation demonstrates that the new organizational structure operates smoothly, stably, and in complete alignment with the two-tier local government model. Functions and tasks at each unit are defined specifically and clearly – without overlap, duplication, or omission – contributing significantly to the successful fulfillment of state budget revenue collection tasks in recent times.

HIGHLIGHTS OF THE 2025 ORGANIZATIONAL REFORM	
①	The largest reform in the 80-year formation and development of the Vietnam Tax Administration: the total number of focal points reduced by 82% (from over 4,000 to 746).
②	Organizational Model streamlined - effectiveness - efficiency: 1 Central Department of Taxation, 34 Provincial Tax Offices, 350 Commune-level Tax Offices.
③	It is the foundation for implementing model with risk-based tax management and taxpayer-centric.

5. Trends in modern Tax Administration

Modern tax administration trends currently focus on transitioning from traditional administrative methods to a risk- and compliance-based model centered on taxpayers, operating entirely on digital data platforms. This orientation has been institutionalized in the Tax System Reform Strategy through 2030 (issued under Decision No. 508/QĐ-TTg dated April 23, 2022, by the Prime Minister). The overarching goal is to comprehensively modernize tax administration in alignment with international practices and Vietnam law, with a strategic focus on tax administration institutions, human resources, and information technology.

On this basis, the Vietnam Tax Administration is synchronously implementing five major reform trends, reflecting the transition from a traditional dossier-based administration to a data-driven model, and from procedure-based management to compliance governance, specifically as follows:

5.1. Taxpayer-centric approach

Shifting the administrative mindset from “control” to “service”, tax authorities are empowering taxpayers to fulfill their obligations anytime and anywhere via digital platforms and mobile applications. Guided by the Tax System Reform Strategy through 2030, the tax administration system is being developed synchronously, openly, transparently, and equitably to foster an environment highly conducive to voluntary compliance.

Accordingly, tax authorities proactively accompany, communicate with, and support taxpayers to ensure they clearly understand and correctly fulfill their obligations. Furthermore, accelerating the simplification of administrative procedures and reducing compliance costs for citizens and enterprises are prioritized. Diversifying support channels, improving service quality, and elevating taxpayer satisfaction have been identified as the ultimate benchmarks of reform effectiveness. Consequently, the relationship between tax authorities and taxpayers is progressively evolving into a cooperative partnership, thereby strengthening public trust and social consensus regarding tax policies.

5.2. Compliance management based on risk level and big data

This is the core methodology that enables tax authorities to allocate resources efficiently while minimizing compliance costs for taxpayers. Instead of broad, indiscriminate inspections, modern tax authorities develop sophisticated risk assessment criteria, leveraging algorithms and big data to analyze, evaluate, and segment taxpayers into distinct risk profiles for appropriate interventions.

The intensified application of risk management is recognized as an effective measure to detect, prevent, and promptly address tax violations, thereby reducing tax disputes and litigation. Administrative resources are strategically concentrated on high-risk groups and sectors, whereas highly compliant

taxpayers are facilitated with minimal intervention. The Vietnam Tax Administration has recorded a robust shift from traditional administration to data- and risk-driven management, laying the groundwork for a transition from “post audits” to proactive early supervision and warning.

5.3. Digital Transformation and application of Artificial Intelligence

Digital transformation and the application of artificial intelligence have emerged as preeminent global trends. The Vietnam Tax Administration has been aggressively promoting modernization through comprehensive data systematization and the deployment of AI to detect fraud and automate operational workflows. Executing Resolution No. 57-NQ/TW of the Politburo, the Vietnam Tax Administration has launched a project to restructure its IT system, coupled with the redesign of tax administration processes toward automation based on big data.

The application of digital technology permeates all operational stages – from tax registration, declaration, payment, and refunds, to inspections, debt management, and taxpayer support – driving the transition toward a modern, integrated, and centralized tax administration model. The year 2025 has been designated as the year of comprehensive transformation and digitalization in tax administration. This holistic digital transformation not only boosts the productivity and operational efficiency of tax authorities but also catalyzes the evolution of an electronic tax agency operating on a data-driven platform, ultimately advancing toward a smart tax governance model.

5.4. Tax management for the digital economy

Focusing on the refinement of legal and technical frameworks to effectively manage e-commerce activities, digital platform enterprises, and cross-border digital content creators is an urgent imperative. This ensures comprehensive coverage of emerging revenue streams and firmly protects national taxing rights amidst the rapid expansion of the digital economy.

The Vietnam Tax Administration is prioritizing the enhancement of its institutional framework and tax policies to achieve synchronization, transparency, and alignment with international standards regarding the digital economy, e-commerce, and cross-border transactions. This includes building robust management mechanisms for e-commerce platforms, digital platforms, foreign suppliers, and online businesses. Concurrently, it is accelerating the implementation of Directive No. 18/CT-TTg on combating tax evasion and ensuring monetary security on e-commerce platforms by strengthening data connectivity, collection, and reconciliation of transaction data, alongside deepening international cooperation in information exchange to guarantee a level playing field.

5.5. Transparency and convergence with international practices

Refining the institutional framework toward professionalism, transparency, and compatibility with international tax administration standards is essential to fostering a highly favorable business environment. Pursuant to the Tax

System Reform Strategy through 2030, the administration of taxes, fees, and charges will be executed in a unified, transparent, profound, and professional manner, strictly adhering to both international practices and Vietnam law.

Aligned with this trajectory, the Vietnam Tax Administration continuously reviews and refines policies and administrative processes to ensure clarity, openness, transparency, accessibility, and ease of compliance. It proactively fulfills international commitments and implements standards on combating base erosion and facilitating information exchange for tax purposes. Convergence with international practices significantly bolsters the competitiveness of Vietnam's tax system, cultivates a stable and equitable investment environment, and fortifies the confidence of the domestic business community and international investors.

These trends are intricately interlinked and mutually reinforcing, all converging on the ultimate objective of building a modern, lean, effective, and efficient Vietnam Tax Administration that places taxpayers at the very center of its service.

HIGHLIGHTS OF CHAPTER I

①	Remarkable Growth in State Budget Revenue: Total revenue managed by tax authorities during the 2021–2025 period reached VND 8,569 trillion, accounting for approximately 86.4% of total state budget revenue. This represents a 1.5-fold increase compared to the 2016–2020 period and a 2.5-fold increase compared to the 2011–2015 period. In 2025 alone, revenue achieved a record scale of VND 2,357 trillion (equivalent to 136.9% of the assigned target), with all 34 out of 34 localities exceeding their revenue targets.
②	Affirming the Role of Taxation as a Macroeconomic Regulatory Tool: The tax system simultaneously performs six core functions—mobilizing financial resources, regulating the macroeconomy, redistributing income, fostering international economic integration, protecting the environment, and promoting exports. This ensures a primary and stable resource base for the state budget while actively contributing to development orientation and social equity.
③	The Most Profound Organizational Reform in 80 Years: Effective July 1, 2025, The Vietnamese Tax Authority operates under a streamlined organizational model synchronized with the two-tier local government system, comprising 01 central Department of Taxation, 34 Provincial Tax Offices, and 350 Commune-level Tax Offices. The total number of administrative units has been drastically reduced from over 4,000 to 746 (a reduction of over 82%), achieving a lean structure while state budget revenue continues to grow robustly.
④	A Robust Shift Toward a Taxpayer-Centric Modern Administration Model: The Vietnamese Tax Authority has adopted a management model based on "taxpayer-segments combined with function-based administration." Concurrently, it is vigorously advancing compliance risk management driven by big data, accelerating comprehensive digital transformation and artificial intelligence application, strengthening tax administration for the digital economy, and progressively converging with advanced international practices.

CHAPTER II

OVERVIEW OF THE CURRENT TAX POLICY SYSTEM

This chapter provides a comprehensive overview of Vietnam's current tax policy framework. Beyond merely enumerating applicable tax laws and legal documents, it clarifies the policies' roles, implementation outcomes, breakthrough innovations, and emerging challenges for future tax system reforms.

Vietnam's tax policy system encompasses ten major taxes, alongside fees, charges, and other state budget revenues. Within the scope of this White Book, the system can be categorized into ten major taxes and revenues. Based on their regulatory nature, they are categorized into direct and indirect taxes. Direct taxes are levied directly on the income or assets of organizations and individuals, whereas indirect taxes are imposed on goods and services throughout the production, circulation, and consumption processes, typically embedded within the prices of such goods and services.

Fundamentally, the tax policy system has established a relatively comprehensive legal framework that aligns with international best practices for a sound tax system. It serves to mobilize resources for the state budget, regulate income, guide production and consumption, encourage investment, and protect the environment. Simultaneously, it reflects the governance requirements of a transitional economy characterized by a high degree of openness and an increasing integration into international tax standards.

Overview of the current tax policy system:

10 main tax types	17 Free Trade Agreements (FTAs)	81 Double Taxation Avoidance Agreements
1. Value Added Tax; 2. Special Consumption Tax; 3. Export and Import Tax; 4. Corporate Income Tax; 5. Personal Income Tax; 6. Natural Resource Tax; 7. Agricultural Land Use Tax; 8. Non-agricultural Land Use Tax; 9. Environmental Protection Tax; 10. Fees, charges, and other revenues belonging to the state budget	1. 08 FTAs within the ASEAN framework (AFTA, ACFTA, AKFTA, AJCEP, AIFTA, AANZFTA, AHKFTA, RCEP); 2. 09 FTAs outside the ASEAN/Vietnam framework signed in its own capacity (VJEPA, VCFTA, VKFTA, VN-EAEU FTA, CPTPP, EVFTA, UKVFTA, VIFTA, Vietnam-UAE FTA/CEPA) 3. Vietnam is continuing to negotiate 02 FTAs, including the Vietnam - EFTA Free Trade Agreement and the ASEAN - Canada Free Trade Agreement.	Australia; France; Thailand; Russia; Sweden; South Korea; UK; Singapore; India; Hungary; Poland; Netherlands; China; Denmark; Norway; Japan; Germany; Romania; Malaysia; Laos; Belgium; Luxembourg; Uzbekistan; Ukraine; Mongolia; Bulgaria; Italy; Belarus; Czech Republic; Canada; Indonesia; Taipei; Algeria; Myanmar; Finland; Philippines; Iceland; Democratic People's Republic of North Korea; Cuba; Pakistan; Bangladesh; Spain; Seychelles; Sri Lanka; Egypt; Brunei; Ireland; Oman; Austria; Slovakia; Venezuela; Morocco; Hong Kong; United Arab Emirates; Qatar; Kuwait; Israel; Saudi Arabia; Tunisia; Mozambique; Kazakhstan; San Marino; Serbia; New Zealand; Palestine; Uruguay; Azerbaijan; Turkey; Iran; Macedonia; Portugal; United States; Estonia; Malta; Panama; Latvia; Cambodia; Macau; Croatia; Cyprus

The refinement of Vietnam's tax policy system is closely tied to the restructuring of state budget revenues, aiming to comprehensively cover all revenue sources and expand the tax base – particularly new revenue sources – in accordance with international practices. It ensures an appropriate portion of domestic revenue, and ratio between direct and indirect taxes. The system effectively leverages taxes, fees, and charges related to assets, natural resources, and environmental protection. Furthermore, it minimizes the embedding of social policies into tax laws and exemption/reduction schemes to guarantee tax neutrality. The ultimate goal is to build a synchronized, sustainably structured tax system that reasonably mobilizes resources for the state budget while fostering a favorable, equitable investment and business environment. This also encourages investment, promotes fair competition, and appropriately redistributes income, keeping pace with the economy's integration and development.

Value-Added Tax (VAT), Corporate Income Tax (CIT), Personal Income Tax (PIT), Special Consumption Tax (SCT), and Export-Import Duties play pivotal roles in the budget revenue structure. Meanwhile, the Natural Resource Tax, Environmental Protection Tax, and Agricultural/Non-agricultural Land Use Taxes serve as regulatory instruments for resource exploitation, land use, environmental protection, and asset management. Additionally, fees, charges, and other revenues help cover the costs of public service provision, state administration, and supplement the state budget.

- › Free Trade Agreements (FTAs) significantly expand market access, promote exports, and attract foreign investment. Concurrently, they necessitate the continuous refinement of tax, customs, and rules of origin policies to ensure the full fulfillment of Vietnam's international commitments.
- › Double Taxation Avoidance Agreements (DTAs) are vital for eliminating or mitigating double taxation. They establish a robust legal framework for cooperation between Vietnam's tax authorities and their international counterparts, thereby facilitating cross-border trade and investment while strengthening international tax administration.

1. Taxes on income

1.1. Corporate Income Tax (“CIT”)

1.1.1. Current CIT Policy

Corporate Income Tax (CIT) is a pivotal tax levied on the taxable income of enterprises. It constitutes a substantial revenue source for the state budget while simultaneously serving as a macro-policy instrument for the State to incentivize investment, foster innovation, and promote priority industries and regions. Vietnam's CIT policy has undergone progressive reforms aimed at gradually reducing the standard tax rate while expanding targeted incentives

for science and technology, digital transformation, the green economy, and small and medium-sized enterprises (SMEs). According to aggregated data for the 2021–2025 period, CIT revenue accounts for approximately **17.7%** of total annual state budget revenue (excluding crude oil).

The current CIT framework is anchored by the Law on Corporate Income Tax No. 67/2025/QH15 dated June 14, 2025 (effective from October 1, 2025, and applicable from the 2025 tax period), along with its guiding documents¹. These regulations grant tax exemptions, reductions, and preferential rates to priority sectors including high-tech agriculture, semiconductors, software production, renewable energy, critical infrastructure, and social housing, healthcare, education, environmental protection, journalism, publishing, and cooperatives operation.

1.1.2. Corporate income tax incentives and some new points of the Law on Corporate Income Tax No. 67/2025/QH15

The Corporate Income Tax Law stipulates a comprehensive incentive framework as follows:

- **Tax-Exempt Incomes:** This encompasses income derived from agriculture, forestry, fishery, salt production, and marine fisheries; income from the performance of contracts on scientific research, technological development and innovation, digital transformation; income from enterprises employing a substantial highly-vulnerable workforce; income from transactions involving carbon credits and green bonds; income from prioritized technology transfers; and income from public service provision by public non-business units.
- **Incentivized Sectors:** Targeted support is directed toward high technology, digital technology, software production, semiconductors, renewable energy, supporting industries, critical infrastructure, high-tech agriculture, key industrial production, social housing, healthcare, education, environmental protection, journalism, publishing, and cooperatives operation.
- **Incentive Mechanisms:** These entail preferential tax rates coupled with specified tax holiday periods. The preferential rates are set at 10%, 15%, and 17%, depending on the targeted taxpayers, sectors, and geographic locations. This is accompanied by a maximum tax exemption period of 4 years followed by a 50% tax reduction for up to 9 subsequent years (for the 10% rate category); or a maximum exemption of 2 years and a 50%

¹ Decree No. 320/2025/ND-CP dated December 31, 2025, of the Government detailing the implementation of some articles of the Corporate Income Tax Law; Circular No. 20/2026/TT-BTC dated March 12, 2026, of the Ministry of Finance, detailing certain articles of the Corporate Income Tax Law and Government Decree No. 320/2025/ND-CP dated December 15, 2025, providing detailed regulations and measures for the organization and implementation of the Corporate Income Tax Law.

reduction for up to 4 years (for the 17% rate category). Additionally, supplementary support mechanisms include accelerated depreciation, the allowance of a 200% deduction for R&D expenses, and the establishment of Science and Technology Development Funds.

Starting from the 2025 tax period, the new CIT Law introduces several key/vital innovations:

- › **Stricter Deductibility Rules:** Invoices for transactions valued at VND 5 million or more must be supported by non-cash payment vouchers to be eligible as deductible expenses.
- › **Timing of Expense Recognition:** Certain expenses incurred for production and business operations, which do not correspond to the revenue generated in the period, are also eligible as deductible expenses;
- › **Capital Transfer Taxation:** Foreign enterprises engaged in capital transfers are now permitted to apply a flat tax rate of 2% on gross revenue, replacing the previous 20% rate applied to net income.
- › **Loss Offsetting:** Enterprises may offset profits derived from real estate transfers or investment project transfers against losses incurred from general business operations (excluding profits from operations currently enjoying tax incentives).
- › **Elimination of Standalone Incentives for Industrial Park Investment Projects:** Specific, standalone tax incentives for investment projects located within industrial parks are no longer applicable. Instead, tax incentives are strictly granted based on prioritized industries, specialized professions, or the specific socio-economic conditions of the geographic area.
- › **R&D and Innovation Support:** The maximum provisioning rate for the Science and Technology Development Fund has increased from 10% to 20% of annual taxable income. Notably, the Law now allows for a 200% deduction on research and development (R&D) expenses.

Challenges and Future Orientations for CIT policy moving forward, a primary imperative for CIT policy is to continuously evaluate the impacts of the Corporate Income Tax Law No. 67/2025/QH15 and its guiding documents. It is crucial to review the substantive effectiveness of tax exemptions, reductions, and incentive schemes. This ensures that tax incentives remain highly targeted and closely aligned with the national goals of attracting high-quality investment, fostering innovation, driving digital transformation, promoting green growth, and enhancing the competitiveness of domestic enterprises.

Concurrently, the CIT base must be further refined to keep pace with the expansion of the digital economy, emerging business models, cross-border transactions, and the valuation of intangible assets. A critical focus will be placed on strengthening the administration of related-party transactions and

combating transfer pricing and mitigating tax base erosion. Ultimately, it is essential to ensure seamless compatibility between domestic CIT incentive policies and the Global Minimum Tax regulations, thereby simultaneously maintaining an attractive and stable investment environment while safeguarding Vietnam's taxing rights and state budget revenues.

In addition to general provisions, Vietnam's CIT policy incorporates specific mechanisms designed to safeguard the tax base amidst international economic integration. Notably, tax administration for enterprises with related-party transactions and the top-up CIT under global anti-base erosion regulations constitute two critical components. They reflect a strategic transition in CIT policy from traditional territorial-based management toward governance aligned with global value chains, cross-border transactions, and the operations of multinational enterprises (MNEs).

1.1.3. Tax administration for enterprises with related-party transactions

In the context of globalization and the proliferation of multinational enterprises (MNEs), related-party transactions represent a high-risk area for transfer pricing, profit shifting, and tax base erosion. To address this, Vietnam has established a robust legal framework through Decree No. 132/2020/ND-CP, which is further refined by Decree No. 20/2025/ND-CP.

Tax administration for enterprises with related-party transactions constitutes a crucial component of CIT policy, particularly given that Vietnam is a highly open economy that attracts numerous multinational enterprises (MNEs) with substantial cross-border flows of investment capital, goods, services, and technology. The framework for administering related-party transactions is designed to ensure that intra-group transactions conform to the arm's length principle, thereby preventing any artificial reduction of tax obligations in Vietnam.

The provisions codified under Decree No. 132/2020/ND-CP and Decree No. 20/2025/ND-CP define related-party relationships based on equity ownership, management, or operational control. These regulations require enterprises to disclose related-party transactions and maintain comprehensive transfer pricing documentation, while empowering tax authorities to scrutinize non-commercial expenses and cap deductible interest expenses at a specified percentage of EBITDA (Earnings Before Interest, Taxes, Depreciation, and Amortization). Under these rules, entities are deemed related parties when tied by capital investment, management, or operational control. However, an explicit exemption applies to loans extended by credit institutions (commercial banks), provided that such institutions do not hold management or operational control over the borrowing enterprise.

Enterprises are required to disclose and determine transaction prices in accordance with the arm's length principle, ensuring no artificial reduction of their tax obligations. Expenses arising from related-party transactions that lack pure commercial substance (i.e., those not genuinely serving production

and business operations) shall be excluded from deductible expenses when determining corporate income taxable income.

For enterprises with related-party transactions, the total deductible interest expense incurred during the period – after netting out interest income from deposits and loans – shall not exceed 30% of the aggregate of net profit from business activities in the period, net interest expense, and depreciation and amortization expenses incurred within the period (equivalent to 30% of EBITDA).

Any non-deductible interest expense exceeding this 30% threshold may be carried forward to the subsequent tax period and added to the total deductible interest expense of that period, provided that the total interest expense in the subsequent period falls below the 30% cap. The continuous carry-forward period for such non-deductible interest expenses shall not exceed 05 consecutive years, counting from the year immediately following the year of incurrence.

1.1.4. Global Minimum Tax

Concurrently with the administration of related-party transactions, the implementation of top-up CIT under the global anti-base erosion rules marks a profound paradigm shift in Vietnam's CIT policy within the international context. Grounded in the OECD/G20 Two-Pillar Solution, Pillar 2 establishes a global minimum tax rate of 15% for multinational enterprises (MNEs) with global consolidated revenues of EUR 750 million or more.

Vietnam officially enacted this top-up CIT starting from the 2024 fiscal year under National Assembly Resolution No. 107/2023/QH15 and Decree No. 236/2025/ND-CP. This regulation decisively protects Vietnam's taxing rights over profits generated within its jurisdiction, preventing the right to collect top-up tax from being ceded to other nations, while underscoring Vietnam's steadfast commitment to implementing global standards against base erosion.

In the coming period, the enforcement of the Global Minimum Tax necessitates a comprehensive review of CIT incentive policies, particularly those applicable to MNEs falling within its scope. It requires exploring a gradual transition from tax exemption and reduction-based incentives toward investment support measures that are appropriate, transparent, targeted, and do not erode Vietnam's taxing rights.

As of December 31, 2025, the Department of Taxation had received 1,458 Notifications of Designation of Constituent Entities responsible for global minimum tax filing, corresponding to 1,458 multinational enterprises (MNEs) determined to fall within the scope of the global minimum tax application. Concurrently, the authority received tax returns in accordance with regulations, among which 69 filings generated top-up tax liabilities payable to the State Budget, totaling approximately VND 14,288 billion.

1.2. Personal Income Tax (“PIT”)

1.2.1. Personal Income Tax Policy

Personal Income Tax (PIT) serves as a key regulatory instrument for income distribution, ensuring equity based on the ability-to-pay principle and contributing to the expansion of the state budget revenue base. Evolving from the 1991 Ordinance on Income Tax for High Earners to the Law on Personal Income Tax No. 04/2007/QH12 and the recent Law on Personal Income Tax No. 109/2025/QH15, PIT policy has been progressively refined, expanding its regulatory scope and aligning more dynamically with the country's economic evolution.

PIT taxpayers comprise resident individuals subject to tax on taxable income arising within and outside the territory of Vietnam, and non-resident individuals subject to tax on taxable income arising strictly within Vietnam's territory.

Taxable income encompasses: business income; wages and salaries; income from capital investments; capital transfers; real estate transfers; prizes and winnings; royalties; commercial franchising; inheritances; and gifts.

Tax-exempt income primarily includes: real estate transfers between immediate relatives; transfers of a sole residential property; income from agricultural production; interest on deposits; interest from Government bonds; overseas remittances; and specified types of wages and salaries.

The PIT legislation also provisions a tax reduction mechanism tailored for taxpayers experiencing hardships arising from natural disasters, epidemics, fires, accidents, or critical illnesses.

For non-resident individuals, PIT is applicable exclusively to Vietnam-sourced income and is calculated using flat tax rates applied directly to each income item, with no eligibility for family circumstance deductions or year-end tax finalization.

1.2.2. PIT incentives and some new points of Law on Personal Income Tax No. 109/2025/QH15

- › Introduction of tax exemptions for specific income streams to actively incentivize the digital economy, innovation, green finance, and the cultivation of high-tech human resources;
- › Enactment of a 50% tax reduction on dividends and profit distributions derived from certified investment funds, in compliance with securities legislation;
- › Elevation of the tax-liable revenue threshold for business income from VND 100 million to VND 1 billion per year, accompanied by the mandatory transition to the declaration method;
- › Reduction of progressive tax brackets from 7 to 5, maintaining a tax rate structure spanning from 5% to 35%; concurrently, the family circumstance

deduction is raised to VND 15.5 million per month for the taxpayer and VND 6.2 million per month for each dependent;

- › Introduction of dedicated tax rates applicable to newly emerging income categories, including carbon credits, “.vn” national domain names, digital assets, and physical gold bars.

2. Taxes on consumption of goods and services

2.1. Value Added Tax (“VAT”)

Value-Added Tax (VAT) is a broad-based tax levied on the consumption of goods and services within the economy. It constitutes a stable and vital revenue source for the state budget, featuring the structural advantage of being collected at every stage of production, circulation, and consumption while applying only to the incremental added value. VAT revenue accounts for approximately 15.9% of total annual state budget revenue (excluding crude oil).

The VAT policy framework is governed by legal instruments including the Law on Value-Added Tax No. 48/2024/QH15 enacted by the National Assembly on November 26, 2024, and its guiding regulations².

Taxable objects comprise goods and services utilized for production, business, and consumption in Vietnam, except for those specified under Article 5 of the Law on Value-Added Tax No. 48/2024/QH15. The VAT rates consist of three tiers: 0%, 5%, and 10%. The 0% rate is applied to exported goods and services (in alignment with international practices); the 5% rate applies to essential goods and services for daily livelihood and inputs designated for agricultural production; and the standard 10% rate applies to all other conventional goods and services. From 2022 through 2025, the National Assembly enacted series of Resolutions on VAT reduction, lowering the rate from 10% to 8% for specified categories of goods and services, excluding certain sectors such as telecommunications, finance, banking, and real estate.

During the 2021-2025 period, the VAT policies underwent significant amendments on the previous Law on VAT to resolve practical inefficiencies, converging with international best practices and fulfilling the Tax System Reform Strategy through 2030. Key milestones include:

- › Tax Base Expansion: Progressively narrowing the scope of non-taxable items and the 5% preferential rate category, moving toward a unified single-rate model aligned with reform mandates;

² Government Decree No. 181/2025/ND-CP dated July 1, 2025, providing detailed regulations for the implementation of certain articles of the Value Added Tax Law; Circular No. 69/2025/TT-BTC dated July 1, 2025, of the Ministry of Finance, providing detailed guidance on certain articles of the Value Added Tax Law and guiding the implementation of Government Decree No. 181/2025/ND-CP dated July 1, 2025, and amending/supplementing documents.

- › Digital Economy Coverage: Incorporating explicit taxpayer definitions for e-commerce and digital platform-based businesses to ensure comprehensive oversight;
- › Threshold Rationalization: Elevating the annual VAT-exempt revenue threshold for business households and business individuals³ from VND 100 million to VND 1 billion;
- › Tightening Export Rules: Clarifying specific criteria for exported goods and services eligible for the 0% rate to prevent administrative ambiguities;
- › Deductibility Compliance: Mandating non-cash payment vouchers as an absolute prerequisite for input VAT deduction on inbound transactions;
- › Refining Refund Mechanisms: Overhauling refund provisions to match emerging realities, including introducing refunds for entities operating under the 5% VAT rate; excluding imported goods subsequently re-exported from refund eligibility; and establishing unambiguous, frictionless workflows for VAT refunds regarding investment projects and export activities.

2.2. Special Consumption Tax (“SCT”)

Special Consumption Tax (SCT) is imposed on specific goods and services characterized as luxury items, non-essential goods, or those requiring state regulation for socio-economic reasons. Rather than operating purely as a fiscal revenue generator, SCT functions intrinsically as an economic behavioral adjustment mechanism. Through this tax, the State signals a clear trajectory toward healthy consumption, environmental preservation, and the balancing of sustainable development goals.

Currently, the SCT framework is anchored by the Law on Special Consumption Tax No. 66/2025/QH15 enacted by the National Assembly on June 14, 2025, alongside its guiding regulations⁴. Law No. 66/2025/QH15 was specifically formulated to broaden the tax base and fine-tune fiscal policies to protect public health and the environment. Consequently, sugar-sweetened beverages have been integrated into the taxable scope, accompanied by a structured roadmap for progressive rate hikes on tobacco, alcohol, beer, and certain types of vehicles with significant impacts on health and the environment. The SCT policy is systematically designed to converge consumer behavior with long-term sustainable development.

³ Business individuals can be understood as self-employed people.

⁴ Government Decree No. 360/2025/ND-CP dated December 31, 2025, providing detailed regulations for the implementation of certain articles of the Special Consumption Tax Law; Circular No. 158/2025/TT-BTC dated December 31, 2025, of the Ministry of Finance, providing detailed guidance on certain articles of Government Decree No. 360/2025/ND-CP dated December 31, 2025, which provides detailed regulations for the implementation of certain articles of the Special Consumption Tax Law.

2.3. Export and import taxes

2.3.1. Export and import tax policy

Export and Import Duties apply to goods transported across the customs borders of Vietnam or between the domestic market and non-tariff zones. It serves as a vital policy instrument for the State to regulate international trade, afford reasonable protection to domestic production, guide import-export flows toward socio-economic goals, and ensure the execution of Vietnam's international trade commitments.

The current tariff policy is predicated on encouraging the importation of raw materials, supplies, machinery, and equipment – particularly those not yet produced domestically – while disincentivizing the exportation of raw natural resources. It aims to stabilize markets, secure state budget revenues, and introduce simplicity, transparency, and administrative efficiency for taxpayers. Import tariff rates are structured to decrease progressively from finished products down to raw materials, whereas export tariff rates exhibit an inverse upward trajectory from finished goods to raw inputs, thereby heavily incentivizing domestic in-depth processing and increasing domestic value added.

Taxable objects comprise goods exported or imported through Vietnam's border gates and checkpoints; goods moved from the domestic market into non-tariff zones and vice versa; and on-spot exported and imported goods, alongside goods traded under authorized export, import, and distribution rights. Taxpayers primarily include owners of imported and exported goods; entities operating under import-export entrustment schemes; passengers carrying taxable baggage across borders; and authorized agents, guarantors, or parties paying on behalf of taxpayers.

The tax base varies according to the chosen methodology, spanning *ad valorem* rates, specific duties, compound taxation, and tariff-rate quotas (TRQs). As a strict baseline principle, customs duties must be fully settled prior to customs clearance or cargo release; however, shipments backed by a credit institution guarantee may secure release subject to the accrual of late payment interest. Authorized economic operators (AEOs) enjoying priority status under customs law are permitted to defer duty payment until the tenth day of the subsequent month for all declarations cleared within the current month.

2.3.2. Trade defense measures related to tax

In addition to standard import-export duties, the legal framework provides for trade remedies, encompassing anti-dumping duties, countervailing duties, and safeguard duties. These special duties are deployed exclusively upon the conclusion of statutory investigations to mitigate or prevent material injury to domestic industries, ensuring that such interventions remain strictly necessary, proportional, and balanced against national socio-economic interests.

Import-export duties are vital instruments for managing Vietnam's international commerce. Amidst profound global integration and tariff phase-outs under various FTAs, these duties serve a dual purpose: securing fiscal revenue and strategically orchestrating trade flows. They encourage inbound production inputs, penalize outbound raw resource flows, afford structured protection to domestic manufacturing, and facilitate trade defense measures. Moving forward, tariff policies will be continually refined toward transparency, simplification, and international compatibility, while sharpening risk management against trade fraud, origin misrepresentation, illegal transshipment, and optimizing trade remedy mechanisms.

3. Specific taxes

3.1. Environmental protection tax

Environmental Protection Tax is an indirect tax levied on specified products and goods whose consumption generates adverse environmental externalities. It serves as a fiscal instrument to operationalize the “polluter-pays principle”, steering production and consumption toward eco-friendly alternatives and generating resources to advance sustainable development goals.

The taxable scope encompasses goods with high potential for environmental harm, including: fossil-based gasoline, oil, and grease; coal; hydro-chloro-fluoro-carbon (HCFC) solutions; taxable plastic bags; restricted-use herbicides, termiticides, forest product preservatives, and warehouse disinfectants. For blended fuels containing biofuels mixed with fossil components, the tax is assessed exclusively on the volume of the fossil-based gasoline, oil, or grease component.

Taxpayers comprise organizations, households, and individuals manufacturing or importing taxable items. For imported commodities, the tax liability is triggered at the point of importation, with an exception for gasoline and oil imported for resale, where the tax is deferred until the outbound sale by the distributor. For domestically manufactured goods, the tax liability arises upon sale, exchange, internal consumption, donation, or formal deployment into use.

Structurally, the tax is collected strictly at the initial production or import stage to eliminate cascading double taxation during subsequent circulation. The tax base is determined by the taxable volume multiplied by a specific tax rate/absolute tax rate per unit. Unlike VAT or SCT, which operate primarily on a percentage basis, the Environmental Protection Tax applies fixed specific duties – meaning a precise monetary amount is assigned per unit of taxable cargo. The definitive rate schedule for each category is governed by the Tariff Schedule enacted by the Standing Committee of the National Assembly.

The Law on Environmental Protection Tax defines clear non-taxable exceptions for goods that are not consumed within Vietnam or do not generate environmental impacts within national borders, such as goods in transit or

transshipment; goods temporarily imported and re-exported within statutory timelines; and commodities directly exported or via export entrustment.

Globally, this tax has established a functional fiscal mechanism to steer production and consumption toward resource conservation, restrict the use of pollutive products, and internalize environmental costs within social awareness. Driven by green growth mandates, the circular economy, energy transition, and net-zero emission commitments, future tax policy reviews will fine-tune rates to accurately reflect pollution intensity, adjust the taxable scope to cover newly emerging hazardous materials, and optimize governance transparency to ensure revenues are directly tied to environmental preservation.

3.2. Natural resource tax

Natural Resource Tax is levied on organizations and individuals exploiting natural resources under national sovereignty. It serves as a vital financial instrument to enforce the principle of all-people ownership of natural resources, steering extraction activities toward efficiency and conservation while securing stable revenue for the state budget – particularly local budgets where resources are situated.

Taxable objects of Natural Resource Tax encompass natural resources within the mainland, islands, internal waters, territorial sea, contiguous zone, exclusive economic zone, and continental shelf under the sovereignty and jurisdiction of the Socialist Republic of Vietnam, including: metallic minerals; non-metallic minerals (encompassing common construction materials, soil, stone, sand, and gravel); crude oil; natural gas and coal gas; natural forest products (excluding regulated animals and other flora); natural seafood (including marine animals and plants); natural water (comprising surface water and groundwater, excluding natural water utilized for agriculture, forestry, fisheries, and salt production); and other categories of natural resources prescribed by the Standing Committee of the National Assembly.

Natural Resource Taxpayers comprise organizations, households, and individuals extracting taxable natural resources. The tax liability arises at the time of extraction or upon the determination of commercial output for specific resources (such as crude oil and natural gas). In cases where a construction contractor conducts resource extraction within its allocated land area, such organization shall be the designated taxpayer. Natural Resource Tax is computed based on the actual extracted output and collected only once for directly extracted resources to guarantee equity and prevent double taxation.

The basis for calculating resource tax consists of the taxable resource output, the taxable resource price, and the corresponding tax rate. Unlike the Environmental Protection Tax which applies specific tax rates/absolute tax rates, Natural Resource Tax is calculated as an ad valorem percentage (%) of the extracted resource's value. Therein, the taxable output is the actual

quantity, volume, or weight of resources extracted during the tax period; the taxable price is the unit selling price of the resource product exclusive of VAT, or determined in accordance with the Taxable Resource Price Schedule prescribed by the Provincial People's Committee. Tax rates for each resource category are governed by the Tariff Schedule enacted by the Standing Committee of the National Assembly for each period.

The Law on Natural Resource Tax provisions specific cases of tax exemptions and reductions to encourage rational extraction or support targeted beneficiaries, primarily: organizations and individuals harvesting natural seafood; organizations and individuals collecting branches, treetop, firewood, and minor non-timber products from natural forests for daily livelihood; natural water utilized for salt production, or extracted by households and individuals for domestic consumption; and soil extracted from land allocated or leased to organizations and individuals for on-site utilization, land leveling, or the construction of national defense, security, military infrastructure, and dykes.

Over the years, the Natural Resource Tax has contributed to establishing a rigorous oversight and administrative framework for national resources, guiding extractive enterprises to invest in advanced technologies to optimize recovery rates, minimize resource depletion, and elevate corporate social responsibility toward local mining communities. Driven by the mandates of sustainable development, Net Zero commitments, and the green transition trajectory, resource tax policies must be continuously reviewed, adjusting tariff rates for non-renewable resources to curb raw material exports and encourage deep processing, while perfecting the administration of taxable prices to closely reflect market rates, in order to prevent revenue leakage and fraud in the declaration of actual extracted output.

4. Tax administration policy

4.1. Tax administration policy

Tax administration policy is a cornerstone of the fiscal system, ensuring that all tax categories are implemented in a uniform, transparent, and efficient manner, while establishing mechanisms for taxpayers to fulfill their obligations conveniently and lawfully. Over the recent period, Vietnam's tax administration has undergone a profound paradigm shift from manual, decentralized workflows to an integrated model driven by advanced information technology, digital data, risk management, and the enhancement of voluntary compliance. The current tax administration system covers the entire lifecycle of tax obligations, encompassing tax registration, tax declaration, tax payment, tax assessment, tax refunds, tax exemptions, tax reductions, tax debt write-offs, tax debt management, the enforcement of administrative decisions on tax administration, tax audits and inspections, violation handling, complaint and denunciation resolution, and the provision of taxpayer support services.

Several legal normative documents on tax administration have been enacted to take effect from January 1, 2026, satisfying tax administration requirements for business households and business individuals as they transition to the declaration-based method, in accordance with the mandates of Resolution No. 68-NQ/TW dated May 4, 2025, issued by The Politburo on private sector economic development⁵.

4.2. New aspects of tax management policy

The Law on Tax Administration No. 108/2025/QH15 establishes a cornerstone legal foundation for innovating tax administration in the new era. The legislation is structured toward streamlining operations, strengthening decentralization and delegation, and driving the application of digital technology, big data, electronic invoices, and electronic transactions in the fiscal domain. Simultaneously, it marks a decisive transition from a procedure-based administrative mindset to an objective governance model rooted in compliance levels, risk profiling, and the distinct characteristics of each taxpayer segment.

A primary focal point of the current tax administration policy centers on expanding and modernizing taxpayer administration methodologies. The tax registration mechanism is progressively integrated with the national population database, business registration, land management, customs, banking, and other specialized databases. The utilization of personal identification numbers, enterprise codes, TINs, and digital records effectively mitigates information duplication, facilitates taxpayer compliance, and enhances inter-agency capacity for monitoring, cross-referencing, and governing tax obligations.

Tax declaration, payment, and refund mechanisms have been extensively reformed toward comprehensive digitalization, simplification, and the enhancement of taxpayer accountability. Taxpayers fulfill their obligations under the baseline principles of self-declaration, self-computation, self-payment, and absolute legal liability for the accuracy, truthfulness, and completeness of their tax files. Concurrently, tax authorities are shifting from pre-audit checks to ex-post audits, sharpening risk analysis, executing thematic audits, and implementing data-driven reviews, thereby lowering compliance costs for highly compliant taxpayers while strategically concentrating public resources on high-risk areas, transactions, and subjects.

⁵ Government Decree No. 68/2026/ND-CP dated March 5, 2026, of the Government, on tax policies and tax management for business households and individuals; Government Decree No. 141/2026/ND-CP dated April 29, 2026, of the Government, amending and supplementing certain articles of Decree No. 68/2026/ND-CP on tax policies for business households and individuals, and Decree No. 320/2025/ND-CP detailing certain articles and measures for the organization and implementation of the Corporate Income Tax Law; Circular No. 18/2026/TT-BTC dated March 5, 2026, of the Ministry of Finance, on tax management dossiers and procedures for business households and individuals; Circular No. 50/2026/TT-BTC of the Ministry of Finance: Amending and supplementing certain articles of Circular No. 18/2026/TT-BTC dated March 5, 2026, of the Minister of Finance, on tax management dossiers and procedures for business households and individuals..

The management of electronic invoices and digital documents represents a critical pillar of modern tax administration. The ubiquitous deployment of e-invoices, e-invoices generated from cash registers, electronic vouchers, and transaction data connectivity has significantly enhanced transparency across production and business activities; optimized the governance of revenues, expenses, deductions, and tax refunds; and decisively curbed the illicit trade of invoices, tax fraud, and tax evasion. This framework establishes an indispensable foundation for the effective oversight of digital platform operations, e-commerce, cross-border trade, business households, and business individuals.

Regarding business households, business individuals, and emerging business models, tax administration policies are transitioning from the traditional presumptive taxation method and manual workflows to an advanced data-driven approach leveraging declared revenue records, e-invoices, electronic payments, and information fed from third-party intermediaries. Perfecting tax administration mechanisms tailored for e-commerce platforms, digital applications, paying agents, electronic payment intermediaries, and foreign suppliers directly broadens the tax base and guarantees fiscal equity between brick-and-mortar operations and digital commerce environments.

Tax debt management and enforcement procedures are continually refined through systemic debt classification, risk-based targeting, enhanced automation, and inter-agency coordination. Coercive enforcement measures for tax administrative decisions are meticulously designed to ensure the correct, full, and timely collection of fiscal revenues into the state budget, while preserving equitable relief mechanisms for taxpayers experiencing genuine objective hardships, insolvency, or those eligible for tax debt freezing and debt write-off under the provisions of the law.

Tax audit activities are strictly guided by risk management principles, avoiding indiscriminate verifications and mitigating administrative burdens for compliant taxpayers. Tax authorities focus operational resources on high-risk domains, including related-party transactions, transfer pricing, e-commerce, cross-border trade, tax refunds, electronic invoices, real estate, digital assets, and any operations exhibiting indicators of profit shifting or tax base erosion. The application of advanced information technology, big data analytics, and inter-agency data integration serves as the baseline to optimize the efficiency of tax inspections and audits, while bolstering objectivity and transparency in audit target selection.

The updated tax administration framework reinforces institutional cooperation and information sharing between tax authorities and various ministries, sectors, local governments, credit institutions, payment service providers, business registration registries, land administration offices, notary authorities, customs, and specialized regulatory bodies. This inter-agency coordination mechanism is crucial for comprehensive revenue management, countering state budget leakage, monitoring high-risk transactions, and assisting taxpayers in correctly fulfilling their obligations.

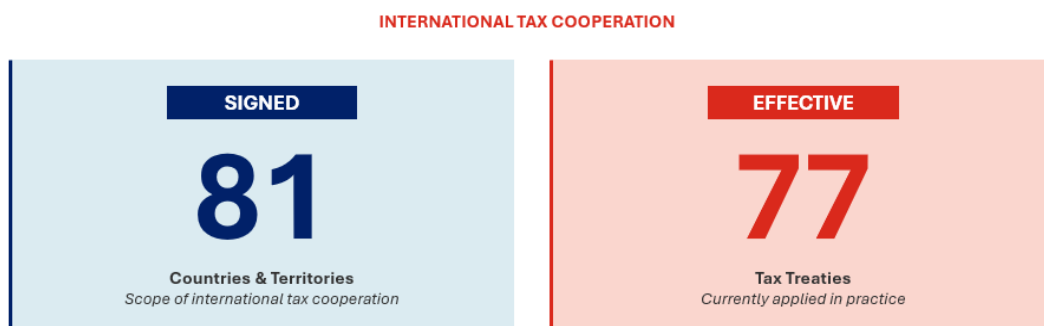
Parallel to regulatory mandates, tax administration policies place an increasing emphasis on service-oriented and support functions for taxpayers. The delivery of electronic tax services, prompt policy guidance, filing assistance, proactive information disclosure, the receipt and resolution of bottlenecks, and the simplification of administrative procedures have substantively enhanced the business environment, lowered compliance costs, and elevated taxpayer satisfaction. This progressive approach directly aligns with the strategic requirements of establishing a service-oriented administration centered entirely on serving citizens and enterprises.

Overall, Vietnam's tax administration policies are systematically transitioning toward a modern, transparent, data-centric, and risk-managed framework. Landmark reforms spanning electronic invoicing, digital tax filing, electronic payments, automated refunds, cross-agency data connectivity, e-commerce tax administration, transfer pricing oversight, and international tax cooperation have profoundly enhanced state budget collection efficiency, reinforced fiscal discipline, and significantly facilitated taxpayers.

Nevertheless, against the backdrop of the digital economy, cross-border transactions, digital assets, platform-based business models, global supply chain shifts, and increasingly profound international economic integration, tax administration continues to face emerging mandates. Vietnam must further refine its legal framework governing tax data administration, inter-agency data connectivity, and sharing; enhance sophisticated risk analysis capabilities; modernize its core information technology architecture; and strengthen tax administration over the digital economy, e-commerce, overseas suppliers, related-party transactions, and newly emerging revenue streams, while continuously simplifying administrative procedures, safeguarding the legitimate rights of taxpayers, and optimizing the operational efficiency of tax authorities.

Vietnam's tax administration policy serves not merely as a tool for mobilizing state budget revenue, but acts as the very foundation to construct a modern, equitable, transparent, efficient, and internationally compliant tax system. In the forthcoming period, tax administration must be continually perfected under a data-centric philosophy, established upon voluntary compliance as the bedrock, utilizing risk management as the primary operational methodology, and placing taxpayer service as the overarching, ultimate objective.

5. International tax cooperation



Vietnam has signed tax treaties with 81 countries/territories, of which 77 treaties have taken effect

During the 2017 – 2021 tenure, the Department of Taxation designated its representative to serve on the United Nations Committee of Experts on International Cooperation in Tax Matters⁶. This marked the historic first time that Vietnam secured official representation within this critical United Nations tax expert mechanism. Through the active engagement of Vietnam's representative alongside global experts, the perspectives and fiscal interests of developing nations were effectively integrated into the research, deliberation, and finalization of UN tax recommendations, guidelines, and the UN Model Double Taxation Convention. Notably, during this period, the United Nations adopted Article 12B of the UN Model Convention concerning income derived from Automated Digital Services (ADS), substantively reinforcing the taxing rights of market jurisdictions where digital economic activities occur.

Vietnam's assignment to the UN Tax Committee reflects the international community's high recognition of the professional capacity of the Vietnam Tax Administration, while creating favorable avenues for Vietnam to engage deeper in shaping global tax standards, safeguarding the voice and interests of developing economies in global tax cooperation.

During the 2021 – 2025 period, international tax cooperation was promoted in alignment with advanced global standards, expanding multilateral coordination, perfecting the institutional framework, and enhancing administrative capabilities over cross-border business operations, e-commerce, and the digital economy.

By the end of April 2026, Vietnam had signed 81 Agreements for the Avoidance of Double Taxation with countries and territories, 77 of which have officially entered into force. Concurrently, the nation continues to expand its tax treaty

⁶ Mister Dang Ngoc Minh, Deputy Director General of The Department of Taxation of Vietnam

network and actively participate in prominent multilateral instruments and accords, including the Multilateral Instrument (MLI), the Convention on Mutual Administrative Assistance in Tax Matters (MAAC), the Country-by-Country Multilateral Competent Authority Agreement (CbC MCAA), and the Bali Declaration under the Asian Initiative. The Department of Taxation remains an active participant in international fora, including the Inclusive Framework on BEPS (IF), the Global Forum (GF), the Asia Forum on Tax (AFT), and the Study Group on Asian Tax Administration and Research (SGATAR), exchanging administrative experiences, updating international standards, and reinforcing tax administration capacity amidst profound global integration.

The legal framework for international tax administration has been continuously researched and perfected to incorporate international commitments into domestic legislation, focusing on combating base erosion, profit shifting, and enhancing tax transparency. The National Assembly enacted Resolution No. 107/2023/QH15 regarding the application of top-up CIT under global anti-base erosion regulations (Pillar 2). On this basis, the Government promulgated Decree No. 236/2025/ND-CP detailing the enforcement of the Global Minimum Tax in Vietnam, establishing a concrete legal foundation to implement the Global Anti-Base Erosion (GloBE) rules in strict compliance with OECD standards.

Parallel to institutional refinement, the Department of Taxation has proactively deployed targeted tax administration solutions for e-commerce, digital platforms, and cross-border service provisions. The legal framework has synchronously incorporated unified regulations governing tax registration, declaration, and payment for overseas suppliers lacking a permanent establishment (PE) in Vietnam; the statutory liabilities of e-commerce platforms regarding tax withholding, declaration, and payment on behalf of digital merchants; and the mandatory periodic provision of transaction data to tax authorities alongside administrative sanctions for non-compliance or misrepresentation. These provisions are formally institutionalized within the Law on Tax Administration, Law No. 56/2024/QH15, the Law on Value-Added Tax No. 48/2024/QH15, and their respective guiding decrees.

Information technology infrastructure dedicated to international tax administration has been continually upgraded toward a modern, centralized, and highly secure architecture. The Department of Taxation has developed and operationalized specialized web portals tailored for overseas suppliers and taxpayers with foreign elements, while constructing a centralized e-commerce tax administration system that integrates data across tax systems,

commercial banks, e-commerce marketplaces, payment intermediaries, and logistics providers. Additionally, the Vietnam Tax Administration is establishing a dedicated database warehouse and management system for Country-by-Country Reporting (CbCR), satisfying rigorous criteria for data security, encryption, access control, and information security monitoring in strict accordance with OECD standards.

Strategic objectives for international taxation in the forthcoming period center on refining the institutional framework and executing international commitments, focusing on the full implementation of recommendations issued by the Inclusive Framework on BEPS and global monitoring mechanisms. The existing network of Tax Treaties will be reviewed and amended in conjunction with the finalization of Negotiation Principles and an updated Model Tax Convention template. Concurrently, high priority will be directed toward perfecting the legal framework for tax administration over e-commerce, cross-border digital services, and emerging business models within the digital economy.

Regarding operational workflows and risk management, the focal objective is to formulate and uniformly implement administrative procedures and practical handbooks on Tax Treaty application, the exchange of information, and MAP and APA procedures. Tax authorities will aggressively scale up risk management anchored by multi-source data analytics, while strengthening targeted thematic audits and inspections over cross-border transactions and digital business operations to effectively counter tax evasion and tax avoidance system-wide.

In the domain of database management and modernization, the Vietnam Tax Administration aims to construct a centralized data warehouse dedicated to international tax administration, integrating e-commerce transaction logs and Country-by-Country Reporting (CbCR) datasets. The Vietnam Tax Administration will develop digital applications to process tax exemption and reduction dossiers on digital platforms; complete the technical infrastructure to support the Automatic Exchange of Information (AEOI) under the Common Reporting Standard (CRS) and CbCR frameworks; and accelerate the utilization of Big Data analytics to strictly scrutinize and control related-party transactions.

Regarding international cooperation and capacity building, the tax authority advocates expanding consultation mechanisms and information exchange channels with foreign jurisdictions and international organizations. Civil service training will be intensified, focusing on transfer pricing audits, digital

commerce taxation, and the Global Minimum Tax framework. Concurrently, the Vietnam Tax Administration will consolidate the specialized international tax administration apparatus within the central Department of Taxation and Provincial Tax Offices that manage high volumes of international transactions and related-party enterprises, while effectively administering the top-up CIT under Global Minimum Tax rules to firmly protect national taxing rights and fiscal sovereignty.

HIGHLIGHTS OF CHAPTER II

①	The current tax system, comprising 10 major tax categories, establishes a relatively comprehensive legal framework that aligns with international best practices to mobilize resources for the state budget, regulate income, guide production and consumption, encourage investment, and protect the environment, while reflecting administration requirements as Vietnam integrates deeply into international tax standards.
②	Corporate Income Tax has been reformed under Law No. 67/2025/QH15: Introducing preferential tax rates tailored to revenue scales (15% and 17%) and granting tax exemptions to small enterprises with low revenues; key innovations have been incorporated, including incentives for research and development (R&D) and the elimination of standalone incentives for industrial park projects.
③	The Global Minimum Tax has been implemented effective from the 2024 fiscal year under Resolution No. 107/2023/QH15, imposing a 15% minimum tax rate on multinational enterprises (MNEs) with global consolidated revenues of EUR 750 million or more. As of the end of 2025, 1,458 MNE groups had submitted notifications, hundreds of tax returns had been processed, and a substantial top-up revenue stream had been successfully mobilized into the state budget.
④	Personal Income Tax has been comprehensively amended under Law No. 109/2025/QH15: Scaling down progressive tax brackets from 7 to 5, elevating the taxable revenue threshold for business households and individual entrepreneurs from VND 100 million to VND 1 billion per year, increasing family circumstance deductions, and introducing dedicated tax rates for newly emerging income categories (such as digital assets, carbon credits, and “.vn” national domain names).
⑤	Value-Added Tax is implemented in accordance with Law No. 48/2024/QH15 under a three-tiered rate structure of 0%, 5%, and 10%; concurrently, the 2% VAT reduction policy has been continuously maintained from 2022 to present, serving as a vital instrument to stimulate economic recovery and development.

HIGHLIGHTS OF CHAPTER II	
⑥	Special Consumption Tax and specific taxes exert strong regulatory impacts: the Special Consumption Tax (under Law No. 66/2025/QH15) regulates the consumption of non-essential and discouraged goods and services, while the Environmental Protection Tax and Natural Resource Tax actively promote resource conservation and environmental protection.
⑦	Export and Import Duties safeguard domestic manufacturing and drive in-depth economic development by imposing higher export duties on raw natural resources and granting tariff incentives on inbound machinery. This duty framework has been effectively integrated with trade remedies and risk management to proactively prevent origin fraud amidst comprehensive FTA integration.
⑧	The Law on Tax Administration No. 108/2025/QH15 represents a landmark milestone in legislative drafting, structured as a streamlined “framework legislation” model (encompassing 9 chapters and 53 articles) that strengthens decentralization and delegation, decisively transitions from a control-based administrative mindset to a service-oriented approach, and operates via taxpayer segmentation integrated with functional administration.
⑨	Deeper and More Comprehensive International Tax Cooperation: Vietnam has signed 81 Agreements for the Avoidance of Double Taxation and participated in pivotal multilateral instruments and accords (including the MLI, MAAC, CbC MCAA, and the Bali Declaration under the Asian Initiative), firmly reaffirming its commitment to transparency and countering global base erosion.

CHAPTER III

PERFORMANCE RESULTS OF TAX ADMINISTRATION

1. State budget revenue collection results

State budget revenue collection outcomes serve as a critical indicator reflecting the efficiency of fiscal revenue mobilization, the operational performance of the enterprise sector, public income levels, and the overall efficacy of the tax policy system. During the 2021 - 2025 period, total state budget revenue administered by tax authorities reached approximately VND 8,569 trillion; therein, the revenue for 2025 alone stood at approximately VND 2,357 trillion, representing a 1.74-fold increase compared to 2021. The detailed state budget revenue collection results managed by tax authorities during the 2021 - 2025 period are outlined below:

1.1. Scale of state budget revenue

1.1.1. Scale of state budget revenue managed by tax authorities (2021 - 2025)

The total state budget revenue managed by tax authorities during the 2021 - 2025 period exhibits robust expansion, solidifying the efficiency of the revenue administration system even amidst highly volatile economic fluctuations.

**Table 3.1 - Scale of State Budget Revenue Managed by Tax Authorities
for the Period 2021-2025**

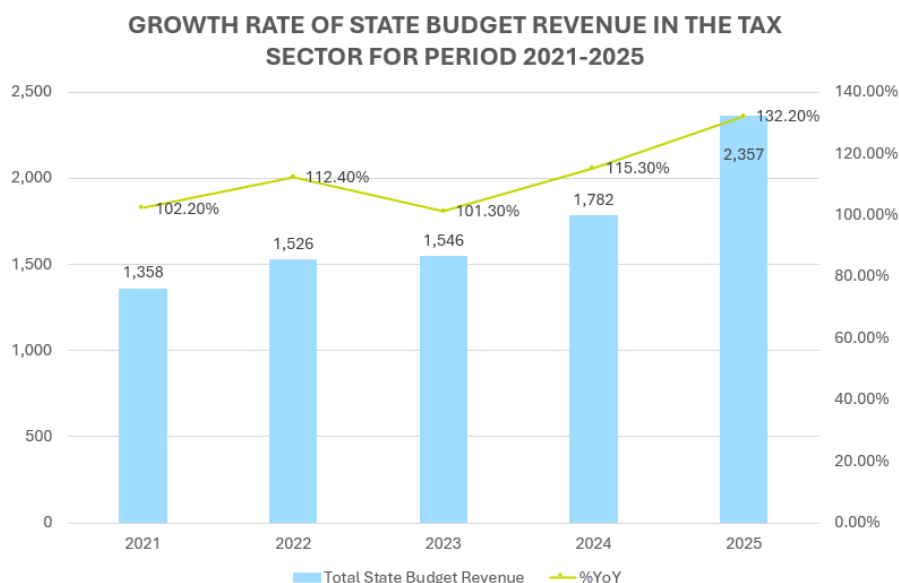
Unit: Trillion VND

Year	State Budget Revenue (trillion VND)	Growth Rate Compared to Previous Year (%)	Contribution to Total State Budget Revenue (%)
2021	1,357.9	102.2	85.3
2022	1,526.1	112.4	83.8
2023	1,545.8	101.3	87.3
2024	1,782.3	115.3	86.6
2025	2,356.7	132.2	87.9
Period 2021-2025	8,568.8	Average 112.2%/year	86.4

The proportion of domestic revenue climbed above 86% of total state budget revenue by 2025, averaging approximately 85% over the 5-year span (including tax, fee, and charge exemptions, reductions, and deferrals granted during the 2021 - 2025 period), thereby successfully fulfilling the target mandated under National Assembly Resolution No. 23/2021/QH15 (85% - 86%).

Chart 3.2 - State budget revenue managed by tax authorities period 2021 - 2025

Unit: Trillion VND



1.1.2. Factors Affecting State Budget Revenue Collection

State budget revenue performance during the 2021 - 2025 period reflects the convergence of four primary clusters of factors:

- › **Economic growth:** Vietnam's GDP grew by an average of approximately 6.3% per annum during the 2021 - 2025 period, highlighted by growth rates of 7.09% in 2024 and 8.02% in 2025, establishing a resilient foundation for expanding the tax base. The recovery of industrial production and services from 2022 onward, which sustained momentum through 2024 and 2025, substantively drove the upward trajectory of VAT and CIT revenues.
- › **Expansion of the revenue base:** Driven by the nationwide rollout of e-invoices starting July 1, 2022; by 2025, 202 overseas suppliers had registered, declared, and paid taxes directly through the dedicated Electronic Portal for Foreign Suppliers. Concurrently, nearly 178,000 business households and individual entrepreneurs registered, filed, and settled tax liabilities directly through the E-commerce Portal for Business households and Individuals specialized for e-commerce and digital platforms. Additionally, the mandatory transition of business households to the declaration method effective January 1, 2026, has significantly expanded the tax base.
- › **Enhancing administration efficiency:** Scaling up compliance risk management empowers tax authorities to proactively detect anomalous indicators, segment high-risk entities, and intensify anti-revenue-leakage

campaigns, thereby boosting state budget collections. Consequently, the average additional revenue recovered via tax audits and inspections surged nearly threefold between 2021 and 2025, climbing from VND 10,942 billion to VND 27,672 billion per year.

- › Flexible fiscal policy: Throughout the 2020 – 2025 period, the Vietnam Tax Administration aggressively rolled out synchronized exemptions, reductions, and deferrals of various taxes, fees, charges, and land rents for millions of taxpayers. This unprecedented support package, totaling nearly VND 1 quadrillion, effectively catalyzed the recovery of production and business activities, stimulated macroeconomic growth, and nurtured the robust revenue streams that anchored state budget collections in the recent period.

1.2. Structure of State Budget Revenue

1.2.1. Structure of State Budget Revenue by Revenue Item and Tax Type

The structure of revenue administered by tax authorities in 2025 demonstrates a progressive alignment: revenue from crude oil exhibits a diminishing share, accounting for a mere 2% of the total revenue administered by tax authorities within the year; land-related revenues contribute 24.6% of the total administered revenue, reaching VND 579,943 billion, which more than doubled compared to 2021; and revenue from core production and business activities plays the dominant role, accounting for nearly 50% of the total administered revenue, with VAT and CIT remaining the two primary pillars while PIT represents a steadily growing proportion. Furthermore, emerging revenue sources such as e-commerce and the digital economy registered high growth rates, opening significant room for expanding the tax base.

Table 3.3 – Comparison of State Budget Revenue Structure by Revenue Item and Tax Type for 2021 and 2025

No.	Indicator	2021		2025	
		Revenue (billion VND)	Proportion (%)	Revenue (billion VND)	Proportion (%)
	STATE BUDGET REVENUE MANAGED BY TAX AUTHORITIES	1,357,919	100.0	2,356,740	100.0
A	CRUDE OIL REVENUE	44,638	3.3	48,304	2.0
B	DOMESTIC REVENUE	1,313,282	96.7	2,308,436	98.0
I	Tax revenues	857,286	63.1	1,296,104	55.0
1	Value Added Tax	249,519	18.4	404,710	17.2

No.	Indicator	2021		2025	
		Revenue (billion VND)	Proportion (%)	Revenue (billion VND)	Proportion (%)
2	Corporate Income Tax	286,349	21.1	458,806	19.5
3	Special Excise Tax	102,162	7.5	117,920	5.0
4	Natural Resource Tax	22,522	1.7	31,884	1.4
5	Natural Gas Revenue	10,480	0.8	5,217	0.2
6	Personal Income Tax	127,661	9.4	235,080	10.0
7	Environmental Protection Tax	58,592	4.3	42,486	1.8
II	Land and House revenues	228,275	16.8	579,943	24.6
III	Fees and charges	73,036	5.4	110,271	4.7
IV	Remaining revenues	154,684	11.4	322,118	13.7

Chart 3.4 - Structure of Corporate Income Tax and total domestic state budget revenue (2021 - 2025)

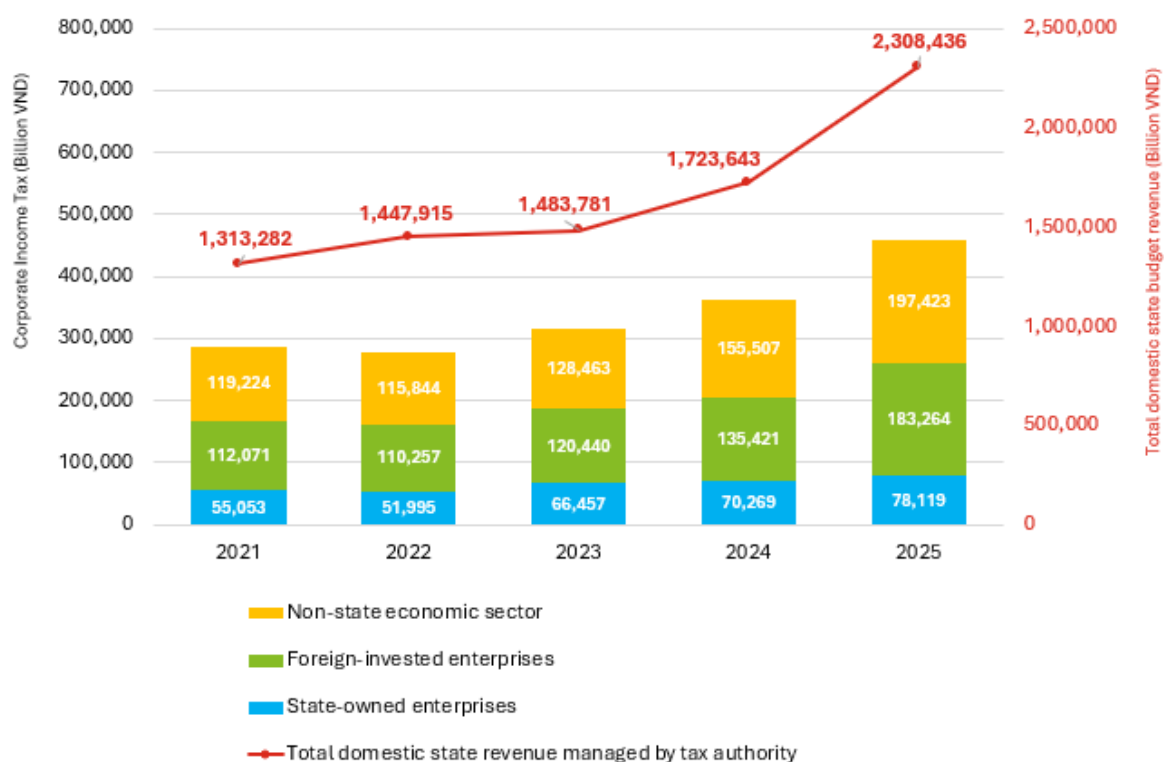


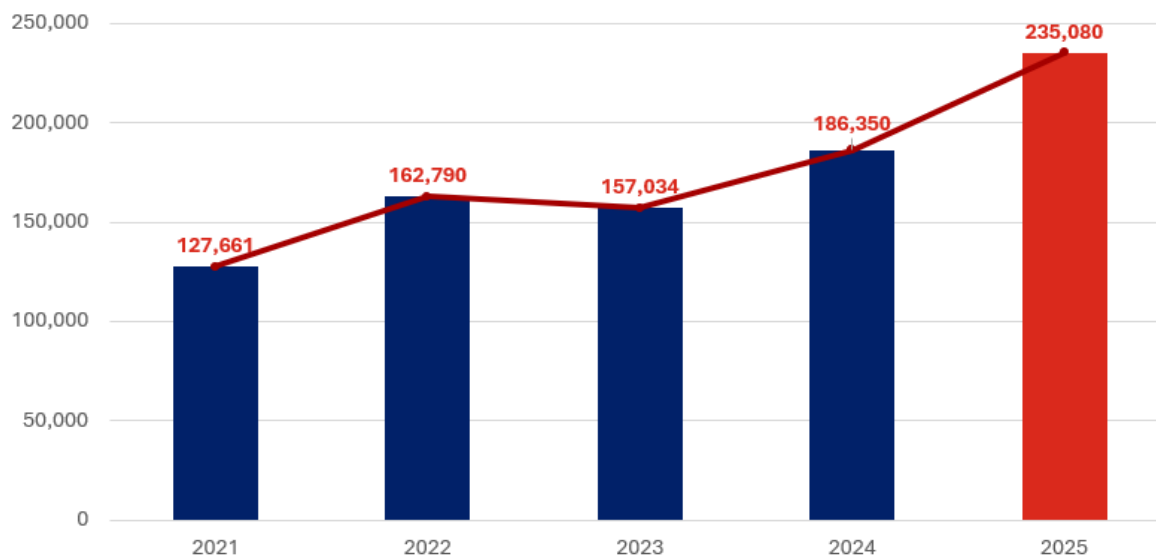
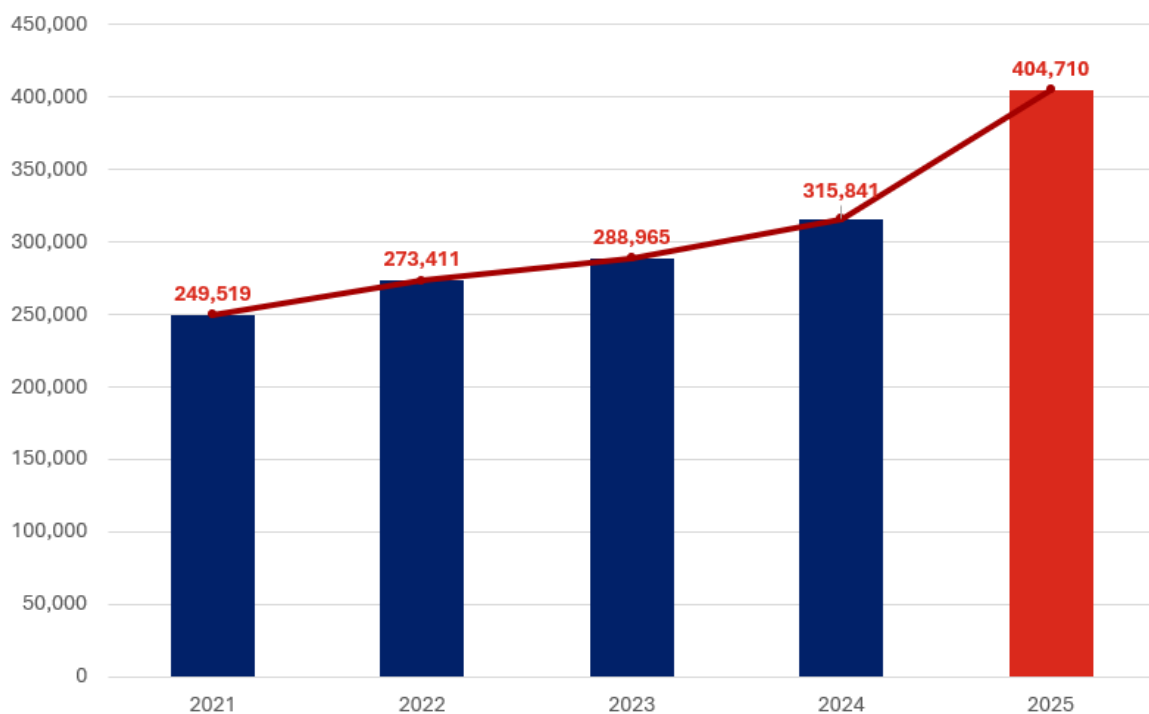
Chart 3.5 - Personal Income Tax revenue from 2021 - 2025*Unit: Billion VND***Chart 3.6 - Value Added Tax revenue from 2021 - 2025***Unit: Billion VND*

Chart 3.7 - Special Excise Tax revenue from 2021 - 2025

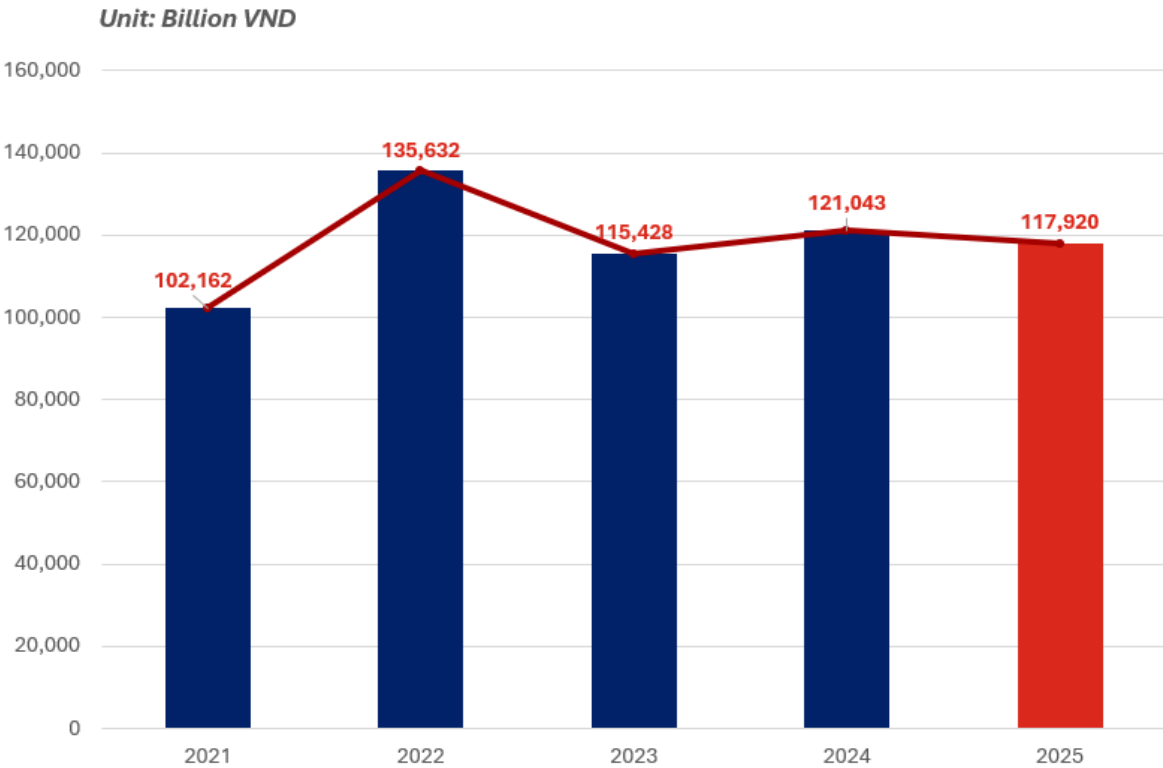


Chart 3.8 - Environmental Protection Tax revenue from 2021 - 2025

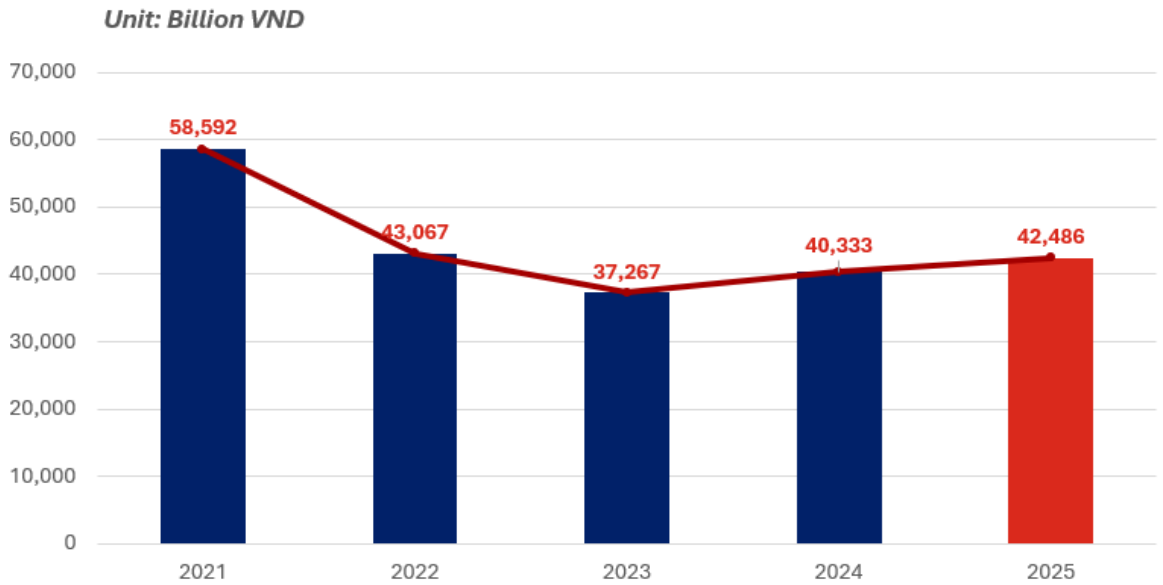
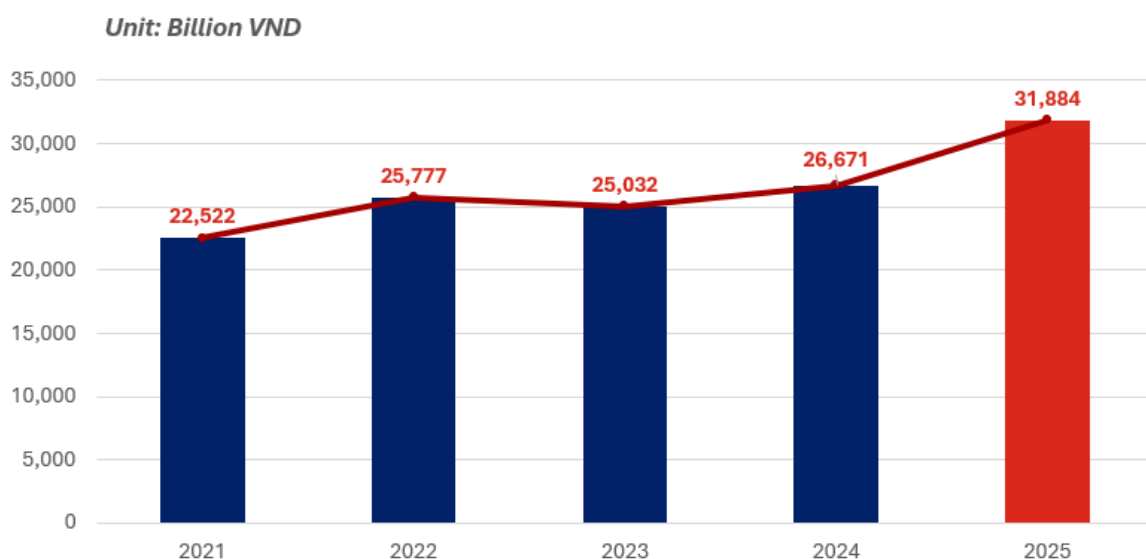


Chart 3.9 - Natural Resource Tax revenue from 2021 - 2025

1.2.2. State budget revenue structure by location

State budget revenue exhibits an uneven distribution across geographical areas, remaining heavily concentrated within the two largest economic hubs and industrial provinces nationwide:

Table 3.10 - State budget revenue structure by location

Top 10 localities by revenue	State budget revenue in 2021 (billion VND)	State budget revenue in 2025 (billion VND)	% of 2025 revenue scale compared to 2021
Hanoi	297,929	658,242	220.9
Ho Chi Minh City	344,002	618,744	179.9
Hai Phong	54,753	104,621	191.1
Hung Yen	25,981	94,825	365.0
Dong Nai	58,847	80,104	136.1
Ninh Binh	37,251	69,870	187.6
Quang Ninh	42,200	69,288	164.2
Bac Ninh	43,928	63,478	144.5
Da Nang	37,253	56,030	150.4
Phu Tho	42,023	55,351	131.7

1.2.3. State budget revenue structure by economic sector

Revenue collected from key economic sectors accounts for 46.7% of the total state budget revenue administered by tax authorities, driven primarily by the non-state and foreign-invested sectors. Notably, the share of revenue generated by the non-state sector relative to total administered revenue rose from under 20% in prior periods⁷ to 21.3% while the proportion of revenue from the state-owned sector (excluding dividends and retained after-tax profits mobilized into the state budget since 2013) contracted to approximately 10%⁸. This structural evolution directly reflects the national policy of accelerating state-owned enterprise (SOE) restructuring and advancing the equitization process to optimize operational efficiency.

Table 3.11 – State budget revenue structure by economic sector

Indicator	2021		2025	
	Revenue (billion VND)	Proportion within total 3 economic sectors (%)	Revenue (billion VND)	Proportion within total 3 economic sectors (%)
Revenue from 03 economic sectors	671,034	100.0	1,018,538	100.0
State-owned enterprise sector	163,896	24.4	192,061	18.9
Foreign-invested enterprise sector	217,259	32.4	323,862	31.8
Non-state enterprise sector	289,878	43.2	502,615	49.3

1.3. Analysis of some major revenue

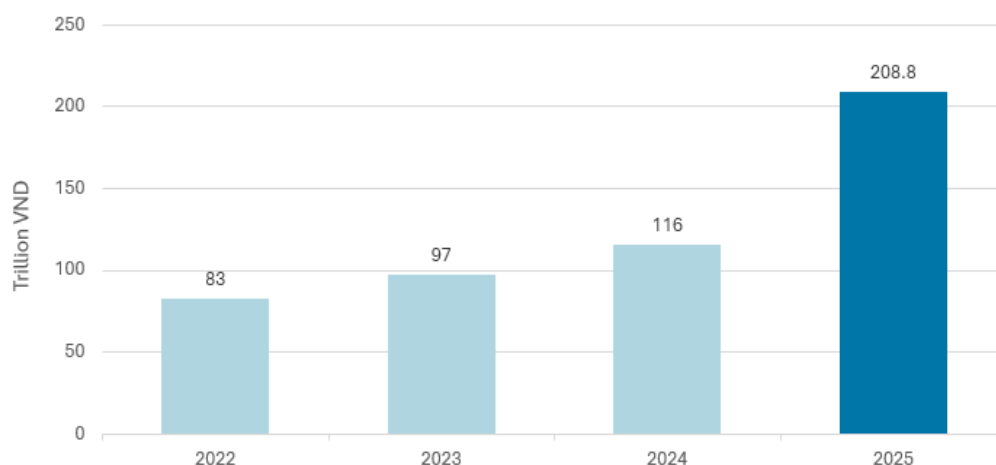
1.3.1. E-commerce revenue

Tax administration over e-commerce activities stands as a strategic priority for the Vietnam Tax Administration, intrinsically linked to safeguarding Vietnam's taxing rights within the global digital economy. Key Milestones: Revenue administration records indicate that tax revenues mobilized from organizations and individuals engaged in e-commerce business operations over the past four consecutive years reached VND 504.8 trillion, categorized as follows:

⁷ The rate was 15.5% for the 2011 – 2015 period and 17.5% for the 2016 – 2020 period.

⁸ The rate stood at 21.8% during the 2011 – 2015 period and 13% during the 2016 – 2020 period.

Chart 3.12 - Revenue from e-commerce and other digital economic activities



In 2025, the revenue from e-commerce reached nearly VND 208.8 trillion, featuring the following key components:

- As of December 31, 2025, a cumulative total of 202 overseas suppliers had registered, filed, and paid taxes through the specialized Electronic Portal since its inception, contributing a cumulative revenue of VND 31.4 trillion. For the year 2025 alone, tax remittances from overseas suppliers amounted to VND 13.9 trillion, representing a 59.9% surge compared to the preceding year, successfully achieving 154% of the assigned budget target (VND 9 trillion) and 115% of the target established by the Department of Taxation (VND 12 trillion)⁹.
- The total number of domestic and foreign e-commerce platform operators declaring and filing on behalf of digital merchants since July 1, 2025 - pursuant to Government Decree No. 117/2025/ND-CP dated June 9, 2025 - is 68 organizations, with estimated tax revenues reaching nearly VND 2.7 trillion.
- The aggregate number of business households and business individuals who registered, filed, and paid tax liabilities through the dedicated E-commerce Portal stood at nearly 178,000, with estimated tax revenue collection recorded at VND 2.45 trillion.
- Over 1 million instances of business households and business individuals engaged in e-commerce activities were recorded, generating an estimated tax revenue of nearly VND 2.18 trillion.

⁹ Decision No. 2206/QĐ-TCT dated December 31, 2024

1.3.2. Revenue from Large Enterprises Sector

The large enterprises directly administered by the Department of Taxation encompassing pivotal state-owned corporations, multinational enterprises (MNEs), and companies with large revenue scales, representing key economic sectors, with high tax compliance and contribute significantly to the state budget achieved the following revenue results over the 2022 – 2025 period: revenue reached VND 412 trillion in 2022, accounting for 27% of the total revenue collected by tax authorities; VND 457 trillion in 2023, accounting for 29.5%; VND 476 trillion in 2024, accounting for 26.7% ; and peaked at VND 536 trillion in 2025, accounting for 22.7%.

1.4. General assessment

- › For the first time in fiscal history, state budget revenue administered by tax authorities breached the landmark milestone of VND 2,357 trillion VND, demonstrating the comprehensive efficacy of the tax system.
- › The revenue structure is shifting positively: domestic revenue firmly sustains its leading role, while contributions from the private economic sector expand significantly, establishing themselves as a key driver for revenue growth.
- › Modern tax administration and digital transformation have yielded pronounced outcomes. The implementation of electronic taxation, eTax Mobile, e-invoices, e-invoices generated from cash registers, and centralized data governance has expanded the tax base, enhanced operational transparency, combatted tax evasion, and raised the taxpayers compliance.
- › Actively expanding the tax base and effectively optimizing emerging revenue sources – such as businesses on e-commerce platforms, digital platforms, and cross-border business – ensures comprehensive coverage of emerging revenue streams, strengthens fiscal equity in tax obligations, contributes to state budget growth, and aligns with the evolution of the digital economy.

2. Tax administration by process

The tax administration process is an integrated and closed operational stages organized and executed by tax authorities to ensure that all arising tax obligations are fully and promptly declared, computed, paid into the budget, audited, and verified. The efficacy of this administration process serves as a direct measure of the tax authority's policy implementation capacity, bearing a direct impact on revenue collection, compliance levels, and administrative costs for both taxpayers and the State.

During the 2021 – 2025 period, the entire tax administration process in Vietnam was digitized almost comprehensively, transitioning from traditional manual methods to a complete digital approach. The electronic filing rate reached nearly 100% for enterprises; over 1 million enterprises registered for electronic tax payment; the nationwide rollout of e-invoices generated over 20.89 billion e-invoices accumulated by December 31, 2025, 374,290 business establishments utilized e-invoices generated from cash registers in 2025. Concurrently, tax audits and inspections shifted to a data-driven risk-based approach, and tax debt management was automated.

2.1. Overview of the tax administration process

The tax administration process, in accordance with international standards (OECD, IMF, TADAT), comprises seven integrated operational stages, ensuring that every taxpayer is comprehensively managed from the commencement of operations until all obligations are fulfilled. In Vietnam, this process is regulated by the Law on Tax Administration and its guiding enforcement documents.

①	TAX REGISTRATION Issuance of Tax Identification Numbers (TINs); interconnection with enterprise and national population databases; continuous updating of taxpayer profiles.
②	TAX DECLARATION Declaration of tax bases and periodic tax liabilities; electronic filing via the Electronic Tax Portal with a digitalization rate reaching approximately 100%.
③	TAX PAYMENT Payment via 60 partnering commercial banks; 24/7 service; electronic registration volume exceeding 1 million enterprises by 2025.
④	TAX REFUND Refund of VAT and other taxes; compliance risk management for refunds; prioritization of fast-track refunds for highly compliant taxpayers.
⑤	TAX INSPECTION AND AUDIT Risk-based audits and inspections; specialized thematic audits; inter-agency coordination to combat tax evasion and fraud.
⑥	TAX DEBT MANAGEMENT, ENFORCEMENT AND COLLECTION Modernization of tax debt management, enhancing the effectiveness of enforcement, and strengthening fiscal discipline.
⑦	RESOLUTION OF TAX COMPLAINTS AND DISPUTES

The stages within the process are interconnected via a centralized data system – whereby every record of tax filing, payment, and refund is captured in real-time and automatically integrated into subsequent stages (risk classification, debt management, and the selection of targets for tax audits and inspections). This framework constitutes the foundational data architecture for the risk-managed, big data-driven tax administration model that the Vietnam Tax Administration is progressively establishing.

2.1.1. Tax registration

Tax registration is the starting point of the tax administration process, ensuring that all organizations and individuals with tax obligations are identified and monitored. In Vietnam, each taxpayer is issued a unique Tax Identification Number (TIN), which is interconnected with the national databases for enterprises (the National Business Registration Database) and citizens (the National Population Database).

Pursuant to Project 06 and the provisions of the Law on Tax Administration, from July 1, 2025, the Personal Identification Number (the 12-digit citizen identity card number) officially replaces the TIN for individuals, households, and business households. This regulation facilitates the synchronization of population data with tax administration while simplifies administrative procedures.

The tax authority maintains the taxpayer database through continuous standardization and updates, while scaling up verifications of corporate operational statuses and definitively processing the deactivation of TINs. Furthermore, tax authorities maintain close coordination with police forces to transfer records of businesses that are no longer operating at their registered addresses, facilitate the verification and settlement of outstanding tax liabilities, thereby elevating tax administration efficiency and preventing state budget leakage.

2.1.2. Tax declaration work

Electronic tax filing is the foundation of the modern tax administration process, allowing tax authorities to receive, process, and analyze reported data in real-time. Throughout the 2021 – 2025 period, the electronic filing rate for enterprises reached and was sustained at a near-absolute level.

99.82% of Businesses participating in electronic tax filing;
Over 166 million tax returns successfully received into the online system since its inception;
99.3% Businesses registered for electronic tax payment with tax authorities
Over VND 1.2 quadrillion – Total tax amount paid via the electronic system in 2025: (as of December 31, 2025)

98.49% average on-time filing compliance rate over the 2021 – 2025 period;
*The on-time filing compliance rate peaked at **98.61%** in 2025, exceeding the 2030 Strategy benchmark (≥98%).*

Table 3.13 - Tax Declaration Indicators for the period 2021 - 2025

Indicator	2021	2022	2023	2024	2025
Electronic tax filing rate (%)	99.93	99.94	99.93	99.93	99.38
On-time filing compliance rate (%)	98.13	98.39	98.59	98.72	98.61
Enterprises engaging in electronic tax filing	853,569	885,809	922,763	952,327	1,015,910
Electronic Tax Returns Received	17,587,662	17,655,933	15,959,450	15,996,758	16,412,752

Currently, the electronic tax filing system has been uniformly deployed across the entire Tax Authorities. The year 2025 marked a historic milestone as the number of enterprises engaging in online tax filing services exceeding 1 million for the first time, demonstrating that the digitalization of tax filing is fundamentally complete on a large scale.

Concurrently, tax authorities executed automated electronic reviews on 16,412,752 tax returns submitted by 1,015,910 taxpayers, substantially elevating input data quality and reinforcing the accuracy, completeness, and transparency of information dedicated to tax administration.

2.1.3. Electronic tax payment work

The electronic tax payment system empowers taxpayers to fulfill their financial obligations to the State Budget anytime and anywhere via a 24/7 mechanism, encompassing weekends and public holidays, through direct connections with commercial banking networks. The deployment of electronic tax payment marks a major milestone in tax administrative procedure reform, substantially reducing the time, compliance costs, and resources required for businesses and individuals to fulfill their tax liabilities.

This application remains one of the most highly acclaimed electronic tax services by the taxpayer community due to its convenience, security, and rapid processing capabilities, thereby enhancing taxpayer satisfaction and accelerating the digital transformation process of tax authorities.

Table 3.14 - Results of Registration and Usage of Electronic Tax Payment 2021 - 2025

Indicator	2021	2022	2023	2024	2025
Businesses completed electronic tax payment registration	845,813	880,676	908,585	940,215	1,011,853
Growth rate of registered businesses	-	+4.1%	+3.2%	+3.5%	+7.6%
Number of electronic tax payment transactions	3,281,527	3,694,070	4,379,492	4,901,563	5,595,602
Total tax amount paid via electronic system	VND 796,377 billion + USD 46,555,240	VND 892,037 billion + USD 55,853,591	VND 910,476 billion + USD 4,804,030	VND 957,900 billion + USD 1,531	VND 1,229,719 billion
Number of partnering commercial banks	~50	~54	57	57	60

1,011,853 enterprises successfully completed electronic tax payment registration by 2025 - surpassing the 1 million threshold for the first time.

Increased by 19.7% compared to 2021 (845,813) | Interconnected with 60 commercial banking partners.

2.1.4. Tax refund work

Value-Added Tax (VAT) refunds directly impact corporate cash flows. The Tax authorities identify this as a critical operational stage, constantly driving reforms to simplify administrative procedures and compress processing times for refund dossiers, while maintaining strict controls to safeguard budget funds in strict compliance with the law.

The Department of Taxation has intensified sector-wide directives to execute the mandates of the Government and the Ministry of Finance, guaranteeing that refunds are issued in a timely, accurate, legally compliant, open, and transparent manner. Throughout the 2021 - 2025 period, VAT refund administration was executed on a massive scale by tax authorities, with total annual refund amount averaging approximately VND 150 trillion. This sustained high volume of refunds demonstrates that production, business, export, and investment activities continue to receive robust and timely support via national tax refund policies.

Table 3.15 - VAT refund results for the period 2021 - 2025

Indicator	2021 - 2025 (Cumulative from 2021 to 2025)	2023	2024	2025
Total VAT refunded amount (VND billion)	770,851	149,976	156,941	151,352
Performance against National Assembly target	93.8%	80.6%	91.8%	86.0%
Year-on-year growth (%)	134%	99.8%	105%	96.4%
Number of Refund decisions issued	99,354	19,181	19,806	17,727
Number of Refund decisions processed electronically	95,239	18,206	18,948	17,074
Refunded amount under the "refund first, audit later" mechanism (VND Billion)	489,134	84,204	96,847	87,801

During the 2021 - 2025 period, tax authorities administered VAT refunds totaling VND 770,851 billion, equivalent to 93.8% of the aggregate estimate approved by the National Assembly. Tax refund processes were executed primarily within the digital environment, with 95,239 out of 99,354 refund decisions issued via electronic means, substantively boosting dossier-processing efficiency and compressing resolution timelines for taxpayers. Simultaneously, the “refund first, audit later” mechanism continued to be extensively rolled out, yielding a refund volume of VND 489,134 billion and accounting for approximately 63.5% of the aggregate refund value, thereby injecting timely working capital into enterprises and driving overall production and business activities.

2.1.5. Tax audit and inspection

Serving as a key instrument of state governance, tax audits and inspections function to prevent non-compliance, mitigate fiscal risks, and reinforce the voluntary compliance of taxpayers. This administrative function not only safeguards state budget revenues but actively fosters a transparent business environment that satisfies regulatory mandates in the digital era and across diversifying transaction modalities. The 2021 - 2025 period witnessed a profound and comprehensive shift in tax audit and inspection workflows. Facing unprecedented disruptions driven by the COVID-19 pandemic, rather

than remaining passive against social distancing barriers and localized staff shortages, the Tax authorities dynamically adapted by swiftly transitioning from traditional face-to-face contact to an electronic, data-centric administration model. This pivot acted as a catalyst to drive risk-based compliance management, establishing a solid baseline for the extensive and robust restructuring of core operational workflows.

Table 3.16 - Tax inspection and audit results for the period 2021 - 2025

Year	Number of inspections and audits	Proposed settlement (billion VND)	Increase in revenue from inspections and audits (billion VND)	Notes
2021	68,391	47,976	10,942	
2022	76,021	73,814	16,867	Number of inspections and audits, proposed settlements/adjustments increased by 53.9% compared to 2021
2023	75,340	70,249	18,571	Number of inspections and audits decreased; recovered revenue continued to grow by 10.1% compared to 2022
2024	72,343	75,772	19,666	Number of inspections and audits decreased; proposed settlements increased; recovered revenue grew by 5.9% compared to 2023
2025	72,207	86,583	27,672	Number of inspections and audits decreased; proposed settlements/adjustments increased; recovered revenue grew by 40.7% compared to 2024
Period 2021 - 2025	364,302 (quantity declining)	354,394 (+80.5%)	93,718 (+152.9%)	Case volumes exhibited a steady downward trend from 2022 to 2025; proposed adjustments in 2025 expanded by 80.5% compared to 2021; recovered revenue in 2025 expanded by 152.9% compared to 2021. This trajectory demonstrates a transition from quantity to quality, reflecting higher operational efficiency.

Additional 27,672 billion VND revenue clawed-back from tax inspections and audits in 2025, equivalent to an increase of VND 16,730 billion compared to 2021 (VND 10,942 billion), marking a 153% surge over the baseline year.

This dramatic gain in efficiency is supported by concrete operational data: while the absolute volume of tax audits and inspections exhibits a steady contraction, the values of both revenue claw-back and proposed financial

adjustments achieved breakthrough growth. Specifically, while the volume of completed cases in 2025 decreased by nearly 6% compared to the historical peak in 2022, total proposed financial adjustments expanded by 80.5% and the captured revenue claw-back surged by 152.9% compared to 2021. This structural shift is driven simultaneously by big data-powered compliance risk management, structural streamlining, and the re-alignment of organizational functions toward centralized, specialized tax audits and inspections, seamlessly integrated with the enhancement of the legal framework, thereby elevating professionalism, and strictness in tax law enforcement.

Along with mindsets and structural innovation, tax audit and inspection activities are directed toward sweeping innovation via a comprehensive modernization roadmap, spanning process digitalization, multi-source data integration, and intelligent analytics. Seamless interconnection with the multi-sectoral data ecosystem, combined with the pioneering deployment of artificial intelligence (AI), will forge a powerful synergy to transform the administration model from reactive violation processing to proactive risk forecasting and prevention.

Through synchronized efforts to remove institutional barriers, strengthen inter-agency coordination, and strictly penalize non-compliance, the Tax authorities have progressively built a modern, high-efficiency administration system. Within this framework, the continuous refinement of the regulatory architecture combined with building the professional capacity of the tax official workforce, actively contributing to upholding statutory discipline and creating a transparent, highly accommodating commerce environment for enterprises and citizens.

Looking back at the 2021 - 2025 journey, tax audits and inspections have firmly established their foundational role in constructing a modern national governance system, carving out a resilient launchpad for the Vietnam Tax Administration to remain steadfast in its core vision: placing data at the center, utilizing cutting-edge technology as the driver, and measuring ultimate success by the threshold of voluntary compliance, thereby underwriting the sustainable development of the national economy.

2.1.6. Management, enforcement and collection of tax debt

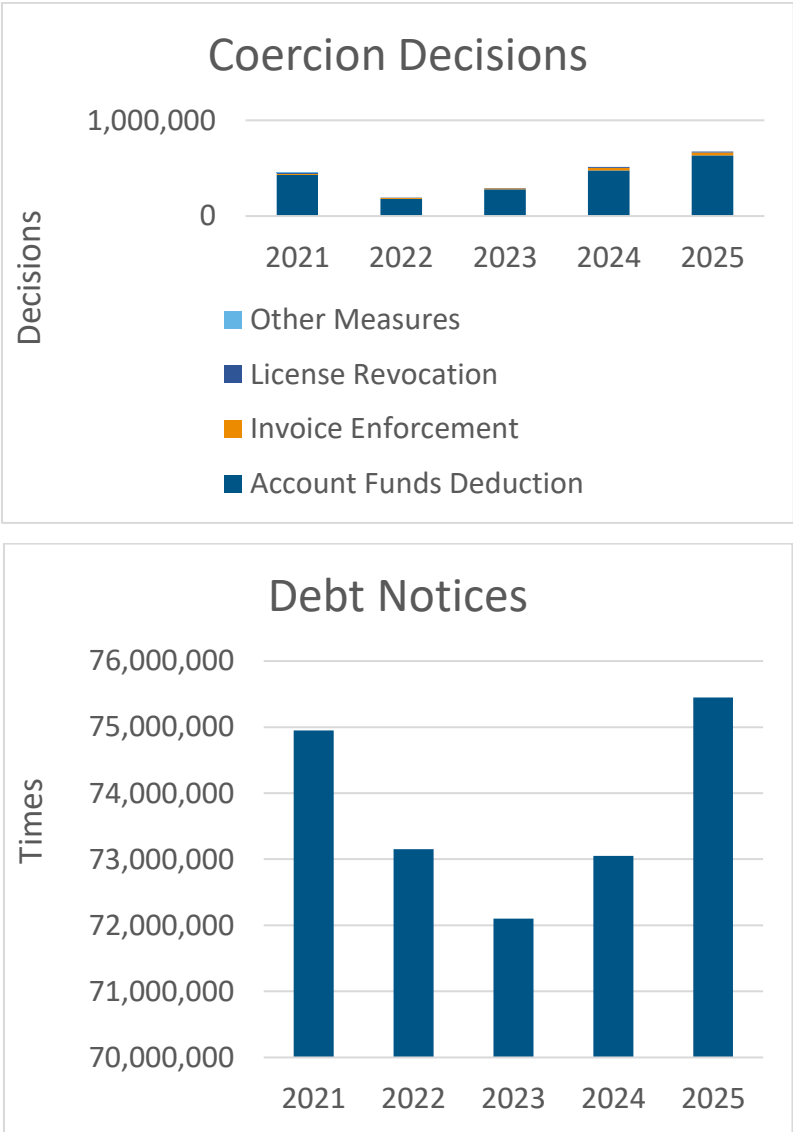
Tax debt management and enforcement are executed in compliance with the provisions of the 2019 Law on Tax Administration and its guiding instruments. Throughout the 2021 - 2025 period, the Vietnam Tax Administration focused on the synchronous deployment of multiple debt management solutions oriented toward modernization, digitalization, and enhanced enforcement efficiency, thereby contributing to reinforcing fiscal discipline and order in tax obligation compliance and boosting state budget revenues.

2.1.6.1. Innovating Methods for Management, Enforcement, and collection of tax debt

The Tax authorities have accelerated the application of information technology in tax debt management and enforcement; rolling out electronic and automated workflows for debt notifications, the issuance of enforcement decisions, and electronic information exchange with relevant agencies.

Debt notifications are sent monthly via electronic tax accounts, the eTax Mobile application, and other electronic channels, enabling taxpayers to promptly track their outstanding tax liabilities. Concurrently, enforcement decisions are executed electronically, compressing processing times, reducing administrative procedures, and maximizing execution efficiency.

Chart 3.17 - Number of Enforcement Decisions and Debt Notifications for the period 2021-2025



Tax authorities at all levels have also strengthened the review and standardization of tax debt data; resolving erroneous, artificial, or pending-adjustment debts; and closely monitoring debt trends by locality, revenue item, and taxpayer segment to apply appropriate administrative measures.

2.1.6.2. Innovating methods for debt management and tax enforcement

Since 2022, the temporary exit suspension measure has been synchronously implemented, becoming one of the most effective tools in tax debt recovery. Based on the Coordination Regulation between the two agencies, the tax authority has collaborated closely with the immigration management agency of the Ministry of Public Security to execute exit suspensions via electronic methods. System interconnection and electronic data exchange have driven administrative procedure reform, compressing processing times (particularly in cases requiring the revocation of exit suspensions once the delinquent taxpayer satisfies their obligations) and optimizing tax debt recovery efficiency.

During the 2021 – 2025 period, tax authorities at all levels issued approximately 85,000 temporary exit suspension notices against delinquent taxpayers, involving an aggregate debt of nearly VND 57,000 billion. This included around 49,000 taxpayers who were no longer active at their registered addresses without notifying the tax authority, accounting for over VND 5,900 billion in debt. Through the enforcement of this measure, tax authorities successfully recovered VND 3,500 billion from over 10,000 taxpayers subject to exit suspensions; specifically, the segment of taxpayers inactive at their registered addresses remitted nearly VND 100 billion across 3,400 cases. These outcomes demonstrate that temporary exit suspensions have generated a profound impact on elevating tax compliance, particularly regarding cases of recalcitrant delays, non-operation at registered addresses, or deliberate evasion of obligations to the State Budget.

2.1.6.3. Synchronously implement coercive measures for debt collection and tax recovery.

In addition to temporary exit suspensions, tax authorities continue to synchronously apply coercive measures prescribed under the Law on Tax Administration, including: deducting funds from accounts and freezing bank accounts; withholding a portion of wages or income; suspending customs procedures for imported and exported goods; revoking the right to use invoices; seizing assets and auctioning seized assets; collecting money or assets held by other organizations or individuals; and revoking business registration certificates, establishment licenses, and professional practice certificates.

The synchronous application of coercive tax collection measures holds significant importance in tax administration and the enforcement of fiscal discipline, which manifested in several aspects: elevating taxpayer law

compliance, increasing tax debt recovery efficiency, ensuring absolute equity for compliant taxpayers, strengthening the effectiveness and efficiency of state management over taxation, and contributing to building fiscal discipline and a healthy business environment.

Table 3.18 - Tax Debt Recovery for Period 2021 - 2025

Year	Debt Recovery Results (VND Billion)	Growth (%)	Total debt by year-end (VND Billion)	Collectible debt (VND Billion)	Doubtful debt (VND Billion)	Debt pending settlement (VND Billion)	Debt/Total revenue
2021	25,100	-	116,961	83,619	10,315	23,027	8.61%
2022	39,000	55.38%	158,914	111,879	20,944	26,091	10.41%
2023	49,500	26.92%	184,998	132,587	27,058	25,083	11.97%
2024	62,900	27.07%	204,489	130,232	37,868	26,389	11.47%
2025	~65,000	3.34%	238,662	169,371	44,476	24,815	10.13%
Times higher than 2021	2.6 times	-	-				2030 target: ≤7%

VND 65 trillion Tax Debt Recovery in 2025 – 2.6 times higher than in 2021
An increase of 3.3% compared to 2024 (VND 62.9 trillion)

2.1.6.4. Results and difficulties/challenges in tax debt management

Tax debt management represents a permanent challenge for tax authorities across many nations, including Vietnam. Throughout the 2021 – 2025 period, tax debt management was rigorously directed by the Tax authorities, yielding numerous positive results and a continuous year-on-year increase in recovered debt.

However, the tax debt situation remains impacted by both objective and subjective factors, such as: operational and production difficulties faced by enterprises; obstacles in land handovers and site clearance for land and real estate projects; and recalcitrant taxpayers who deliberately prolong their compliance timelines or suffer from total insolvency, etc.

Regarding debt structure, major outstanding balances are mainly concentrated in land use fees and land rents from real estate projects facing delays or legal entanglements; late payment interests arising and accumulating at a rate of 0.03% per day; and outstanding liabilities from

enterprises experiencing severe cash flow difficulties and temporary insolvency induced by the lingering impacts of the post-COVID-19 era.

Resolving the current tax debt situation demands the synchronous execution of comprehensive solutions, including the active involvement of local governments to clear land-related bottlenecks, alongside the rigorous implementation by tax authorities of all collection enforcement, reminder notices, and temporary exit suspensions stipulated under the Law on Tax Administration. Simultaneously, it requires continuing the resolution of backlogged debts, tax debt freezing, and debt cancellation for cases of insolvency in accordance with the Law on Tax Administration.

2.1.7. Resolution of tax complaints and disputes

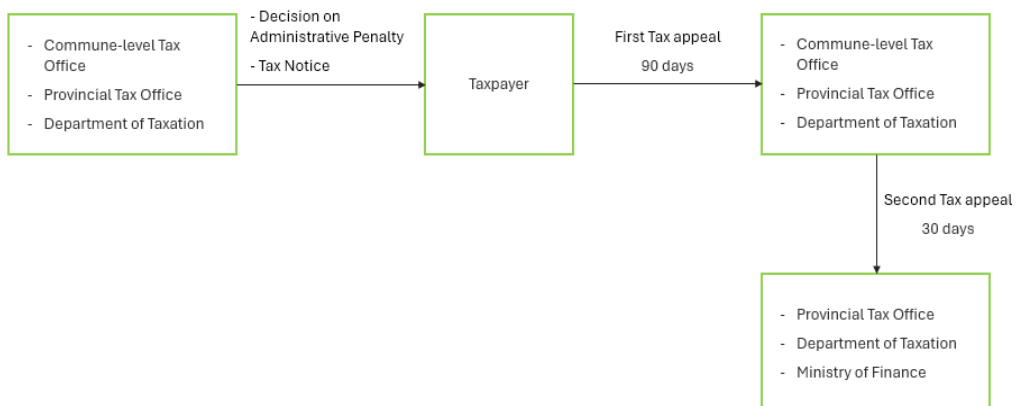
2.1.7.1. Complaint resolution work

The mechanism for tax complaint resolution across tax authorities at all levels is executed in strict compliance with the provisions of the Law on Complaints, the Law on Tax Administration, and their guiding legal instruments, safeguarding the legitimate rights and interests of taxpayers while demonstrating the transparency and objectivity of the tax administration, thereby contributing to a stable business environment.

A complaint refers to the statutory procedure whereby taxpayers execute provisions specified under the Law on Complaints and the Law on Tax Administration to petition competent tax authorities to review administrative decisions or administrative acts issued by tax authorities or authorized tax officials, upon establishing sufficient grounds that such decisions or acts infringe upon applicable laws and violate the legitimate rights and interests of the taxpayer.

A key highlight in contemporary complaint resolution centers on the profound shift from traditional methods to a digital governance architecture, enhancing the disclosure of resolution workflows, leveraging advanced data analytics for factual verification, and widely institutionalizing the direct consultation mechanism to elevate the qualitative outcomes and compress processing timelines for complex cases.

➤ Complaint procedure for taxpayers:



The resolution of tax complaints is executed across two administrative tiers (first-instance and second-instance reviews) regarding administrative decisions or administrative acts (such as tax payment notices, revenue claw-back assessments, and administrative penalty decisions). The procedural workflow encompasses the following sequential steps: Application Receipt → Docketing and Formal Admission → Verification of Complaint Merits → Consultation (if deemed necessary) → Tripartite Dialogue → Promulgation of Decision → Enforcement of the Complaint Resolution Decision. The preminent feature of the current mechanism lies in expanding IT applications, maximizing procedural transparency, and extensively utilizing the direct consultation framework to enhance qualitative rigor and accelerate resolution timelines for intricate disputes.

➤ Tax Complaint Resolution during the 2021 - 2025 Period:

Chart 3.19 - Complaint resolution work (2021 - 2025)

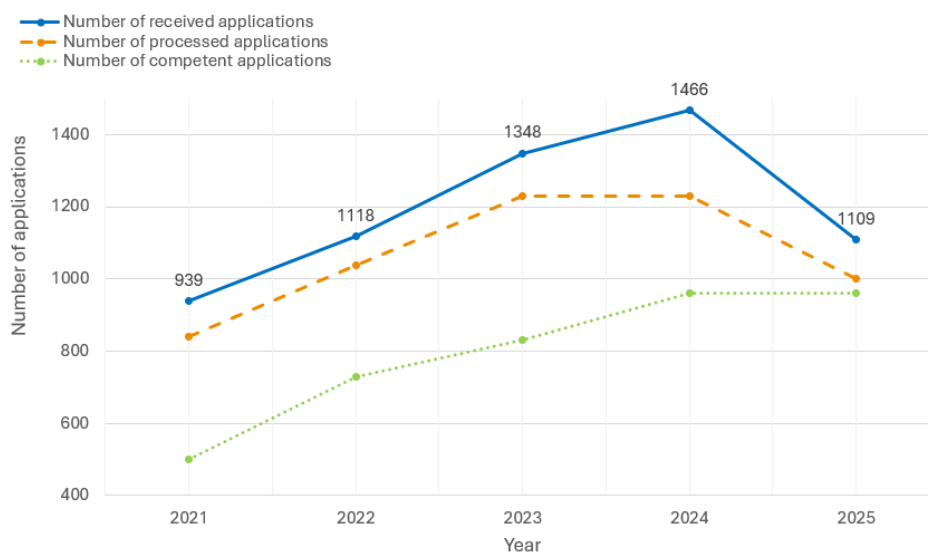


Table 3.20 - Results of complaint handling during period 2021 - 2025

Year	Receipt status		Resolution results	
	Total Applications Received	Total Applications Processed	Applications Within Authorization	Dossiers Resolved Within Authorization
2021	939	844	549	454
2022	1,118	1,022	734	688
2023	1,348	1,279	829	760
2024	1,466	1,329	954	873
2025	1,109	1,098	960	872
Total	5,980	5,572	4,026	3,647

During the 2021 – 2025 period, the entire Vietnam Tax Administration received 5,980 complaints, scaling up from 939 cases in 2021 to 1,466 cases in 2024, representing an approximate 56% expansion over three years. This trajectory underscores the intensifying administrative pressure on tax authorities; within this volume, the noticeable increase in second-instance complaints reflects the heightened complexity of disputes as taxpayers increasingly exercise their right of appeal to higher administrative tiers. Nevertheless, driven by robust dialogue and reconciliation efforts, cases resulting in the voluntary withdrawal of complaints accounted for 26% of the total volume. This outcome underscores that legal dissemination and proactive communication are critical and continuously prioritized, marking a commendable milestone in mitigating bureaucratic burdens. Complainants chose to withdraw their petitions upon acquiring a comprehensive understanding of statutory policies and recognizing the tax authority's positions as fair and reasonable.

› **Leveraging Digital Transformation for Verification and Dialogue**

In alignment with the acceleration of the National Digital Transformation Program, the Vietnam Tax Administration's complaint resolution architecture has achieved a profound breakthrough, evolving from conventional workflows into a modern, data-driven governance model. The verification of complaint merits is now highly optimized through the deployment of automated retrieval, data analytics, and systemic cross-referencing powered by the Vietnam Tax Administration's Centralized Data Core, seamlessly integrated with field reports generated by Commune-level Tax Offices. Consequently, the authenticity of evidence is verified in real-time, minimizing subjective errors while drastically compressing processing timelines.

Notably, the comprehensive integration of digital platforms empowers tax authorities to conduct verification sessions and tripartite dialogues via secure virtual interfaces. This solution not only dismantles geographical barriers but yields significant compliance cost savings regarding travel expenditures for enterprises. This transition toward a fully digitalized dispute resolution framework serves as a clear testament to the evolution of a Digital Government, marking a major leap forward in optimizing the business environment and elevating the Taxpayer Satisfaction Index.

› **Enhancing Resolution Efficacy via the "Direct Consultation" Mechanism**

The prevailing Law on Complaints permits the constitution of an Advisory Council at the 2nd round of complaint, yet lacks comprehensive provisions governing specific procedural modalities. Furthermore, empirical records indicate that numerous high-complexity disputes surface immediately during first-instance reviews – particularly land-related cases that intersect the regulatory jurisdictions of multiple ministries and multi-sectoral departments.

To address this structural bottleneck, the Vietnam Tax Administration proactively petitioned the National Assembly, culminating in the statutory inclusion of enhanced dispute resolution provisions within the Law on Tax Administration No. 38/2019/QH14. On this legal basis, the Department of Taxation promulgated Decision No. 1490/QĐ-TCT dated October 22, 2021, formally establishing the Regulation on Direct Consultation in Tax Complaint Adjudication.

This marks a major institutional milestone, delivering profound strategic improvements:

- **Timeline Compression:** Effectively resolving historical bottlenecks regarding the protracted wait times for inter-agency written opinions, thereby securing a 100% on-time dossier resolution rate;
- **Multilateral Objectivity:** The composition of the Advisory Council incorporates external independent experts, legal practitioners, university professors, and representative trade chambers (including VCCI, the Vietnam Association of Small and Medium Enterprises, and the Vietnam Tax Consultants Association - VTCA);
- **Decisive Independence:** The Council operates strictly via anonymous secret ballots and a majority-rule voting principle, substantially enhancing the individual and collective accountability of Council members;
- **Adjudication Transparency:** Equipping the Head of the competent tax authority with a rigorous, legally sound evidentiary foundation to issue final administrative rulings.

The institutionalization of the Direct Consultation framework not only upgrades the qualitative rigor of complaint adjudication but underscores the absolute commitment of the Vietnam Tax Administration to uphold the rule of law, optimize the investment climate, minimize protracted disputes, and fortify taxpayer trust.

Moving forward, the Vietnam Tax Administration will continuously accelerate comprehensive digitization by leveraging artificial intelligence (AI) and big data diagnostics within dispute resolution workflows, targeting an absolute 100% statutory on-time adjudication rate.

2.1.7.2. Tax litigation in administrative courts

Amidst tax administration reforms driven by modernization, transparency, and a taxpayer-centric service philosophy, tax litigation in administrative courts plays an increasingly pivotal role in ensuring the procedural and substantive validity of state regulatory operations, while safeguarding the legitimate rights and interests of the State, taxpayers, and tax authorities. This judicial interface functions not merely as a mechanism for dispute resolution, but serves as a vital

legal feedback loop to scrutinize the statutory legality and operational rationality of tax administrative rulings during implementation.

The 2021 - 2025 period witnessed an upward trajectory in administrative lawsuits involving tax matters, concentrated primarily within the domains of VAT refunds, CIT incentives, administrative penalties on tax and invoicing non-compliance, revenue claw-back assessments, the enforcement of tax administrative rulings, and emerging disputes intersecting related-party transactions, e-commerce, and digital platform commerce. This expansion directly mirrors the broadening scope of administration, the compounding complexity of contemporary economic transactions, and the intensifying institutional demands for transparency, administrative accountability, and the comprehensive standardization of civil service conducted within tax authorities.

To satisfy these rigorous demands, tax authorities have progressively restructured their administrative litigation workflows to foster enhanced professionalism, structural uniformity, and reinforced legal oversight directly at the pre-promulgation stage of administrative rulings. Rigorous case-file reviews, institutional dialogues with taxpayers, strict verification of statutory bases, and proactive litigation risk assessments are deeply scrutinized prior to the issuance of tax adjustment decisions. Concurrently, tax authorities have intensified horizontal coordination across operational, legal affairs, audit, inspection, and debt enforcement divisions to secure absolute alignment during case adjudication, proactively mitigate potential judicial disputes, and optimize the qualitative standards of promulgated administrative decrees.

Within administrative litigation, tax authorities fully discharge their statutory responsibilities to participate in judicial proceedings pursuant to the Law on Administrative Litigation; proactively submitting case files, administrative records, and evidentiary materials; actively participating in court-mandated dialogues and oral arguments; and rigorously executing legally binding and enforceable judgments and judicial decrees. Through the adjudication process, newly emerging legal anomalies within tax administration have been judicially clarified, thereby refining statutory interpretation, upgrading the quality of law application, and progressively constructing a specialized tax jurisprudence. Numerous administrative precedents have emerged as vital reference sources to guide internal operations, resolve analogous legal disputes, and perfect the overarching tax administration architecture toward maximum standardization and transparency.

Simultaneously, the Vietnam Tax Administration has expanded the systematic synthesis and qualitative analysis of tax-related administrative lawsuits to map out prevalent clusters of legal risks, thereby refining operational workflows and upgrading administrative quality. High-complexity lawsuits intersecting export VAT refunds, cross-border transactions, inbound

investment incentives, e-commerce, transfer pricing, and the digital economy have provided an indispensable source of empirical evidence to guide the continuous optimization of fiscal policy and tax legislation in the new era. Furthermore, the strategic deployment of electronic records, e-invoice registries, banking transaction logs, and inter-connected national databases has progressively fortified the tax authority's capacity for evidentiary proof, systemic reconciliation, and the robust defense of its administrative positions before judicial tribunals.

Professional training and capacity-building initiatives targeting legal competencies and courtroom advocacy skills for tax officials have been aggressively accelerated sector-wide. The civil service workforce dedicated to legal affairs and judicial litigation is undergoing progressive specialization, directly upgrading the qualitative defense of the State's legitimate rights and fiscal interests within administrative court dockets. Additionally, the application of advanced IT systems to manage litigation files, track administrative judgments, and synthesize comprehensive legal databases is being actively deployed to optimize governance efficiency, reinforce the tax authority's administrative accountability, and ensure full compliance with international tax administration diagnostics benchmarks, notably TADAT.

Despite these substantial positive outcomes, tax administrative litigation continues to encounter profound difficulties and challenges. Selected lawsuits exhibit a highly intricate nature, simultaneously intersecting multiple statutory domains - including investment legislation, land management, corporate accounting standards, customs regulations, corporate law, and multilateral tax treaties - whereas the specialized capacity for courtroom advocacy and digital forensics remains unevenly distributed across sub-national jurisdictions. Furthermore, the exponential expansion of the digital economy, digital assets, and cross-border commerce modalities continuously necessitates the rapid refinement of the regulatory framework and the intensive upgrading of professional competencies for the litigation-facing civil service workforce.

In the forthcoming period, fueled by accelerating global integration and comprehensive digital transformation, tax administrative disputes are projected to become increasingly diversified and legally intricate. The Vietnam Tax Administration will continuously optimize its legal mechanisms, elevate litigation competencies, expand institutional dialogues, and proactively mitigate legal exposure directly within core administration workflows. Concurrently, high priority will be directed toward constructing a centralized judicial precedent database, mapping out landmark case studies, and establishing an internal legal support architecture dedicated to corporate risk management. The ultimate vision is to cultivate a modern tax governance framework that is not only highly efficient in revenue mobilization, but firmly

anchored upon the foundational principle of the rule of law, operational transparency, and absolute equity, thereby reinforcing taxpayer confidence in the legal architecture and the tax administration.

2.2. General assessment of tax administration process

The tax administration process in Vietnam throughout the 2021 – 2025 period achieved the highest threshold of digitalization and automation in the history of the Vietnam Tax Administration. All six core pillars – spanning registration, filing, payment, refunds, audits and inspections, through to coercive debt enforcement – are operationalized primarily via integrated digital platforms. This framework yielded an on-time filing compliance rate of 98.2% (successfully exceeding the 2030 Strategy benchmark), a 2.6-fold surge in debt recovery, and a doubling of captured revenue claw-backs compared to the 2021 baseline year.

Table 3.21 - Summary of tax management process efficiency indicators of 2025 compared to targets

Administrative Process	Key Indicator (2025 Outcomes)	Strategy 2030 Target Benchmarks
Tax Registration	1,017,056 active enterprises; interconnected with National Database Core	100% enterprises interconnected
Electronic Filing	99.38% of active enterprises; 98.61% on-time tax filing rate	Minimum 98% on-time tax filing for enterprises; minimum 85% for individuals
Electronic Payment	1,011,853 enterprises (>99%); 60 commercial banking partnerships	100% ubiquitous adoption
VAT Refunds	Disbursed VND 151,352 billion in refunds	Minimum 98% electronic refunds for enterprises/organizations; minimum 85% for salary-earning individuals; minimum 98% on-time processing rate
Audit & Inspection	72,207 completed audits; VND 27,672 billion mobilized via revenue clawed-back	Comprehensive risk-based targeting
Debt Enforcement	Recovered VND 65,000 billion in outstanding tax debts	Total outstanding debt-to-revenue ratio $\leq 7\%$
Taxpayer Satisfaction	Overall Satisfaction level of 92.3%	$\geq 90\%$ baseline target for 2025

3. Taxpayer communication and support activities

3.1. Overview of taxpayer communication and support activities

The taxpayer communication and support framework operates under a unified, hierarchical administrative model structured as follows:

- › At the Department of Taxation (Central Level): Responsible for promulgating the Annual Taxpayer Communication and Support Masterplan; coordinating national fiscal outreach programs; managing institutional relations with central television networks and mass media outlets; and directing key strategic projects.
- › At Provincial Tax Offices (Provincial/Municipal Level): Executing communication mandates under central directives; organizing local enterprise dialogue forums; and administering single-window taxpayer registries. Within commune and ward jurisdictions, Commune-level Tax Offices directly deliver personalized assistance to business households and individual entrepreneurs, deploy customized outreach campaigns via localized social platforms (such as Zalo and Facebook), and resolve routine tax queries on a daily basis.

3.2. Taxpayer communication and support activities during the period 2021 - 2025

3.2.1. Results of implementing the Tax System Reform Strategy objectives

Throughout the 2021 - 2025 period, taxpayer communication and support were synchronously rolled out by the Vietnam Tax Administration in strict alignment with the strategic trajectories of the Tax System Reform Strategy through 2030. These activities were tightly integrated with the mandates of administrative procedure reform, comprehensive digital transformation, and the construction of a modern, open, and transparent tax administration centered entirely on serving taxpayers. Educational and support initiatives were executed uniformly across all central and sub-national tiers, securing the rapid dissemination of updated tax legislation and empowering taxpayers to correctly navigate and satisfy their fiscal liabilities amidst a changing policy environment, while dynamically adapting to challenges induced by the COVID-19 pandemic and national digital governance mandates.

During this phase, the Vietnam Tax Administration successfully fulfilled and surpassed multiple critical targets defined under the Strategy, with key performance indicators detailed below:

Table 3.22 - Implementation results of targets according to the Strategy for Tax System Reform, 2021 - 2025 period

Strategic Indicator/Operational Content	2021 - 2025 Actual Outcomes
Share of newly promulgated tax legal normative documents disseminated in compliance with regulations	100%
Proportion of administrative procedures eligible for full end-to-end online delivery integrated with the National Public Services Portal	100% (Target: $\geq 80\%$)
Proportion of taxpayer assistance requests resolved via electronic modalities	>80% (Target: $\geq 70\%$)
Proportion of taxpayer queries resolved strictly within statutory timelines	>80% (Target: $\geq 70\%$)
Proportion of tax administrative procedure dossiers processed fully online	>85% (Target: $\geq 50\%$)
Share of tax registration dossiers handled via the single-window electronic linkage mechanism	100%
Share of land-use right dossiers filed by households and individuals processed via digital inter-agency linkage	70%
Taxpayer satisfaction level regarding tax administrative procedure resolution	92.9%
Taxpayer satisfaction index regarding the overall service quality of the tax administration	92.3%

The aforementioned outcomes demonstrate that taxpayer education and assistance have achieved a profound qualitative evolution, characterized by upgraded service standards, extensive IT application, and an advanced capacity to satisfy taxpayer demands amidst the national digital transformation.

3.2.2. Policy communication and media dissemination results

During the 2021 - 2025 period, the Vietnam Tax Administration comprehensively implemented a synchronized suite of solutions to innovate the communication of tax policies and tax legislation, embracing a modern, multi-platform, taxpayer-centric philosophy linked to the core requirements of tax administration reform and modernization. The Vietnam Tax Administration proactively formulated and deployed structured communication campaigns tailored to each distinct phase of the policy lifecycle - spanning the pre-

promulgation phase, active implementation, and ex-post enforcement windows. Furthermore, the Vietnam Tax Administration intensified strategic policy messaging early during the legislative drafting phase of legal normative documents, fostering broad social consensus and optimizing downstream compliance and enforcement efficiency.

The substantive core of these communicational campaigns focused intensively on high-impact macro-policies directly affecting citizens and enterprises, notably: the Law on Tax Administration and its guiding decrees; e-invoice frameworks and e-invoices generated from cash registers; tax administration over e-commerce, digital platform commerce, and livestreaming commerce operations; the taxation of business households and individual entrepreneurs; the utilization of Personal Identification Numbers to replace TINs effective July 1, 2025; targeted tax exemptions, reductions, and extensions designed to cushion enterprises and citizens during the post-pandemic recovery; Global Minimum Tax rules; tax administrative procedure reforms; the Vietnam Tax Administration's holistic digital transformation; electronic public utilities encompassing eTax, eTax Mobile, the integrated E-commerce Portal, and the Electronic Portal for Foreign Suppliers. Concurrently, public media messaging sharpened warnings against invoice fraud, tax evasion, and statutory non-compliance, while actively guiding business households as they transitioned from the presumptive taxation method to the formal declaration-based framework.

Media dissemination was executed symmetrically across mainstream broadcasting networks and digital platforms. The Vietnam Tax Administration sustained close institutional cooperation with Vietnam Television (VTV) to broadcast the weekly “Tax and Life” program, alongside specialized “State Taxation” features on the Vietnam News Agency (VNA) channel, Nhan Dan TV, National Assembly TV, and VTC. Provincial Tax Offices proactively collaborated with regional television stations to air local news segments and documentaries detailing tax operations, while hosting interactive talk shows and instructional seminars on tax updates. Outreach campaigns expanded across the networks of the Voice of Vietnam (including VOV1, VOV2, and VOV Transportation), with dedicated tax features broadcasted during prime-time slots on prominent segments such as “Dialogue - Your Expert”, “Focus”, and “Hand-in-Hand with the Law”... Multiple interactive talk shows generated extensive engagement from public audiences, particularly features on VOV Transportation aired during rush-hour windows. At the provincial level, tax authorities partnered with provincial radio-television networks and ward/commune public broadcasting stations to maintain localized periodic programs dedicated to tax updates.

During the 2021 - 2025 period, the Vietnam Tax Administration regularly coordinated with central and specialized press networks to disseminate tax legislation, fiscal policies, tax administrative procedure reforms, and digital transformation initiatives. Annually, tax authorities proactively provided verified data and collaborated with approximately 20 to 30 press agencies,

electronic news outlets, and periodicals to publish news briefs, analytical articles, public messages, and institutional reports on tax awareness. Concurrently, it partnered with various specialized journals to distribute communication products tailored for internal educational workflows sector-wide. Sub-national tax offices also collaborated with provincial newspapers to institutionalize dedicated columns, routinely publishing updates on newly enacted tax policies, operational outcomes, and sectoral activities. Throughout the 2021 - 2025 span, tens of thousands of news articles, investigative reports, and thematic features on taxation were published across central and local press channels, substantially enhancing the efficacy of tax policy and legislative communication directed at citizens and enterprises.

Alongside conventional dissemination methods, the Vietnam Tax Administration expands communication within the digital environment through the official Electronic Portal of the Vietnam Tax Administration, verified Facebook pages, Zalo OA channels, YouTube, and other digital platforms. The Vietnam Tax Administration's Electronic Portal continues to serve as the core hub for taxpayer education and assistance, providing real-time updates on emerging tax policies, legal guiding instruments, taxpayer query resolutions, official press releases, and comprehensive data on tax administration operations. During the 2021 - 2025 period, the network of the Vietnam Tax Administration's Electronic Portals published hundreds of thousands of digital articles, infographic images, multimedia videos, podcasts, administrative documents, and communication products concerning fiscal policies, tax administrative procedure reforms, and outstanding sectoral activities. Concurrently, the Vietnam Tax Administration develops and maintains specialized digital segments - such as those dedicated to countering illicit invoice trading, assisting business households in e-commerce, and promoting eTax Mobile - empowering taxpayers to conveniently access electronic public utilities and elevating their awareness of tax law compliance.

The Vietnam Tax Administration continuously maintains highly effective visual outreach campaigns through a coordinated infrastructure of flyers, informative brochures, large-format billboards, posters, public banners, instructional guides, and specialized publications focusing on tax policies, e-invoicing, e-commerce compliance, tax administrative procedure reforms, and digital tax services. Throughout the 2021 - 2025 period, tax authorities across all administrative tiers compiled, published, and distributed millions of leaflets, compliance guides, and informational materials to citizens, enterprises, and business households. These resources were disseminated directly at single-window administrative hubs, technical training workshops, enterprise dialogue forums, public administration centers, traditional marketplaces, commercial streets, and local-tier communities.

Concurrently, the Vietnam Tax Administration intensifies the compilation and production of modern, highly visual multimedia products, including infographics, motion graphics, short video clips, podcasts, digital tax handbooks, structured

Q&A sheets, comprehensive user manuals, and digital media assets dedicated to expanding public awareness on tax legislation, e-invoicing, e-commerce, and the Vietnam Tax Administration's overall digital transformation. These communication materials are engineered to be concise, highly intuitive, and easily accessible, tailored precisely to the distinct characteristics of each taxpayer segment and widely disseminated across digital ecosystems.

Simultaneously, numerous Provincial Tax Offices have proactively established verified Facebook profiles, official Fanpages, Zalo OA accounts, and dedicated YouTube channels to broadcast digital infographics, instructional video logs, and live-stream policy clinics addressing tax queries and providing taxpayer support. These social media platforms have significantly enhanced interactive engagement, accelerated the dissemination of tax regulatory updates, and assisted taxpayers in securing the real-time acquisition of operational guidance, compliance risk warnings, and electronic tax services within the digital environment.

Notably, in 2025, the Vietnam Tax Administration executed a series of high-impact communication campaigns to streamline tax administration for business households and individual entrepreneurs transitioning from the traditional presumptive taxation method to the formal declaration-based framework. Public outreach content focused heavily on guiding the utilization of e-invoices, electronic filing workflows, eTax Mobile operation, and the comprehensive fulfillment of tax liabilities within the digital environment. These campaigns deployed a diverse mix of communication methodologies, encompassing enterprise dialogue forums, technical training workshops, mobile broadcasting units stationed at traditional marketplaces and commercial streets, alongside personalized 'hand-holding' onsite assistance frameworks.

The Vietnam Tax Administration strengthened institutional coordination with Commune and Ward People's Committees, residential neighborhood councils, women's unions, youth unions, marketplace management boards, and various mass organizations to disseminate regulatory updates directly to each individual business household. Simultaneously, it engineered a specialized 'Tax Administration Manual for Commune-Level Cadres' and organized technical training modules for over 16,000 commune-level cadres to maximize the cooperative efficacy of local-tier tax administration. Furthermore, the Vietnam Tax Administration compiled and published an array of digital e-manuals, electronic handbooks, infographics, instructional videos, and structured Q&A documents. Most notably, it developed three distinct sets of electronic tax handbooks customized specifically for business owners, chief accountants, and business households/individuals; these handbooks are embedded with integrated Artificial Intelligence (AI) to automate query resolution and are formally hosted on the official Electronic Portal of the Vietnam Tax Administration.

TV	Television - Main Channel ➤ The “Tax and Life” program (broadcasted on VTV1, rebroadcasted on VTV3) is aired weekly every Monday (52 programs per annum), maintained consistently as a flagship feature; ➤ The “State Taxation” feature on other television networks is produced monthly, averaging approximately 50 programs per annum; ➤ Regional television networks broadcast approximately 3,000 news logs, features, and specialized columns per annum.
	Radio Broadcasting - Prime-Time Audience Engagement: ➤ The Voice of Vietnam (VOV, VOV2, VOV Transportation) produces approximately 500 to 600 interactive talk shows per annum across dedicated columns; ➤ Localized public radio and commune-level broadcasting networks nationwide air an average of 70,000 tax awareness segments per annum.
	The Press - Centralized and Sub-national Print & Digital Network: ➤ Dissemination campaigns are systematically executed across print and electronic newspapers within and beyond the financial sector, spanning central to regional tiers; ➤ Partnerships with 20 to 30 central press agencies generate an average of 3,000 articles and news logs per annum; ➤ Local tax offices coordinate the publication of approximately 6,000 articles, press releases, and specialized features per annum.
	Electronic Information Portal (EIP) - Digital Center The official Web Portals of the Vietnam Tax Administration host tens of thousands of digital articles, informational columns, and video logs detailing tax policies and administrative procedure reforms.
	Social Media & Livestream - Breakthrough Digital Channels Accelerating digital outreach across verified social platforms (including Zalo OA, Facebook Fanpages, and YouTube) to distribute multi-media products, engaging tens of thousands of active digital subscribers.
	AI Chatbots - Next-Generation Support Utilities: The Virtual Assistant of the Hanoi Tax Office (rolled out in late November 2024) successfully processed nearly 30,000 automated Q&A interactions. It operates 24/7 via official Web Portals and Zalo interfaces, embedded with electronic procedure templates and instructional video logs.

3.2.3. Results of taxpayer support activities

In tandem with media dissemination, throughout the 2021 - 2025 period, the Vietnam Tax Administration fully deployed comprehensive taxpayer assistance solutions modeled after a modern, professional, open, and transparent framework centered entirely on the taxpayer. Assistance operations were systematically organized sector-wide while empowering sub-national tax offices to flexibly adapt to the diversifying support demands

of citizens and enterprises amidst national digital transformation and tax administrative procedure reforms. The Vietnam Tax Administration continuously maintained and operated its network of 479 specialized taxpayer assistance channels. It synchronously deployed multiple support methodologies, including face-to-face assistance at single-window administrative hubs, telephone hotlines, email helpdesks, formal written guidance, official Web Portals, social media interfaces, virtual conferences, live-stream policy clinics, electronic Q&A databases, AI-powered chatbots, and certified tax agents. Through these channels, tax authorities across all tiers successfully received, resolved, and processed millions of assistance requests intersecting tax legislation, e-invoicing, digital filing-payment-refund workflows, tax registration, year-end finalization, e-commerce taxation, eTax, eTax Mobile, and other administrative procedures.

During the period heavily disrupted by the COVID-19 pandemic, the Vietnam Tax Administration proactively shifted its primary stance from face-to-face contact to electronic and online assistance. This strategic pivot simultaneously satisfied pandemic containment protocols while preserving the uninterrupted delivery of high-efficiency taxpayer support nationwide. Multiple innovative assistance formats were introduced and scaled up, including live-stream policy clinics, digital platform-based troubleshooting, targeted policy updates via email and Zalo messaging, and interactive Fan-page engagement backed by electronic Q&A systems, substantially expanding policy accessibility for citizens and enterprises. Sub-national tax authorities dynamically innovated their assistance modalities toward multi-platform frameworks and heightened interaction with taxpayers. Numerous Provincial Tax Offices developed and successfully operated verified Facebook pages, Zalo OA channels, and YouTube accounts to broadcast policy alerts, infographics, instructional video logs, live-stream troubleshooting clinics, and compliance risk warnings. Concurrently, tax authorities across all levels regularly hosted enterprise dialogue forums, specialized technical training seminars, “Tax Finalization Support Months”, and “Tax Finalization Support Weeks”, complemented by mobile deployment units operating directly at local areas and providing out-of-hours administrative services to create an optimal environment for taxpayers to fulfill their tax liabilities.

Over the recent years, the Vietnam Tax Administration has regularly organized technical training seminars, enterprise dialogue conferences, business household assistance forums, tax finalization support campaigns, and online interactive programs nationwide. Throughout the 2021 - 2025 period, the entire Vietnam Tax Administration hosted thousands of dialogue forums and training workshops, engaging hundreds of thousands of corporate executives, business household owners, and individual taxpayers. This facilitated the rapid dissemination of newly enacted policies, cleared structural difficulties, and elevated the tax law compliance equilibrium.

The Vietnam Tax Administration heavily reinforced its institutional collaboration with the Vietnam Chamber of Commerce and Industry (VCCI) to

host national and regional enterprise dialogue conferences. Concurrently, it partnered with the Embassy of the Republic of Korea, the Embassy of Japan, Korean and Japanese business associations (KOCHAM and JCCI), alongside various international trade chambers to organize specialized dialogue sessions, clarify fiscal policies, and resolve tax queries for foreign-invested enterprises (FDI) operating in Vietnam. These high-level dialogue programs substantially enhanced operational transparency in tax policy enforcement, upgraded the quality of taxpayer services, and improved the investment and business environment.

Annually, the Vietnam Tax Administration organizes CIT and PIT finalization support programs in online and combined in-person/online formats to support taxpayers in completing tax finalization in accordance with regulations. During the period 2021-2025, the entire Vietnam Tax Administration has organized hundreds of nationwide online tax finalization support programs, attracting millions of attendants, views, and interactions on electronic platforms; assisting in answering thousands of questions and issues related to tax finalization, e-invoices and electronic tax procedures. Provincial and city tax departments have simultaneously implemented “Tax Finalization Support Month”, “Tax Finalization Support Week”, mobile support teams, and extended office hour support to maximize assistance for taxpayers during the finalization period.

The Vietnam Tax Administration continues to expand electronic support through the e-tax system, eTax Mobile, the e-commerce portal, the portal for foreign suppliers, and digital support platforms; simultaneously promoting the application of IT and AI in supporting taxpayers through the construction of a tax knowledge database, the deployment of a 24/7 AI chatbot, the standardization of the electronic Q&A system, the development of visual instructional videos, electronic documents, and the integration of electronic forms on support platforms. The application of digital technology has contributed to improving response speed, reducing processing time, lowering compliance costs, and expanding access to electronic tax services for citizens and businesses.

Annually, the Vietnam Tax Administration coordinates CIT and PIT finalization support programs via online and hybrid configurations to guide taxpayers through compliant filing procedures. During the 2021 - 2025 period, the Vietnam Tax Administration hosted dozens of nationwide online finalization clinics, attracting millions of digital views, impressions, and real-time interactions across electronic platforms, while successfully resolving thousands of technical queries intersecting tax finalization, e-invoicing, and electronic procedures. Simultaneously, Provincial Tax Offices rolled out localized ‘Tax Finalization Support Months,’ ‘Support Weeks,’ mobile troubleshooting squads, and out-of-hours services to maximize taxpayer facilitation during peak finalization windows.

The Vietnam Tax Administration continuously expanded electronic assistance via the core Electronic Tax Portal, eTax Mobile, the E-commerce Portal, the

Electronic Portal for Foreign Suppliers, and multiple digital support environments. It aggressively accelerated the application of IT and artificial intelligence (AI) within taxpayer assistance by constructing a centralized Tax Knowledge Base, deploying 24/7 automated AI chatbots, standardizing electronic Q&A architectures, producing intuitive multimedia video guides, and embedding dynamic electronic forms across support platforms. This pervasive integration of digital technology dramatically accelerated response speeds, compressed dossier-processing times, minimized compliance costs, and democratized access to electronic tax utilities for citizens and enterprises.

To facilitate business households in adapting to modern tax administration methodologies and foster broad consensus during the historic transition from the presumptive taxation method to the self-declaration framework, the Vietnam Tax Administration comprehensively overhauled its outreach strategies under a taxpayer-centric paradigm, diversifying support channels and driving digital technology adoption.

Notably, in 2025, the Vietnam Tax Administration executed the strategic Action Plan for the “60-Day Prime Campaign on Transitioning Household businesses from the Presumptive Tax to the Declaration Framework”, delivering direct, face-to-face assistance to over 2 million business households nationwide. This was achieved by deploying mobile task forces directly to local commercial areas, coordinating localized field outreach at traditional marketplaces and commercial streets, and accelerating digital troubleshooting via live-stream clinics, social networks, automated chatbots, telephone hotlines, and dedicated digital platforms. Consequently, tax authorities distributed over 463,000 printed educational publications, hosted approximately 2,500 specialized assistance programs, and established over 1,500 mobile on-site support checkpoints.

The Vietnam Tax Administration has engineered dedicated electronic support environments, including the 'Taxpayer Assistance Handbook' column, the Tax Information and Taxpayer Support Portal hosted at <https://hotronnt.gdt.gov.vn>, and the interactive Digital Experience Interface designed for business households and individual entrepreneurs hosted at the administrative single-window address <https://dichvucong.gdt.gov.vn>. These platforms empower taxpayers to execute the entire tax administration lifecycle fully online – spanning tax registration, filing, payment, through to refunds – enabling business households to systematically adjust to self-assessment and electronic compliance within a secure digital ecosystem. Concurrently, the Vietnam Tax Administration continuously reinforced the regulation and oversight of certified tax agents, organizing standardized professional examinations and issuing tax practice certificates in compliance with regulations, while actively supporting the expansion of the tax agent network to upgrade the quality of external compliance services. The governance and cultivation of tax agents have been progressively standardized, ensuring taxpayers enjoy frictionless access to professional advisory, filing, and finalization services, thereby steering tax administrative procedure compliance toward a professional and modern trajectory.

880 Certified Tax Agents

Number of tax agents (organizations) fully licensed for commercial practice
(As of December 31, 2025)

1,964 Practitioners

Total number of certified tax agents (individuals) actively practicing in the field
(As of December 31, 2025)

Table 3.23 – Summary of taxpayer support activities from 2021 – 2025

Assistance Channel / Operational Modality	2021 – 2025 Cumulative Volume	Note
Face-to-face support at Single-Window Hubs	Over 3 million instances	Direct receipt and resolution of physical tax administrative procedures
Support via the 479 Electronic Channels	Approximately 25,000 logs	Average query resolution rate successfully exceeded 90%
Assistance via Email Helpdesks	Tens of millions of logs	The channel with widest reach; encompassing automated distribution of policy updates
Support via verified Social Media Platforms	Nearly 2 million interactions	Robust growth; highly prevalent in major metropolitan hubs; direct real-time interaction with taxpayers
Traditional Telephone Hotlines	70,000 – 80,000 logs	Conventional voice assistance remains fully maintained
Taxpayer Technical Training Workshops	Over 3,500 classes / 800,000 attendees	Key focus: eTax Mobile, e-invoicing, e-commerce, and business households; hybrid configuration (online & direct)
Taxpayer Dialogue Conferences	Approximately 3,200 sessions / 600,000 attendees	Encompassing joint VCCI forums, foreign chamber seminars, and sector-wide hybrid conferences
AGGREGATE Assistance Volume (Estimated)	Over 10 million instances	Omni-channel architecture; share of digital-based assistance successfully achieved 80%

Conclusion

- The 2021 – 2025 period marks a major shift for the Vietnam Tax Administration in innovating taxpayer education and communication toward a digitalized, modern, multi-platform, and taxpayer-centric model.
- Outreach and support operations were executed proactively and professionally, closely aligned with economic realities and national digital governance mandates, substantively optimizing tax administration efficiency and reinforcing the voluntary compliance.
- Strategic Orientations for the Forthcoming Period: Continuously scaling up artificial intelligence (AI) applications, expanding customized assistance networks to underserved remote regions, optimizing user digital experiences, and constructing a modern, open, transparent, and accommodating tax administration architecture.

3.2.4. Results of commending and rewarding taxpayers

Taxpayer commendation and recognition programs are executed by the Vietnam Tax Administration in a timely, open, and transparent manner, formally honoring organizations and individuals characterized by exemplary compliance with tax legislation and substantial contributions to the State Budget. Publicly praising and rewarding compliant taxpayers not only generates strong incentives to elevate legal compliance awareness, but actively disseminates a corporate culture of transparency, accountability, and sustainable development across the community of corporate enterprises and business households.

Through these commendation frameworks, the Vietnam Tax Administration reaffirms its core identity as a partner to taxpayers, utilizing voluntary compliance as the foundation to construct a modern, professional, and accommodating fiscal environment. Numerous leading enterprises, business households, and outstanding citizens have received formal awards from competent authorities for outstanding tax compliance, creating a powerful positive multiplier effect that encourages the taxpayer community to enhance their self-directed civic responsibility toward the State Budget.

TAXPAYER COMMENDATION AND RECOGNITION

Period 2022 - 2025

2,445 Number of taxpayers formally commended and honored by the Department of Taxation	182 Number of taxpayers formally commended and honored by the Ministry of Finance.
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4. Assessment of Taxpayer Satisfaction

4.1. Taxpayer Satisfaction Assessment Results for 2025

The execution of taxpayer satisfaction assessments stems directly from the strategic mandate to upgrade taxpayer service quality, embedding a taxpayer-centric paradigm within tax administration. To construct an objective, quantitative measurement instrument to evaluate the efficacy of administrative procedure reforms and system-wide digital transformation, the Department of Taxation formulated and deployed the National Taxpayer Satisfaction Measurement Framework. Survey operations were executed entirely within a digital environment powered by the “Information System for Administrative Procedure Resolution” hosted at the official address <https://dichvucong.gdt.gov.vn>, encompassing the comprehensive nationwide taxpayer base. The masterplan was rolled out across two primary operational streams:

- I. Real-time Satisfaction Measurement regarding Tax Officials and Case Outcomes: Surveying continuously and dynamically throughout 2025 immediately following a taxpayer's completion of a tax administrative procedure or utilization of a public utility. The resulting dataset was harvested directly to feed weekly and monthly leadership dashboards and direct executive decision-making workflows.
- II. Periodic Satisfaction Measurement regarding Overall Tax Administration Quality: An intensive annual survey executed from October to December 2025, capturing verified feedback from 228,651 active taxpayers across 34 sub-national provinces and municipalities. The empirical results were disclosed in real-time on the public interface <https://dichvucong.gdt.gov.vn>, establishing a highly authentic, transparent, and legally sound testament to the qualitative standards of the national tax service.

92,3%: Taxpayer Satisfaction index measuring taxpayer satisfaction regarding the service delivery of the tax administration in 2025.

**Table 3.24 - Satisfaction Index by 7 Factors -
Entire Vietnam Tax Administration in 2025**

Evaluation Factor	Satisfaction Index (%)
OVERALL SATISFACTION LEVEL	92.3%
Professional conduct and efficacy of tax officials resolving administrative cases	92.8%
Formulation, structural organization, and enforcement of tax policies and tax administration	92.6%
Accessibility and usability of electronic public services in taxation	92.6%
Substantive outcomes of resolved tax administrative procedures	92.4%
Procedural workflows required to complete tax administrative procedures	92.2%
Professionalism and transparency of field tax audits conducted at taxpayer premises	92.1%
Adjudication of tax complaints, denunciations, and the processing of public feedback	91.9%

These empirical results demonstrate that the service delivery quality of the tax administration has achieved significant and continuous improvement, reflecting the effectiveness of institutional reform, modernization, and digital transformation

sector-wide. Concurrently, this framework establishes an indispensable feedback database to govern service quality metrics, optimize leadership direction, and continuously perfect tax policies and administrative workflows moving forward.

4.2. Analysis by taxpayer group

The stratified analysis across distinct taxpayer segments indicates that individual citizens and business households registered the highest thresholds of satisfaction. Conversely, the segments encompassing State-Owned Enterprises (SOEs) and Foreign-Invested Enterprises (FDI) returned satisfaction indices below the 90% benchmark, highlighting targeted areas for downstream administrative focus:

Table 3.25 - Taxpayer satisfaction index

Segmented Taxpayer Category / Institutional Group	Overall Satisfaction Index (%)
Other Taxpayers (individuals)	94.4%
Business Households and Business Individuals	94.3%
Enterprises and Other Commercial Organizations	90.3%
State-Owned Enterprises (SOEs)	88.4%
Foreign-Direct Investment (FDI) Enterprises	86.8%

5. Administrative Procedure Reform

The Department of Taxation has executed a synchronized and overhaul to streamline and simplify tax administrative procedures, in strict compliance with the mandates of Government Resolution No. 66/NQ-CP dated March 26, 2025, alongside administrative directives issued by the Ministry of Finance. This rigorous approach delivered comprehensive, highly tangible outcomes, substantively optimizing the investment climate and upgrading service delivery quality for citizens and enterprises. Till May, 2026, the Department of Taxation successfully decrease from 235 to 137 tax administrative procedures compared to the 2024 baseline.

Along with the quantitative compression of procedures, the strategic focus and core value of this reform are powerfully manifested in the reduction of both tax compliance expenditures and procedural resolution timelines. These substantive, key indicators reflect direct facilitation for taxpayers. Consequently, tax compliance costs marking a 51 % reduction compared to the 2024 baseline. Simultaneously, the cumulative processing timeline for administrative procedures was slashed by 27% compared to the 2024 baseline. These achievements effectively alleviate the time and cost burdens weighed upon citizens and enterprises, while bolstering the transparency and overall efficiency of the tax administration.

Concurrently, the Vietnam Tax Administration has systematically rolled out single-window and interconnected single-window mechanisms pursuant to Government Decree No. 118/2025/ND-CP. It has completed the comprehensive modernization of the Information System for Administrative Procedure Resolution, fully embedding advanced workflows for dossier digitalization, cryptographic digital signatures, electronic archiving, and web-based procedure resolution. Effective July 1, 2025, the digital core successfully achieved jurisdiction-agnostic administrative processing; while heavily reinforcing real-time data connectivity with the National Population Database, the National Public Services Portal, and relevant ministries, thereby optimizing procedural resolution efficiency, eliminating redundant data re-submission, and maximizing facilitation for citizens and enterprises.

HIGHLIGHTS OF CHAPTER III

①	Sustained State Budget Revenue Growth: Total state budget revenue administered by tax authorities during the 2021 - 2025 period reached an estimated VND 8,569 trillion. The year 2025 alone recorded an all-time high revenue scale of approximately VND 2,357 trillion, representing a 1.74-fold increase compared to 2021 and an average annual growth rate of 12.2%, with all 34 out of 34 localities successfully exceeding their assigned budget estimates.
②	Progressive Revenue Structural Evolution with the Private Sector as the Primary Driver: The share of domestic revenue relative to total revenue administered by tax authorities expanded from 96.7% in 2021 to 98.0% in 2025, while crude oil contributions contracted to 2.0%. The non-state corporate sector emerged dominant, accounting for 49.3% of the aggregate revenue collected from the three primary economic sectors (up from 43.2% in 2021).
③	Comprehensive Digitalization and Automation of the Tax Administration Process: Core administrative pillars - spanning registration, filing, payment, and refunds - are operationalized primarily via secure digital platforms. The electronic filing rate for enterprises reached a near-absolute threshold, with over 1 million enterprises registered for electronic tax payment, a cumulative volume of over 20.89 billion e-invoices successfully processed by the end of 2025, and more than 374,290 business establishments actively utilizing e-invoices generated from cash registers.
④	Shift in Tax Audits and Inspections from Quantity to Quality: While the absolute volume of completed tax audit and inspection cases exhibited a steady downward trend from 2022 to 2025, performance indicators achieved significant growth: proposed financial adjustments in 2025 expanded by 80.5% compared to 2021, and the captured revenue claw-back surged by 152.9% relative to the 2021 baseline year.
⑤	Tax Base Expansion via E-commerce and Digital Economy Oversight: In 2025, tax revenues mobilized from e-commerce and digital economy operations reached approximately VND 208.8 trillion, marking a 66.5% surge compared to 2024. A cumulative total of 202 overseas suppliers registered, filed, and remitted taxes via the specialized Electronic Portal, while hundreds of thousands of business households fulfilled their fiscal obligations through the integrated E-commerce Portal, firmly safeguarding Vietnam's taxing rights within the global digitalized economy.
⑥	High-Efficiency Outcomes in Tax Debt Management and Coercive Collection: Tax debt recovery in 2025 stood at approximately VND 65,000 billion, representing a 2.6-fold increase compared to 2021. The synchronized enforcement of electronic temporary exit suspensions yielded high efficacy, while core coercive collection measures were executed fully online, significantly reinforcing fiscal discipline in state budget remittances.
⑦	Substantive and Measurable Gains in Tax Administrative Procedure Reform: Successfully decrease from 235 to 137 tax administrative procedures (a 42.0% reduction); tax compliance costs marking a 51.0% reduction, and resolution timelines were slashed by 27.0% compared to 2024. Concurrently, single-window, interconnected single-window, and jurisdiction-agnostic processing mechanisms were synchronously operationalized.
⑧	Profound Upgrading of Taxpayer Service Delivery and Assistance Quality: Taxpayer education and support operations were executed across comprehensive multi-platform channels, delivering over 10 million individual assistance logs throughout the period, while 100% of eligible procedures were optimized for end-to-end online delivery. Consequently, the aggregate Taxpayer Satisfaction Index reached 92.3% in 2025, successfully exceeding the strategic benchmark defined under the Tax System Reform Strategy through 2030 (mandating a minimum 90.0% satisfaction threshold by 2025).

CHAPTER IV

TAX RISK MANAGEMENT AND FRAUD PREVENTION

Compliance risk management and tax fraud prevention represent critical control functions of a modern tax administration system. Against the backdrop of an increasingly complex economy – fueled by the rapid expansion of e-commerce, the digital economy, cross-border transactions, and new business models – the risks of state budget revenue leakage have become progressively diversified and sophisticated. Chapter IV delivers a comprehensive analysis of the compliance risk management framework implemented by the Vietnam Tax Administration, outlining prevalent fraudulent schemes, advanced technological detection instruments, and administrative enforcement outcomes achieved during the 2021 – 2025 period.

In Vietnam, the 2021 – 2025 span recorded a fundamental shift in tax administration methodologies, clearly demonstrating a strategic transition toward a modern administration model anchored by risk analytics, data diagnostics, and compliance governance. Consequently, tax audit and inspection activities are directed with high selectivity, focusing resources strictly on high-risk sectors and taxpayer profiles mapped from risk indicators built within the tax data system. The pervasive rollout of compliance risk management is applied across core pillars, including tax audits, inspections, e-invoice tracking, refund administration, and compliance monitoring, thereby substantially optimizing resource allocation. Empirical results demonstrate that while the absolute volume of completed tax audits and inspections exhibits a steady contraction, captured revenue claw-backs achieved significant growth, expanding nearly threefold from VND 10,942 billion in 2021 to VND 27,672 billion in 2025. This evolution powerfully validates the efficiency of data-driven risk-based tax administration, aligned with advanced international standards and evidence-based compliance governance.

Furthermore, the transition in audit methodologies leverages automated e-invoice validation, centralized data records, and inter-agency data integration to enhance early warning systems while facilitating seamless compliance for low-risk taxpayers. Notably, starting in 2025, the Vietnam Tax Administration accelerates compliance governance in line with global best practices, shifting from a mindset primarily focused on ex-post violation processing to proactive preventive measures, early diagnostics, and the reinforcement of voluntary compliance thresholds among taxpayers.

1. Legal basis for applying risk management and compliance management in tax administration

The legal foundation governing the application of compliance risk management within tax administration was continuously perfected during the 2021 - 2025 period. The Law on Tax Administration No. 108/2025/QH15 formally establishes a statutory framework for risk and compliance management, empowering tax authorities to implement automated risk scoring and taxpayer profiling models across all lifecycle stages of tax administration. Pursuant to this framework, tax authorities are statutorily authorized to collect, process, and analyze multi-source data to evaluate taxpayer compliance levels and risk indices, apply tailored administrative measures across segmented groups, and accelerate automation and digital transformation within fiscal workflows. This updated regulatory architecture lays the groundwork to transition from dossier-bound manual processes to advanced digital administration, compliance governance, and international risk-managed standards, thereby maximizing state governance efficiency and fostering voluntary tax compliance among law-abiding taxpayers.

- Tax authorities apply risk management methods across tax registration, tax filing, tax payment, tax debt collection enforcement, tax refund administration, tax audits, inspections, use of electronic invoices, and other core operational workflows.
- Compliance risk management operations intrinsically incorporate the real-time collection and qualitative processing of tax data; the formulation of scientific risk matrices and criteria; the execution of automated taxpayer risk-level stratification; and the direct deployment of proportional administrative intervention measures.
- Tax authorities leverage the Tax Management System (TMS) to centrally integrate and process multi-source data for risk management and automation in tax administration works.

This is a critical legal for the tax authorities to execute the compliance governance and risk management in tax administration works.

2. Overview of the compliance and risk management framework

The Compliance Pyramid Model

The Compliance Pyramid framework for compliance governance and risk management represents an advanced administrative methodology embraced globally to maximize operational efficiency and optimize public resource allocation. Under this paradigm, taxpayers are segmented according to actual compliance history and quantified risk indices, enabling tax authorities to deploy calibrated administrative interventions rather than executing a rigid, uniform approach across the entire taxpayer base.

The contemporary tax compliance governance model – formally recommended by the OECD, IMF, and TADAT – is structurally anchored upon this Compliance Pyramid model. This model segments taxpayers based on their actual level of compliance

and applies customized management and intervention measures tailored to each specific group, rather than adopting a one-size-fits-all approach.

The core principle of this architecture focuses on prioritizing proactive assistance and incentivizing voluntary compliance for the vast majority of law-abiding taxpayers, while strategically concentrating intensive tax audits, inspections, and maximum coercive enforcement measures on high-risk or intentionally non-compliant segments.

INTENTIONAL NON-COMPLIANCE	Tax evasion, e-invoice fraud, and organized, deliberate concealment of revenues. Measures: In-depth specialized tax audits; maximum enforcement; referral to criminal investigation as regulated
LOW COMPLIANCE / HIGH RISK	Anomalous reporting records, chronic tax arrears, transfer pricing, and address abandonment. Measures: On-site tax audit; enhanced monitoring; enforcement actions; temporary exit suspension; and the application of other appropriate management measures in accordance with regulations.
WILLING BUT ERRANT COMPLIANCE	Good faith filing errors, occasional late payments, and internal data inconsistencies. Measures: Desk reviews of tax files; electronic notifications; early alert; assistance for voluntary adjustments.
HIGH COMPLIANCE / MINIMAL RISK	Accurate self-assessment, on-time tax payments, and exemplary inter-agency cooperation. Measures: process facilitation; minimized audit and inspection frequencies; fast-track tax refunds; expedited administrative procedures.

In Vietnam, the compliance risk management system is operationalized on a centralized infrastructure, leveraging specialized criteria networks – including filing compliance, payment timelines, invoicing dynamics, economic sectors, taxpayer scales, and historical records – to support systematic taxpayer segmentation and pinpoint entities requiring prioritized oversight.

Throughout the 2021 – 2025 period, this framework primarily served to guide the selection of targets for tax audits and inspections, classify VAT refund dossiers, govern electronic invoicing and digital records, and generate risk warnings; while progressively constructing a resilient baseline to transition toward contemporary compliance governance in the subsequent phase.

Against the backdrop of an expanding taxpayer base, diversifying business configurations, and the rapid acceleration of digital transactions, compliance risk management has emerged as the core mechanism enabling tax authorities to achieve efficient resource allocation and elevate the voluntary compliance threshold. Taxpayers are rigorously evaluated and stratified based on objective compliance levels and quantified risk factors. The Vietnam Tax Administration is steadily deploying advanced data analytics and machine learning architectures to automate anomaly diagnostics and optimize target selection. Merging tax

filing records, e-invoice data cores, compliance track records, and inter-agency linked databases substantially sharpen the tax authority's capacity for early detection of risk signals and sophisticated tax fraud schemes. This progressive approach directly optimizes administrative resources, eliminates redundant audit burdens on highly compliant taxpayers, and reinforces the surveillance efficacy over high-risk sectors and segmented entity groups.

3. Identifying risks and tax fraud behaviors

3.1. Common risk groups and violation behaviors

Table 4.1 – Common risk groups and violation behaviors

Risk Category	Granular Behavioral Description	Administrative Priority	Primary Detection Modalities & Tools
E-Invoice Fraud	Illicit trading of electronic invoices; utilization of fictitious invoices to artificially inflate input expenses or unlawfully claim VAT refunds.	CRITICAL	Supply chain analytics; electronic invoice cross-matching algorithms; inter-agency police coordination.
Transfer Pricing	Non-arm's length intra-group transactions designed to artificially shift corporate profits to lower-tax jurisdictions.	HIGH	Thematic tax audits; global transfer pricing database benchmarking; enforcement of Decree No. 132/2020/ND-CP.
E-Commerce Evasion	Under-reporting or total non-disclosure of digital commerce revenue generated via online retail, e-commerce marketplaces, and KOL/KOC activities.	HIGH	Data aggregation from 478 e-commerce platforms; financial monitoring of 163.3 million payment accounts; multi-source data reconciliation.
Misstatement & Under-declaration	Under-reporting of revenues and over-statement of artificial expenses; highly prevalent within real estate, construction, and insurance sectors.	MEDIUM-HIGH	Tax file desk reviews; cross-sectoral benchmarking; e-invoice trend analysis.
VAT Refund Fraud	Constructing multi-tiered intermediary networks and transactional layers to issue fraudulent inputs, aimed at occupying state budget refund funds.	CRITICAL	Automated supply chain network mapping; interconnected Customs-Treasury-Banking data cross-verification.
"Ghost" Companies	Establishing shell corporations solely for invoice trading, followed by immediate operational abandonment and address truncation post-transaction.	CRITICAL	Business registry database synchronization; on-site physical verifications; multi-agency task force deployment.
Cross-Border Tax Avoidance	Failure to fully declare and pay taxes on revenue derived from digital transactions, digital services, and cross-border digital platforms.	HIGH	Automatic Exchange of Information (AEOI); cross-border transaction profiling; inter-agency multi-sectoral data integration.

3.2. Invoice fraud - a core challenge

Invoice fraud constitutes one of the most severe infractions of tax legislation, causing substantial state budget revenue leakage and significantly distorting the level playing field. Although the electronic invoicing architecture has been deployed nationwide since July 1, 2022, fraudulent activities persist on a highly complex trajectory, utilizing increasingly sophisticated modalities. These include the proliferation of shell companies, the engineering of fictitious transaction chains, and the strategic exploitation of the digital environment to authenticate non-compliant invoices.

Several cases uncovered during the 2024 - 2025 period demonstrate the vast scale and intricate nature of illicit invoice trading networks, characterized by the collusion of dozens of shell enterprises, thousands of non-compliant invoices, and transaction values amounting to multiple trillions of VND. These enforcement milestones stem directly from the reinforced horizontal coordination between tax authorities and Law Enforcement agencies in information exchange, data analytics, and the prosecution of tax infractions, thereby optimizing the collective efficacy of combating white-collar economic crimes within the fiscal domain.

4. Systemic tools and methodologies for compliance risk management

4.1. Risk data systems and analysis technologies

Tax Authorities have been gradually building and operating a data system to support risk management, connecting information from various internal and external data sources to support in analysis, monitoring, and detection of tax management risks.

Table 4.2 - Data system and risk analysis technology

Core Data Source	Substantive Information Scope & Analytics Content	Quantitative Scale and Operational Status (As of 2025)
Electronic Invoices (E-Invoices)	Captures holistic commercial transactions executed by enterprises and business households; powers automated supply chain network mapping.	Exceeded 20.89 billion cumulative e-invoices; 374,290 business establishments integrated with cash register-generated e-invoices.
E-Commerce & Digital Payments	Transaction logs harvested from 478 active e-commerce platforms; payment metrics from 163.3 million bank accounts across 96 commercial banks.	Inter-ministerial data integration anchored by the Ministry of Industry and Trade, the State Bank of Vietnam, and the Ministry of Information and Communications.

Core Data Source	Substantive Information Scope & Analytics Content	Quantitative Scale and Operational Status (As of 2025)
National Population Database	Synchronizing individual TINs with National Citizen IDs; Achieved a 95% data-matching equilibrium for individual TINs.	Recorded 53.5 million VNeID login instances into the online tax gateway.
Business Registry Core	Real-time linkage with the National Business Registration Database to monitor new incorporations, operational suspensions, and address anomalies.	Automated real-time tracking covering 1,017,056 actively operating corporate enterprises.
Customs, Treasury & Commercial Banks	Aggregates import-export data logs; state treasury outlays; and automated electronic bank account freeze capabilities.	Fully interconnected digital interface dedicated to cross-border verification and VAT refund cross-checking.
Overseas Suppliers Portal	Structured tax registration and fiscal filing matrices submitted by cross-border digital service providers.	202 overseas suppliers actively registered; successfully mobilized VND 13.9 trillion in direct remittances within 2025 alone.

4.2. Application of Artificial Intelligence and automated analysis

During the 2023 - 2025 period, the Vietnam Tax Administration accelerated the deployment of advanced data analytics, process automation, and progressively researched the integration of Artificial Intelligence (AI) into compliance risk management via several core algorithmic utilities:

Automated Supply Chain Network Mapping: Facilitates the multi-tiered review and tracing of e-invoice chains and corporate transactions for refund-seeking enterprises, designed to flag anomalies in transaction values, detect circular multi-stage intermediary netting, or identify risk indicators in VAT refunds. This architecture was deployed in 2024 to safeguard VAT refund oversight;

Automated VAT Refund Dossier Stratification: Classifies incoming claims into three risk tiers (low, medium, and high) to execute calibrated refund paths. Low-risk enterprises enjoy fast-track processing within 06 working days under the “refund first, audit later” framework, while high-risk dossiers are subjected to mandatory pre-refund audits;

E-Invoice Risk Analytics System: Evaluates the behavioral patterns of invoice issuance and utilization among taxpayers, executing automated risk stratification to guide targeted, data-driven surveillance;

Risk-Based Field Audit Selection System: Formulates optimized schedules for field tax audits (on-site audits) at taxpayer premises based on holistic compliance risk scoring, blending tax filing histories, payment records, e-invoice data cores, historical compliance track records, economic sectors, operational scales, and inter-agency linked intelligence;

AI Chatbots and Automated Debt Enforcement Assistants: The specialized AI Chatbot, launched on November 21, 2024, delivers 24/7 automated taxpayer assistance, while the Debt Enforcement Assistant automates debt aging analysis, generates digital delinquency notices, and flags statutory countdowns for coercive collection enforcement.

4.3. Challenges and requirements for improving risk management and compliance management in tax administration

Parallel to the achieved milestones, compliance and risk management and tax fraud prevention encounter profound emerging challenges driven by the digital economy and expanding globalization. Borderless digital business models encrypted virtual assets, intermediary platform spaces, and new technologies heavily compound the complexity of tax evasion and illicit financial schemes.

Contemporary tax fraud has become highly organized, leveraging advanced software and digital data manipulation to conceal capital flows, simulate commercial legitimacy, or engineer artificial invoice networks. This environment demands that the tax administration continuously innovate its operational paradigms, upscale big data diagnostic capacities, and deepen cross-agency horizontal coordination.

Moving forward, the Vietnam Tax Administration establishes the following strategic orientations:

- Continuously developing the digital ecosystem for tax compliance and risk management; expanding the deployment of AI, big data, and transaction network graph analysis;
- Strengthening data synchronization with ministries, sectors, and external institutional partners. Simultaneously, it will optimize the modern compliance governance model under a taxpayer-centric approach, reinforcing voluntary compliance thresholds while driving down compliance expenditures for enterprises and citizens.
- Taxpayer segmentation will be leveraged to: establish clear priority status criteria for compliant taxpayers; optimize resource allocation and deploy proportional workflows and administrative interventions tailored to each distinct segment; and execute real-time analysis evaluating tax risk indices and historical compliance behavior. This profiling is powered by the TMS data core and interconnected databases fed by external organizations, updated periodically or instantly upon any verified profile mutation.
- On the basis of statutory taxpayer segmentation, the tax authority executes deep data mining to rank and profile entities across the dimensions by:
 - Evaluating historical behavior across core lifecycle stages, including tax registration, timely filing, and payment adherence; outstanding debt aged balances; past tax audit outcomes; and strict compliance with administrative decrees;

- Assessing risk coefficients specific to e-invoice utilization, VAT refund claims, corporate tax exemptions or reductions, the determination of statutory tax bases, and localized risk parameters defined by administrative mandates in each period.
- Depending on these segmented risk-compliance matrices (spanning high, medium, low compliance, and deliberate non-compliance profiles), the tax administration deploys calibrated intervention streams:
 - i. High Compliance/Minimal Risk: Granted preferential administrative status and prioritized facilitation within tax administration workflows;
 - ii. Medium Compliance/Low-to-Medium Risk: Targeted via customized compliance support programs, educational dissemination campaigns, proactive guides, and technical training to foster continuous voluntary compliance;
 - iii. Low Compliance/Elevated Risk: Subjected to automated early warnings, rigorous transactional surveillance, and close compliance monitoring to proactively mitigate emerging risk exposures;
 - iv. Non-Compliance/High Risk: Designated for aggressive administrative interventions, including mandatory on-site tax audits, immediate coercive collection enforcement, and synchronized multi-agency prosecution in coordination with the regulations.

5. Tax audit and inspection performance results for the period 2021 - 2025

The 2021 - 2025 period marks a fundamental shift in the tax audit and inspection architecture of the Vietnam Tax Administration, demonstrating a transition toward a modern administration model anchored by risk profiling, big data mining, and compliance governance. This evolution represents not merely a refinement of technical workflows, but a systemic re-alignment of the state's fiscal oversight mindset, corresponding to national digital mandates, the rapid expansion of the digital economy, and the imperative to maximize state budget revenue collection efficiency within a changing macroeconomic landscape.

In 2021, as the COVID-19 pandemic severely disrupted the national economy, tax audit and inspection activities had to simultaneously balance two competing objectives: supporting taxpayers to sustain production and business continuity, while upholding fiscal discipline and statutory compliance. Modifying the specialized audit plan, minimizing face-to-face field interventions, expanding desk reviews at tax offices, and strategically targeting dossiers exhibiting high-risk factors demonstrated the tax administration's operational agility and rapid adaptation under crisis conditions. This phase effectively established the legal and technological baseline to transition toward data-driven, risk-based audit methodologies.

From 2022 onward, catalyzed by economic recovery and digitalization, tax compliance risks migrated rapidly into newly emerging, complex domains. These included electronic invoicing fraud, VAT refund manipulation, transfer pricing, e-commerce evasion, the operations of cross-border digital platforms, and sophisticated financial transactions funneled through commercial banking networks. In response, the Vietnam Tax Administration systematically innovated its approach, prioritizing target selection based strictly on quantified risk signals and deeply intertwining audits with real-time data mining from e-invoice repositories, online tax filing systems, and inter-agency linked intelligence. Consequently, tax audits evolved from isolated siloed reviews of independent dossiers into the macro-analysis of integrated transaction chains, capital flows, and holistic taxpayer compliance profiles.

By 2025, coupled with structural organizational streamlining and a shift toward centralized thematic audits, tax inspections were steered toward targeted depth. Operations concentrated heavily on major high-risk exposures, including VAT refunds, e-invoice authentication, e-commerce platforms, related-party transactions, business households, and anomalous banking transactions. This structural transition powerfully reflects the shift from a reactive stance of “ex-post violation detection and processing” toward a proactive philosophy of “early identification, early diagnostics, and targeted enforcement”. This framework directly maximizes administration efficiency, minimizes redundant administrative intervention for compliant taxpayers, and concentrates operational resources on sectors vulnerable to state budget leakage.

Empirical results during this period provide clear quantitative evidence demonstrating the efficiency of the risk management model. The total number of nationwide tax audits and examinations did not expand continuously but rather followed a more rational trajectory: adjusting from 68,391 cases in 2021 to 76,021 cases in 2022, before gradually declining to 72,207 cases in 2025. Conversely, the quality indicator – measured by the average tax back-duty collected per audit and examination – increased steadily across the years, rising from approximately VND 0.160 billion per case in 2021 to VND 0.383 billion per case in 2025 (a 140% increase). This trend demonstrates that target selection for tax oversight has become increasingly focused, driven by more precise risk profiling, while simultaneously reflecting a pronounced enhancement in the analytical and enforcement capacities of the tax administration.

Practical results show that the number of inspections and examinations has tended to decrease, while tax revenue from these activities has increased sharply, nearly tripling, from 10,942 trillion VND in 2021 to 27,672 trillion VND in 2025. This trend clearly reflects the effectiveness of risk-based tax management, in line with modern tax management practices and the direction of compliance management based on data evidence.

Nevertheless, this transition encounters significant difficulties and challenges. The rapid development of new business models, particularly within e-commerce and the digital economy, generates novel risk profiles that

outpaced conventional tax administration frameworks. Tax infractions executed by non-compliant taxpayers have become increasingly sophisticated, highly organized, network-linked, and span multiple jurisdictions and economic sectors. Furthermore, the organizational restructuring executed in 2025 necessitates the rapid finalization of streamlined processes, stabilizing the downsized apparatus, and securing continuity in statutory execution. Post-audit debt collection and elevating the actual remittance-to-assessment ratio into the state budget remain critical operational priorities requiring sustained focus.

Faced with these challenges, the Vietnam Tax Administration implemented a synchronized suite of systemic solutions. Accelerating workflow digitalization via specialized applications (such as TPR, TTR, and iTNK) and the core e-invoice network has constructed an invaluable data foundation for risk diagnostics. Concurrently, formulating and refining targeted risk criteria for e-invoicing – integrated with expanded thematic audits and reinforced horizontal coordination with Police authorities, commercial banking networks, and Customs – substantively upgraded the detection, verification, and penalty efficiency of violations. Executive leadership paradigms have similarly evolved, linking performance metrics directly to risk management, thematic surveillance, and taxpayer segmentation, rather than tracking purely passive administrative outputs.

In this context, future strategic development trajectories are clearly defined by a shift from operational IT support tools to cognitive, smart tax administration powered by big data and artificial intelligence (AI). The primary milestone focuses on engineering a Centralized Compliance Risk Database, integrating multi-source intelligence from e-invoice registries, online tax filing logs, bank transfers, customs records, and cross-departmental linked data. Concurrently, AI will be deployed to analyze taxpayer behavioral patterns, identify anomalous transaction chains, map out dynamic risk personas, and trigger automated early warning alerts. Systematically automating target selection via automated risk scoring, combined with upscaling audit competencies over digital commerce and maximizing post-audit collection metrics, will establish the decisive factors to optimize tax administration quality in the forthcoming era.

On the whole, the 2021 – 2025 period can be defined as a pivotal phase during which the tax administration systematically and successfully transformed its tax audit and examination model into a modern, professional, and data-driven framework. The achievements during these years not only validate the efficacy of risk management integration but also establish a critical foundation for further advancing the tax administration system toward enhanced transparency, automation, and early risk-forecasting capabilities. Consequently, this transformation continuously ensures fiscal equity, elevates the efficiency of State management, and fosters the sustainable growth of the national economy.

Table 4.3 - Tax inspection and audit results for the period 2021 - 2025

Fiscal Year	Volume of Audits & Inspections Completed	Proposed Financial Adjustments (VND billion)	Revenue Clawed-back (VND billion)	Average Revenue Clawed-back per Case (VND billion)	Note
2021	68,391	47,976	10,942	≈ 0.160	Baseline fiscal year under pandemic disruptions.
2022	76,021	73,814	16,867	≈ 0.222	Average recovery per case expanded by 39.0% vs 2021.
2023	75,340	70,249	18,571	≈ 0.247	Average recovery per case expanded by 11.0% vs 2022.
2024	72,343	75,772	19,666	≈ 0.272	Average recovery per case expanded by 10.0% vs 2023.
2025	72,207	86,583	27,672	≈ 0.383	Average recovery per case expanded by 41.0% vs 2024.
Total	364,302	354,394	93,718	≈ 0.257	The 2025 average recovery per case surged by 140.0% compared to 2021, equivalent to 1.5 times the cumulative 5-year average.

6. Tax fraud prevention and control

The prevention and suppression of tax fraud represent a core, overarching mandate for the Vietnam Tax Administration throughout the continuous modernization of tax administration, securing the correct, full, and timely mobilization of revenues for the State Budget while fostering an equitable, transparent, and competitive commerce environment. Against the backdrop of rapid economic expansion, diversifying transaction modalities, and the proliferation of e-commerce, digital platforms, non-cash payments, and borderless business models, instances of tax evasion and fraud must be proactively detected, swiftly mitigated, and rigorously penalized under due process of law.

Administrative records indicate that contemporary tax fraud is no longer confined to conventional under-declaration of revenues, erroneous cost accounting, or protracted delays in compliance. Instead, it exhibits a highly organized and sophisticated trajectory, characterized by the incorporation of

shell companies lacking legitimate economic substance, the illicit trade of non-compliant invoices, the issuance of fictitious invoices, cost fabrication, transaction concealment, VAT refund manipulation, transfer pricing, profit shifting, and digital tax evasion. Notably, the nationwide implementation of electronic invoicing not only establishes a vital foundation for modern tax administration but commands the highly efficient exploitation of transactional big data to detect, flag, and suppress any attempts to manipulate the e-invoice network for fraudulent purposes.

6.1. Combating VAT refund fraud

During the 2021 – 2025 period, alongside rigorous administrative reforms, and the expedited processing of VAT refunds for compliant taxpayers, VAT refund auditing remained a cornerstone of tax administration. This critical function ensures that fiscal provisions are applied exclusively to eligible taxpayers fulfilling statutory conditions, while proactively detecting, deterring, and penalizing any exploitation of refund policies aimed at misappropriating State budget resources.

As production, trade, and export ecosystems grew increasingly diversified, VAT refund fraud mechanisms evolved in complexity. Common typologies included invoice trafficking, artificial input documentation, overvaluation of goods, multi-tiered shell networks, and fabricated export transactions completely devoid of economic substance.

Throughout this five-year period, the tax administration conducted audits on 41,862 VAT refund decisions, covering a total refund volume of VND 283,649 billion. These enforcement actions resulted in proposed recoveries and financial penalties totaling VND 3,006 billion. These empirical outcomes demonstrate that VAT refund audits have successfully functioned as an indispensable fiscal shield, reinforcing statutory compliance, mitigating revenue leakage, and enhancing voluntary tax compliance.

A preeminent highlight of this phase is the systematic transition of VAT refund audits toward a data-driven, risk-managed paradigm powered by electronic records and multi-tiered transaction chain tracking. The selection of audit targets is no longer confined to isolated refund claims, but is dynamically evaluated in correlation with the taxpayer's historical compliance track record, sector-specific profiles, structural fluctuations in revenue, invoice trends, cash flows, customs export metrics, and cross-departmental linked intelligence.

Refund Audits are systematically executed via the automated cross-matching of multi-source databases, integrating e-invoice data cores, tax returns, customs filings, commercial bank payment logs, and compliance risk parameters.

On this baseline, the Vietnam Tax Administration has intensified the risk-stratification of refund dossiers, operationalizing two distinct tracks: the “refund first, audit later” framework and the “audit first, refund later” mechanism. For high-risk dossiers, tax authorities execute exhaustive physical and financial verifications prior to approving any disbursements; whereas for low-risk dossiers processed under the fast-track ‘refund first’ path, downstream audits are structured based on automated compliance risk scoring. This balanced approach successfully facilitates rapid capital circulation for highly compliant enterprises while maintaining a tight grid of controls over high-risk cases.

Consequently, tax authorities uncovered numerous systemic violations. Cases exhibiting severe criminal indicators were formally referred to law enforcement agencies for criminal investigation, reflecting the coordination between the tax administration and judicial authorities in combating fiscal crimes. Simultaneously, post-refund audits were intensified through a risk-targeted resource allocation strategy focusing on high-risk sectors. In multiple jurisdictions, refund audits were integrated with comprehensive on-site corporate tax audits, optimizing resource utilization, eliminating redundant field inspections, and systematically identifying structural deficiencies in VAT declaration, deduction, and refund mechanisms.

By reinforcing VAT refund oversight, the tax administration has successfully upheld the rule of law and protected public finances from fraudulent depletion. Furthermore, risk-based classification, rigorous enforcement, and compliance facilitation have collectively fostered a fair, transparent, and competitive business environment, solidifying the strategic role of tax audits in modernizing public financial management and maximizing revenue mobilization efficiency.

Table 4.4 – Empirical Outcomes of Post-Refund VAT Audits and Inspections (2021 - 2025)

Year	Number of refund decisions inspected/audited	Aggregate Audited Claim Value (VND billion)	Total Refund Clawed-back & Penalties Enforced (VND billion)
2021	5,240	43,712	811
2022	8,069	54,588	685
2023	8,752	55,474	359
2024	7,018	39,749	441
2025	12,783	90,126	710
Total	41,862	283,649	3,006

6.2. Combating transfer pricing and tax avoidance

The 2021 – 2025 period demonstrates that the prevention of transfer pricing and tax avoidance by tax authorities has achieved a mature evolution, operating on a proactive, structured trajectory that is converging with international best practices. This strategy centers heavily on refining the legal framework governing related-party transactions, modernizing analytical tools, and upscaling enforcement capacity to safeguard Vietnam's sovereign taxing rights while fostering an equitable and transparent commerce environment.

Vietnam has established a comprehensive regulatory framework governing transfer pricing and controlled transactions, marking a strategic transition from administrative circulars to robust statutory codification and institutional standardization. Prior to 2017, transfer pricing regulations were primarily confined to guiding Circulars with limited statutory enforcement power. The issuance of Decree No. 20/2017/ND-CP marked a significant shift, embedding the arm's length principle and comparability analysis into the core of tax administration. This framework was subsequently elevated and unified nationwide through its codification into the Law on Tax Administration No. 38/2019/QH14. To ensure seamless synchronization, the Government enacted Decree No. 132/2020/ND-CP, which streamlined technical guidelines, clarified definitions of related-party relationships, standardized transfer pricing methodologies, and delineated transfer pricing documentation requirements alongside the rights and obligations of taxpayers. This evolution has successfully aligned Vietnam's transfer pricing mechanism with OECD and United Nations standards.

Concurrently, Vietnam has proactively integrated into the international tax architecture by expanding its network of Double Taxation Agreements (DTAs) and participating in multilateral frameworks, including the Multilateral Convention on Mutual Administrative Assistance in Tax Matters (MAC) and the Country-by-Country Multilateral Competent Authority Agreement (CbC MCAA). Furthermore, the tax administration has institutionalized Advance Pricing Agreements (APAs) as a modern, non-adversarial tool to prevent disputes and facilitate voluntary compliance. Guided by Circular No. 45/2021/TT-BTC, the APA framework provides a transparent mechanism for bilateral and multilateral negotiations between tax authorities and taxpayers, mitigating double taxation risks amidst expanding cross-border commerce.

Amidst the global implementation of the OECD/G20 Base Erosion and Profit Shifting (BEPS) 2.0 project, Vietnam has modernized its policy architecture. The enactment of Decree No. 236/2025/ND-CP, detailing the application of the global minimum top-up tax, represents an important milestone in neutralizing incentives for profit shifting driven by tax differentials. This trajectory is reinforced by the newly enacted Law on Tax Administration No.

108/2025/QH15 (effective July 1, 2026), which inherits and refines statutory provisions on controlled transactions, paving the way for next-generation implementing decrees. This regulatory architecture is underpinned by strict enforcement discipline and deterrence mechanisms institutionalized under Decree No. 125/2020/ND-CP and its subsequent amendments.

In practice, transfer pricing audits and anti-avoidance enforcement remain highly sophisticated due to their intersection with multinational corporate structures and complex, hard-to-value transactions – particularly involving intangible assets, intra-group services, royalties, management fees, and intercompany financial arrangements. Disputes frequently arise from divergent interpretations of the arm's length principle, comparability criteria, and functional and risk profiles. Enforcement is further challenged by information asymmetry in cross-border data gathering, restricted access to foreign affiliate records, fragmented domestic inter-agency data integration, and strict banking confidentiality laws. These hurdles are compounded by a critical shortage of specialized transfer pricing experts, language barriers, and protracted dialogue processes due to foreign parent companies' centralized decision-making.

In response to these challenges, the tax authorities have implemented a comprehensive set of measures aimed at strengthening risk management capabilities and enhancing enforcement effectiveness. On the one hand, they have continued to refine the legal framework by consolidating practical implementation issues, drawing on international experience, and incorporating global commitments and standards. At the same time, efforts have been intensified to raise taxpayers' voluntary compliance through enhanced communication and support initiatives.

On the other hand, significant emphasis has been placed on developing human resources by providing specialized training programs and facilitating the exchange of practical experience in auditing related-party transactions. The tax authorities have also strengthened cooperation with international organizations, including the OECD, the World Bank, JICA, and GIZ, to gain access to advanced knowledge, best practices, and modern audit methodologies.

In parallel, the modernization of tax administration tools and databases has been accelerated to improve comparative analysis capabilities, support the identification of high-risk taxpayers, and facilitate the assessment of transaction chains. This includes leveraging commercial databases and expanding dedicated data repositories to strengthen the administration of enterprises engaged in related-party transactions.

From an operational perspective, the tax authorities have intensified thematic tax audits focusing on enterprises exhibiting transfer pricing risk indicators, such as high-value related-party transactions, transactions involving low-tax

jurisdictions, businesses that continue to incur losses while expanding operations, or those reporting substantial intra-group service charges.

At the same time, international cooperation has been further enhanced through active participation in global forums, information exchange programs, and capacity-building initiatives. These efforts enable the tax authorities to stay abreast of emerging trends, adopt international best practices, and improve the effectiveness of oversight over cross-border transactions.

It can be firmly stated that transfer pricing and tax avoidance countermeasures in Vietnam are being strategically implemented to converge with international standards, enhance information transparency, and advance risk-based and data-driven management through the integration of legal instruments, international cooperation frameworks, and technological tools.

Moving forward, the core priorities entail continuing the synchronization of guiding regulations for newly enacted legislation, reinforcing information exchange mechanisms, consolidating data analytics capabilities, and standardizing audit workflows for controlled transactions to align with the digital economy and profound international integration. Sustaining a proactive, modern, and collaborative approach will serve as a pivotal prerequisite for the tax administration to safeguard State budget revenue effectively, while simultaneously fostering an equitable, transparent, and sustainable investment and business environment.

Table 4.5 - Results of transfer pricing and related-party transaction audits and inspections for the period 2021 - 2025

Year	Number of Enterprises audited for related-party transaction	Revenue Clawed-back & Penalties (VND billion)	Total Reductions in Reported Losses (VND billion)	Reductions in Input VAT Deductions (VND billion)	Upward Adjustments to Taxable Income (VND billion)
2021	582	1,046	5,092	77	3,491
2022	1,379	3,253	39,184	53	6,415
2023	1,258	3,039	20,259	152	9,435
2024	919	1,780	9,144	89	6,256
2025	425	2,018	10,170	50	8,960
Period 2021 - 2025	4,563	11,136	83,849	421	34,558

6.3. Inter-agency coordination between Tax Authorities and Police Authorities

Strategic coordination between tax administrations and law enforcement agencies (specifically police authorities) constitutes a critical pillar in the overarching strategy against tax fraud. This inter-agency mechanism is designed to seamlessly bridge administrative tax oversight with criminal investigations into

suspected offenses involving tax, invoicing, and source accounting documentation. Beyond addressing manifested non-compliance, this collaborative framework is engineered for proactive deterrence, early detection, and the systemic prevention of tax law violations at an embryonic stage.

Operating within their statutory mandates, tax authorities at all levels systematically analyze, identify, and evaluate risk indicators to classify the nature of potential infractions. This ensures that cases are either resolved within administrative competencies or promptly referred to criminal investigation bodies when *prima facie* indicators of criminal offenses are detected. This institutional synergy is strictly governed by the principles of statutory competence, due process, and the compilation of comprehensive, accurate, and objective evidentiary records, while rigorously upholding statutory taxpayer data privacy. Ultimately, this institutional framework significantly enhances the efficiency of state tax administration while maximizing the deterrent effect against tax evasion, invoice trafficking, and the illicit utilization of fraudulent documentation.

During the 2021–2025 period, the tax authorities referred 516 cases exhibiting signs of criminal conduct to the police authorities for investigation and handling in accordance with the law. This outcome demonstrates the tax authorities' proactive approach in identifying, classifying, and addressing cases involving serious violations, while also highlighting the effectiveness of inter-agency cooperation in combating tax crimes, invoice-related offenses, and other fraudulent activities.

Notwithstanding these achievements, inter-agency cooperation continues to require further enhancement. This includes improving information-sharing mechanisms, strengthening the quality of case files referred to investigative authorities, standardizing the criteria for identifying criminal indicators relating to tax violations, invoices, and tax refunds, and enhancing the tax authorities' data analytics capabilities. Referrals to law enforcement agencies must be supported by a sound legal basis, comprehensive documentary evidence, and clear identification of the relevant conduct, persons involved, methods and schemes employed, as well as the actual or potential loss to the state budget. These are essential prerequisites for ensuring effective coordination, facilitating investigations and enforcement actions in accordance with the law, and safeguarding the legitimate rights and interests of compliant taxpayers.

The close cooperation between the Tax Administration and the Public Security authorities during the 2021–2025 period has made a significant contribution to maintaining the integrity and discipline of the tax system. Beyond ensuring strict enforcement against violations, this collaboration has strengthened public confidence in the fairness and transparency of the tax regime, promoted

a level playing field for businesses, and reaffirmed the Tax Administration’s proactive, responsible, and resolute role in preventing and combating tax fraud.

Table 4.6 - Results of transferring cases for prosecution recommendation

Referral:	Results of transferring cases for prosecution recommendation				
	2021	2022	2023	2024	2025
From Tax Authorities to Police	73 cases	59 cases	88 cases	58 cases	238 cases

6.4. Electronic invoice control - a defense layer supporting risk management

The universal deployment of e-invoices marks a critical milestone in the modernization of tax administration, engineering a foundational big data platform dedicated to the real-time monitoring, surveillance, risk analytics, and suppression of tax fraud. While historical invoice regulation relied heavily on retrospective paper-bound tracking – where verifications occurred long after transaction finalization – electronic invoicing empowers tax authorities to extract, cross-reference, and analyze transaction data closely aligned with the exact point of the economic transaction. This substantially expands the capacity for early identification of anomalous behaviors, providing robust data inputs to optimize compliance risk management, tax audits, and the processing of statutory infractions.

The e-invoice system acts not merely as an administrative record-keeping utility for invoices and digital receipts, but serves as a vital defensive layer to prevent tax evasion. Harnessing e-invoice data cores allows tax authorities to systematically evaluate buyer-seller networks, transaction frequencies, values, economic sectors, timestamp distributions, and the structural alignment between self-reported revenues and actual commercial capacity. On this baseline, the administration progressively configures automated risk matrices to flag entities exhibiting anomalous indicators, such as sudden high-value invoice surges within compressed timelines, intense transactional relationships with known high-risk enterprises, exponential turnover spikes in newly incorporated entities, or repeated address alterations and operational abandonment.

A primary focal imperative within electronic invoice control commands advanced graph-based transaction chain data analytics. Tax fraud, particularly invoice manipulation, is rarely confined to isolated invoices; it is systematically orchestrated across multi-tiered networks of shell intermediaries, complex buy-sell stages, diverse bank settlement accounts, and multi-jurisdictional locations. Consequently, transaction chain mining enables tax authorities to map the hidden linkages between interconnected enterprises, exposing circular netting transactions lacking commercial substance designed solely to fabricate input expenses, claim artificial deductions, or unlawfully occupy state budget refund funds. This methodology

represents the most effective administrative approach against contemporary tax fraud, which has become deeply networked and highly organized.

Within the e-invoice database, the tax administration has progressively deployed advanced data-matching and automated reconciliation solutions to detect behavioral anomalies across transaction volumes, frequencies, velocity, and economic rationale. This rigorous review synthesizes real-time invoicing data with core tax registries, statutory declarations, customs clearances, electronic banking records, and dynamic risk management metrics. By breaking down inter-agency data silos and cross-referencing multi-stakeholder intelligence, the tax authority significantly enhances the predictive accuracy of its risk profiling. This intelligence infrastructure serves as the bedrock for executing risk-targeted field audits and optimizing resource allocation, while simultaneously minimizing administrative friction for fully compliant taxpayers.

Parallel to these backend enforcement analytics, the tax administration has institutionalized the “Lucky Invoice” (Receipt Lottery) initiative as a behavioral public policy tool to incentivize consumer-driven compliance in B2C transactions. By nudging consumers to systematically demand valid electronic invoices at the point of sale, this program fosters civic oversight and cultivates an institutionalized culture of compliant consumption. This grassroots demand exerts non-adversarial compliance pressure on retail businesses and household enterprises to accurately report gross revenues. Administered through randomized algorithmic selection embedded directly within the verified e-invoice repository, the lottery mechanism strictly evaluates certified tax-coded invoices while automatically filtering out cancellations, statutory adjustments, or non-eligible replacement entries to preserve absolute transparency.

Additionally, the rapid evolution of mobile tax applications – notably the eTax Mobile Application – has fundamentally transformed taxpayer facilitation by expanding digital service channels. Through this secure, centralized digital interface, taxpayers can seamlessly access electronic tax accounts, execute real-time fiscal obligations, track historical transactions, and utilize mobile-first utility tools. By scaling these citizen-centric digital channels, the tax administration not only reduces compliance burdens but also institutionalizes public transparency, mitigates transaction errors, and enriches the macro-level data warehouse for predictive data management.

Furthermore, the public E-Invoice Verification Portal acts as a powerful decentralized monitoring tool against fiscal fraud. Public-facing verification utilities empower corporate buyers and individual consumers to instantly authenticate invoice validity, dramatically increasing the societal detection rate of non-registered entities, suspicious invoicing networks, or off-ledger transactions. This open-data framework successfully establishes a robust crowd-sourced compliance ecosystem. Consequently, e-invoicing data has driven an institutional paradigm shift within the tax administration: transitioning from reactive enforcement to proactive early-warning systems,

from isolated taxpayer monitoring to supply-chain network analytics, and from form-over-substance compliance checks to the empirical assessment of economic substance. This comprehensive digital architecture underpins the modern rule of law in public finance, ensuring structural fairness and maximizing revenue mobilization efficiency.

Nevertheless, the rigorous control of e-invoices requires the continuous optimization of data analytic architectures, upscaling the predictive quality of early warning indices, reinforcing data connectivity with state regulatory bodies, and building the sophisticated data-mining competencies of the tax official workforce. E-invoice data only unleashes its full efficacy when synthesized in correlation with tax filing records, digital payment logs, customs data, business registries, and national population records. Moving forward, tax fraud prevention must be integrated within the holistic digital transformation of the Vietnam Tax Administration, driven by automated database audits and inter-ministerial horizontal coordination.

Countering tax fraud is thus not merely an internal operational duty of tax authorities, but a paramount strategic requirement to construct a healthy, transparent, and sustainable national public finance system. Continuous modernization, optimized multi-agency coordination, and fostering active civic and private sector engagement in compliance monitoring will forge the very foundation for the Vietnam Tax Administration to maximize state budget revenue collection efficiency and robustly underwrite the nation's sustainable socio-economic development.

HIGHLIGHTS OF CHAPTER IV	
①	The Compliance Pyramid Framework - Four-Tiered Stratification and Calibrated Interventions: Taxpayers are segmented based on objective compliance thresholds and quantified risk indices to deploy calibrated administrative interventions: prioritizing proactive assistance, systemic facilitation, and minimized audit frequencies for the high-compliance segment; executing automated reminders and early warnings for the willing-but-errant segment; enforcing rigorous surveillance, dossier desk reviews, and coercive collection for the low-compliance/high-risk segment; and mandating in-depth specialized audits, maximum enforcement, and immediate criminal referrals for the intentional non-compliance segment.
②	Systemic Identification of Seven Prevalent Tax Fraud Categories: Electronic invoice fraud (critical); transfer pricing (high); e-commerce tax evasion (high); misstatement and under-declaration of revenues (medium-high); VAT refund fraud (critical); shell companies (critical); and cross-border tax avoidance (high) - serving as the analytical baseline to dynamically allocate administrative resources on a highly targeted basis.

HIGHLIGHTS OF CHAPTER IV

③	Breakthrough Efficiency in Tax Audit and Inspection Quality (2021 - 2025 Period): While the absolute case volume exhibited a steady contraction (declining by nearly 6.0% compared to the historical peak in 2022), performance indices registered breakthrough trajectories: total revenue clawed-back reached VND 93,718 billion (a 152.9% surge); total proposed financial adjustments expanded to VND 354,394 billion (an 80.5% expansion); and the average operational efficiency peaked at VND 0.383 billion recovered per case in 2025, marking a robust 140.0% surge relative to the 2021 baseline year.
④	Rigorous Safeguarding against Value-Added Tax (VAT) Refund Fraud: Throughout the 2021 - 2025 period, the tax administration effectively functioned as a formidable fiscal 'shield' through post-refund audits covering 41,862 refund decisions (with the aggregate audited claim value reaching VND 283,649 billion), successfully enforcing refund clawed-back and administrative penalties totaling VND 3,006 billion.
⑤	Formidable Inter-Agency Tax-Police Coordination: Reaffirming statutory discipline and rigor in the suppression of economic crimes. During the 2021 - 2025 span, tax authorities proactively referred 516 dossiers exhibiting criminal indicators to Police authorities for formal investigation and criminal prosecution under due process of law.

CHAPTER V

DIGITAL TRANSFORMATION AND MODERNIZATION OF THE VIETNAMESE TAX ADMINISTRATION

During the period of 2021 to 2025, the Vietnam Tax Administration focused heavily on accelerating comprehensive digital transformation to optimize tax administration efficiency, streamline administrative procedures, and maximize taxpayer facilitation. Multiple advanced IT frameworks were synchronously deployed nationwide, spearheaded by electronic invoicing (e-invoicing) and the core Electronic Tax System (eTax) which operationalized automated digital filing, payment, and refund processing. Pervasive public-facing interfaces widely adopted by citizens and enterprises – notably eTax Mobile, the integrated Administrative Procedure Handling Portal, and the specialized Electronic Portal for Foreign Suppliers – secured frictionless web-based intake and administrative execution.

This modernization trajectory, driven by the end-to-end digitalization of mandatory procedures (encompassing registration, filing, remittance, refunds, and year-end finalization) and reinforced by automated data synchronization with inter-agency bodies, drastically compressed turnaround times, eradicated bureaucratic paperwork burdens, and empowered citizens and businesses to seamlessly satisfy their tax compliance obligations.

1. Digital transformation and modernization results

Throughout the execution of pivotal mandates governing digital transformation and the modernization of tax administration, the Vietnam Tax Administration prioritized the scaling of resilient digital infrastructure as a core strategic spearhead. The results achieved during the period of 2021 to 2025 are as follows:

1.1. Regarding information technology application systems

This period aligned with the national digital transformation masterplan and the strategic execution of Project 06, framing the Vietnam Tax Administration's orientation toward delivering taxpayer-centric electronic services. Big data diagnostics are systematically integrated to drive compliance risk scoring, automated desk audit, and the verification of taxpayer returns via advanced e-invoice cross-matching algorithms. The e-invoice system, implemented in 2021, marks a development in the Vietnam Tax Administration's technical infrastructure for handling big data. The eTax Mobile application supports individual taxpayers in tax payment, information checking, and personal income tax finalization. Information exchange with Ministries and state bodies has been enhanced.

The Vietnam Tax Administration's IT application system comprises 35 software applications divided into the following main groups:

- Group of Electronic Tax Services (10 applications):

Provides IT applications and services for individuals, businesses, and organizations regarding tax management policies and regulations,

assisting taxpayers in performing administrative procedures with tax authorities electronically, from registration, declaration, payment, and refund, to providing bank account information and information on individuals/organizations doing business on e-commerce platforms to facilitate citizens and businesses. Applications include: Website, eTax, iCanhan, eTax Mobile, E-commerce Portal, the Electronic Portal for Foreign Suppliers, the Individual E-commerce Tax Portal, the E-Invoice Information Gateway, the Large-File Inception Interface, Tax Declaration Support Software (HTKK), and the Administrative Procedure Handling Information System.

These systems are deployed centrally at Department of Taxation to meet the needs of taxpayers nationwide.

- › Group of Tax Management IT Applications and Services for Tax Authorities (12 applications) includes:
 - The centralized Tax Management System (TMS) (piloted in January 2014 and officially implemented in November 2015); the Property & Land Registration System (officially implemented in 2020): Supports tax officials in administering core tax management processes, including tax registration, dossier processing, accounting, liability tracking, tax accounting, debt management, and debt enforcement.
 - Electronic Invoice System: Since 2021, the Department of Taxation (formerly the General Department of Taxation) has been developing electronic invoice management application software compliant with Decree No. 123/2020/ND-CP and Circular No. 78/2021/TT-BTC. This includes: the Department of Taxation's electronic invoice portal for taxpayers; an electronic invoice data processing module to assist tax authorities in receiving and processing registration/change of information for electronic invoice usage, track coded and non-coded e-invoices, erroneous e-invoice notifications, and other reports and notifications; and is currently continuing to deploy modules related to providing invoice risk information; reconciling VAT returns to identify anomalies, etc., exchanging and providing invoice information to state bodies under bilateral cooperation pacts. Additionally, the Department of Taxation is implementing the “Lucky Invoice” program to encourage consumers to request invoices when purchasing goods and services.
 - Applications and services for collecting data from social security agencies on individuals and organizations participating in social insurance and health insurance from Vietnam Social Security (since 2017); data on enterprise statistics and operations, consumer price index, gross domestic product (GDP), survey data, etc., from the General Statistics Office (since 2017); data on financial statements of publicly listed companies from the State Securities Commission (since 2020); and import-export customs declarations from the Department of Customs (since 2019), etc., to establish taxpayer database system.

- Applications and services for data synchronization, establishing criteria and indicators, conducting pilot analysis, analysis, scoring, and risk rating to meet the risk management information analysis requirements of taxpayers, supporting tax audit planning (since 2011), invoice risk analysis (in 2021 and 2023); household business and individual business risk analysis (since 2019); tax refund risk (in 2025).
 - Applications supporting audit work in tax audit planning, updating audit logs, managing audit conclusion documents and tax decisions, supporting tax registration desk audit based on criteria including: VAT, CIT, and SCT returns, (TTR application implemented since 2008; iTNK application implemented since 2018, desk audit since 2019, TPR application implemented since 2010).
- › Group of internal management applications for the Tax Administration (05 applications):

Document Management and Operations (eDocTC), Internal Inspection and Complaint/Denunciation Handling Support (KTNB), Internal Accounting Management (IMAS), The Vietnam Tax Administration Public Asset Management (QLTS), Human Resource Management (QLCB), etc. These applications are deployed under the Ministry of Finance's program (except for KTNB and QLCB applications).

- › Group of applications for information exchange with external agencies outside the Vietnam Tax Administration (08 applications) including:

Information exchange with the Department of Customs on tax identification numbers; Information exchange with the State Treasury on tax collection and payment; Information exchange with the General Statistics Office on enterprise tax identification numbers and financial statements; Information exchange with the Ministry of Planning and Investment (now the Agency for Private Enterprise and Cooperative Economic Development under the Ministry of Finance) on single-window corporate incorporation and tax registration linkage; Information exchange with Vietnam Social Security (now the Vietnam Social Security under the Ministry of Finance) on social insurance contributions and individuals with income from salaries and wages; Information exchange with commercial banking networks on electronic tax payment information; Information exchange with natural resources and environmental bodies; Integration and connection for information exchange with the National Population Database; Software system for connecting, integrating, and sharing data (DataHub).

For connection and exchange requirements with Ministries, agencies, and organizations, in addition to meeting information security and attack prevention regulations, the system must be deployed in compliance with the e-Government Architecture Framework and exchange through the Ministry of Finance's LGSP Integration Hub.

1.2 Regarding database of the Vietnam Tax Administration

- Data is formed during the collection and processing according to business processes and applications, including information received from taxpayers; operational processing data, and data collected from third parties. Each data management system may include one or more integrated and intercommunicating databases as follows:
- Taxpayer information: tax registration information, tax filing obligations, tax payment records, tax authority decisions related to taxpayers, tax payment tracking records, tax bookkeeping reports, corporate financial statements, audit information, invoice, receipts, and data on various categories, etc., serves as the basis for running custom business intelligence reports, optimizing tax administration and compliance risk diagnostics.
- Tax administration information: Tax Registration Data, Tax Returns, Tax payment, Tax exemption, Tax Reduction records, Tax accounting data, Tax refund data, Tax debt data, Tax audit data, Reporting data, e-invoice data.
- Information from third parties includes:
 - State revenue collection information exchanged with the State Treasury: Statement of vouchers, Taxpayer information, Tax ledger, Collection vouchers, Tax refund vouchers, Order for tax refund, Electronic tax statement, Feedback data, Tax liabilities.
 - Information exchanged with the Ministry of Finance: Declaration data, Financial statements data, Arrears ledger data, Collection and payment tracking ledger data, Refund decision data, Exemption/reduction decision data, Debt enforcement decision data, and data on categories, tax registration information, business registration information of enterprises, business individuals, and cooperatives.
 - Information exchanged with the Customs Department: Taxpayer information, taxpayers engaged in export, Import-export goods data, VAT refund and sales location information, Tax debt enforcement decisions, VAT refund decisions for import-export enterprises, VAT refund and offset information for import-export enterprises, Tax declaration information, SCT declaration of import-export enterprises.
 - Information exchanged with the Social Insurance Agency: Compulsory social insurance contributions, Health insurance, Unemployment insurance, Tax collection management data, Income-paying organizations, Income-receiving individuals, Social insurance contribution information.
 - Information exchanged with the State Securities Commission: Tax registration information, Enforcement decision information, Financial statements data, List of public companies, securities, fund management, list of auditing companies and auditors, list of companies violating securities and stock market regulations.

- Information exchanged with agricultural and environmental agencies: Environmental resource dossier information.
- Information exchanged with the Statistics Office: Financial statements data
- Information exchanged with the Ministry of Industry and Trade: Enterprises and individuals showing high risk signs, Tax registration information, Website registration information for e-commerce services provided by merchants, organizations; Information on e-commerce websites for sales by merchants, individuals, organizations, List of enterprises and individuals reported for violations in e-commerce business.
- › Information exchanged with banks: Receipt of taxpayer payment account numbers from commercial banks, exchange of information for coordinated state revenue collection through electronic tax payment.
- › Information exchange with the Police Department for Administrative Management of Social Order (C06) under the Ministry of Public Security: Establishing connectivity for information exchange with the National Population Database.

1.3. IT Infrastructure

Starting in 2010, the Vietnam Tax Administration executed a structural migration from a geographically decentralized processing configuration at regional nodes to a unified, centralized processing paradigm at the apex Department level. All core IT systems were consolidated into two major enterprise-grade nodes: the Main Data Center (DC) and the active Disaster Recovery Center (DRC) of the Vietnam Tax Administration.

- › Regarding technical infrastructure at the Department of Taxation's Data Center:

By 2025, the IT technical infrastructure had been programmatically re-engineered to deliver Infrastructure as a Service (IaaS). This framework leverages advanced server virtualization, enterprise cloud computing, Hyper-Converged Infrastructure (HCI), and horizontally scalable distributed processing architectures to satisfy the massive computational requirements of real-time big data workloads.

These technical systems embed cutting-edge technologies optimized to run predictive compliance risk modeling, deep data mining, and securely expose Open Data APIs for vetted institutional partners. Concurrently, the Department maintains dedicated, high-performance database engines, notably Oracle Exadata clusters powering the primary TMS transaction cores, alongside robust server groupings for Operational Data Staging (ODS), Enterprise Data Warehousing (EDW), and the core Enterprise Service Bus (ESB) orchestration layer.

- › Regarding the network architecture at the Department of Taxation's Data Center:

The network backbone at the central Data Center is built upon the Cisco Application Centric Infrastructure (Cisco ACI) platform. This Software-Defined Networking (SDN) solution empowers the Department to manage intricate topology maps, automating resource provisioning and maximizing network operational efficiency.

- › Regarding the server system architecture at the Vietnam Tax Administration's Data Center:

Compute resources are organized into specialized architectural modules: a virtualized compute tier allocating elastic processing power for decentralized business and systemic applications; a high-availability Power Server tier running mission-critical transaction cores (including TMS, integration buses, public electronic services, and external data pipelines); an integrated vendor-engineered database tier optimized for unstructured and high-volume data streaming; and a pioneering e-invoice application compute tier operating fully on a modernized cloud-native stack utilizing containerized microservices architecture and a horizontally distributed NoSQL database registry.

- › Regarding the communication infrastructure connection model:

The Department maintains high-speed Wide Area Network (WAN) linkages routed over the common communication backbone of the Ministry of Finance. This network securely interconnects the entire digital ecosystem from sub-national Provincial Tax Offices and local Grassroots Tax Offices to the central Data Center cores, ensuring uninterrupted, low-latency access to the centralized applications.

- › Regarding security solutions:

The Vietnam Tax Administration's network architecture is a multi-zone, multi-layer architecture. Each zone will perform a separate function, such as: Internet connection zone, connection zone with regional Tax Branches (currently provincial and city Tax authorities), connection zone with external partners, database zone, administration zone, Department of Taxation user zone, etc. Between zones, there are firewall systems to control access from the outside in and from the inside out:

- Infrastructure Protection: Protecting transmission lines, servers, and workstations with firewall systems, denial-of-service attack prevention, intrusion detection and prevention systems, and malware prevention systems for servers and workstations.
- Application Protection: Protecting against application-level attacks with application-level firewall protection systems.
- Data Protection: There are database firewall protection layers and data leakage prevention systems.
- User Identification: Managing user access accounts including tax officials and taxpayers.

› Regarding Information Security (IS) policies: The IS regulations that the Vietnam Tax Administration's IT system and tax officials must comply with include:

- Law on Cybersecurity No. 86/2015/QH13 dated November 19, 2015;
- Law on Cybersecurity No. 24/2018/QH14 dated June 12, 2018;
- Law on Personal Data Protection No. 91/2025/QH15 dated June 26, 2025;
- Decree No. 85/2016/ND-CP dated July 1, 2016, of the Government on ensuring information system security by level;
- Decree No. 53/2022/ND-CP dated August 15, 2022, of the Government detailing some articles of the Cybersecurity Law;
- Circular No. 12/2022/TT-BTTTT dated August 12, 2022, of the Ministry of Information and Communications detailing and guiding some articles of Decree No. 85/2016/ND-CP dated July 1, 2016, of the Government on ensuring information system security by level;
- Decision No. 2048/QĐ-BTC dated July 8, 2025, of the Minister of Finance issuing the Regulation on Information Security and Cybersecurity of the Ministry of Finance.
- Decision No. 1731/QĐ-TCT dated November 8, 2024, of the Director General of the General Department of Taxation on issuing the regulation on information security and cybersecurity of the Vietnam Tax Administration.

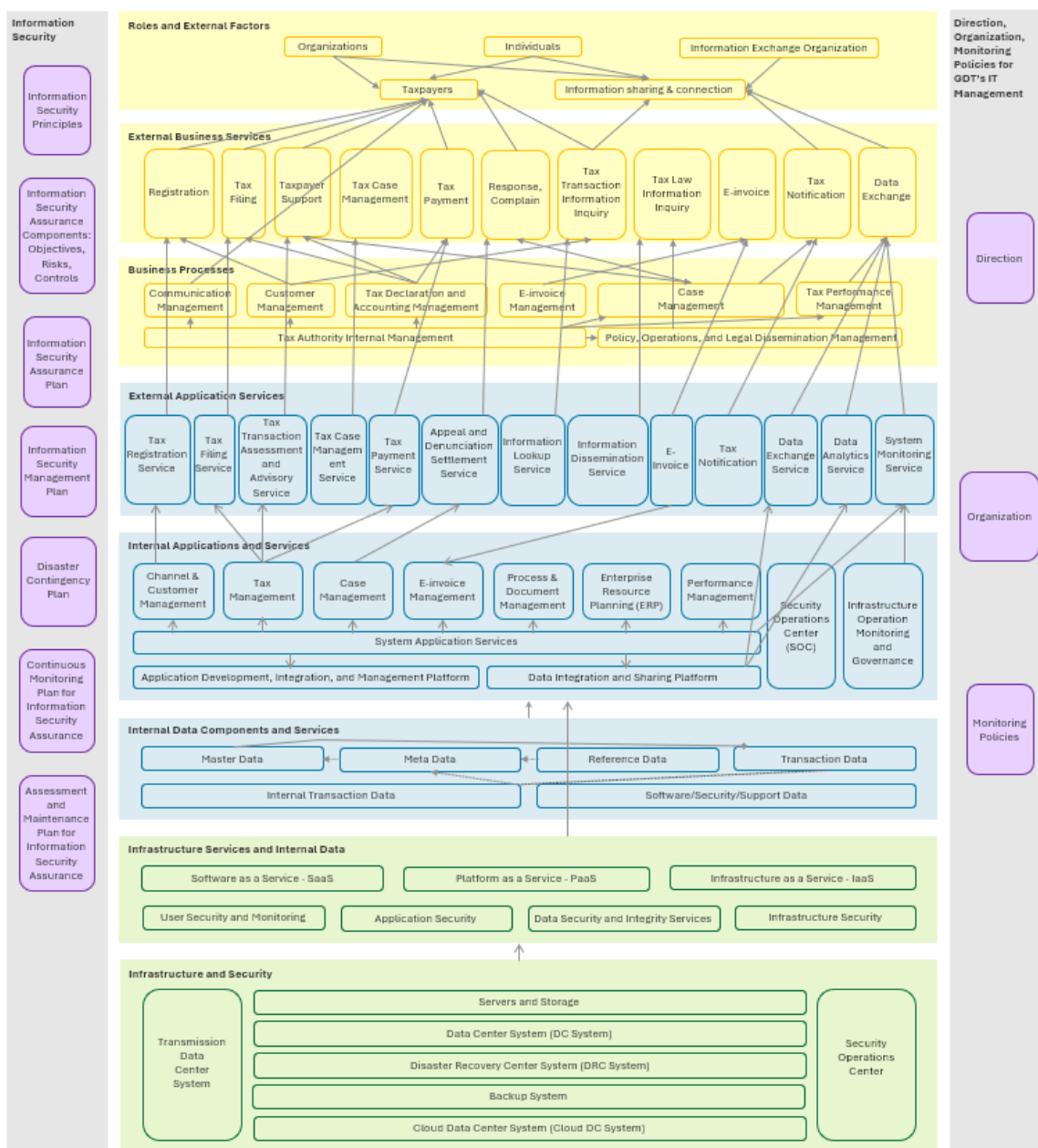
› On organizing the implementation of information security assurance:

The Vietnam Tax Administration's information security system is organized and implemented according to the “4-layer” model (according to Directive No. 14/CT-TTg dated June 7, 2019, of the Prime Minister on strengthening cybersecurity assurance to improve Vietnam's ranking index and Official Letter No. 1552/BTTTT-CATTT dated April 28, 2020, of the Ministry of Information and Communications):

- Layer 1 – On-site Force: Members include 01 Leader of the Department on Technology, Digital Transformation and Automation in charge of Information Security, Head of the Information Security Team, all staff of the Information Security Team, and technical teams under the Department on Technology, Digital Transformation and Automation.
- Layer 2 – Contract with a professional monitoring and protection enterprise (24/7 information security monitoring).
- Layer 3 – Contract with an independent enterprise for periodic inspection and assessment.

- Layer 4 - Connection and information sharing with the national monitoring system: The Department of Taxation's SOC monitoring system is connected to the national monitoring system through the Ministry of Finance's information security monitoring system.

Table 5.1 – Overall of IT Architecture Framework of the Vietnam Tax Administration for the period 2021-2025



1.4. Specific results

Table 5.2 – Some information about IT systems providing services to taxpayers

System / Service	Core Function	Deployment Scale as of December 31, 2025
eTax (Portal for Organizations)	Electronic tax filing for businesses, organizations;	1,015,910 taxpayers file electronically. 166,040,090 electronic documents;
eTax Mobile	Register, file, pay taxes, and inquire on mobile phones; integrated with VNeID;	8,441,301 app downloads; 53.3 million logins via VNeID; 17.27 million electronic tax payment transactions corresponding to VND 26,577 billion in tax paid;
iCanhan (Personal Portal)	Register, file taxes for individuals;	11,407,184 accounts; 49,270,246 electronic documents;
System for processing administrative procedures	Provide services for full online administrative procedures; (implemented from July 1, 2025, to December 31, 2025);	158 administrative procedures; 33,766,198 online documents submitted;
Foreign Supplier Portal	Register, declare, and pay taxes for foreign suppliers;	202 foreign suppliers registered; VND 31.4 trillion in tax paid through the Portal;
E-commerce Portal (Business households, and Business Individuals)	Households and business individuals register, declare, and pay taxes for e-commerce activities (implemented from December 19, 2024)	Tax codes have been issued to nearly 178,000 business households and individuals in e-commerce; 856,895 tax returns filed, corresponding to VND2.45 trillion in tax paid.

Table 5.3 - Data exchange connection results

Connecting Partner	Exchanged Data Content	Year implementation
Ministry of Public Security (C06) - Population Database	Identity verification; VNeID login eTax; TIN - Citizen Identity Card synchronization	2022
Vietnam Social Security Agency	Social security participants; income from salary and wages	2017
Customs Department	Customs declaration; reconciliation of import/export tax and VAT on imported goods	2019
State Treasury	Connection for exchange of state budget revenue: Tax - Treasury - Customs - Finance	From 2003
Commercial Banks	Co-operation with commercial banks according to coordination regulations	Starting from early 2015 to present (60 banks)
Ministry of Industry and Trade	Periodic connection information on organizations and individuals registering business activities in e-commerce;	2021
State Securities Commission of Vietnam	Data linkage on tax registration; tax arrears; Financial Statements of listed enterprises	2020
Statistics Office (GSO)	Data connection for enterprise surveys; financial statements for macroeconomic analysis	2017
Department of Registration and Administration of Vehicles for Road, Ministry of Public Security	Registration fee for automobiles and motorcycles; vehicle reconciliation	2022
Department for Development of Private Enterprises and Cooperatives	National Database on Business Registration	2010

2. Notable digital transformation efforts

2.1. Development and deployment of Electronic Invoice Application System

The E-Invoice System represents the most outstanding technological milestone achieved by the tax administration during the 2021 - 2025 period, marking a historic leap in enhancing the transparency of economic transactions and modernizing state tax governance. Effective July 1, 2022, all enterprises, economic organizations, business households, and business individuals operating

under the tax declaration method mandatorily transitioned to electronic invoicing in strict compliance with Decree No. 123/2020/ND-CP, Circular No. 78/2021/TT-BTC, and Decision No. 1450/QĐ-TCT, stipulating the composition containing electronic invoice business data and the transmission method with the tax authority (Amended and supplemented by Decree No. 70/2025/ND-CP, Circular No. 32/2025/TT-BTC, and Decision No. 1306/QĐ-CT dated June 13, 2025 of the Director of the Department of Taxation).

Table 5.4 - Electronic Invoice Data

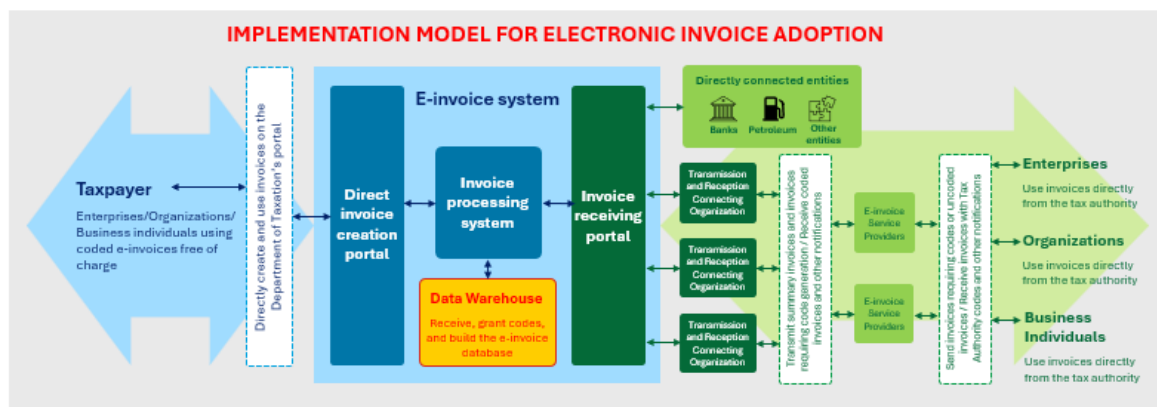
Invoice Type	Cumulative to 2023	Year 2024	Year 2025	Total Cumulative
E-invoice with code from Tax Authority	1.80 billion	1.03 billion	1.27 billion	4.10 billion
E-invoice without code - full data	1.71 billion	1.53 billion	2.29 billion	5,53 billion
E-invoice without code - summary table	2.76 billion	1.59 billion	1.82 billion	6.17 billion
E-invoice from cash register	-	1.37 billion	3.73 billion	5.10 billion
E-invoice issued on transaction basis	1.41 million	0.78 million	0.45 million	2.64 million
TOTAL	~6.27 billion	5,52 billion	~9.11 billion	20.89 billion+

20,89 billion is total cumulative e-invoices as of 12/31/2025

Year 2025 alone: over 9.1 billion invoices / Stable operating system

Daily reception and processing on average of approximately 25 million e-invoices.

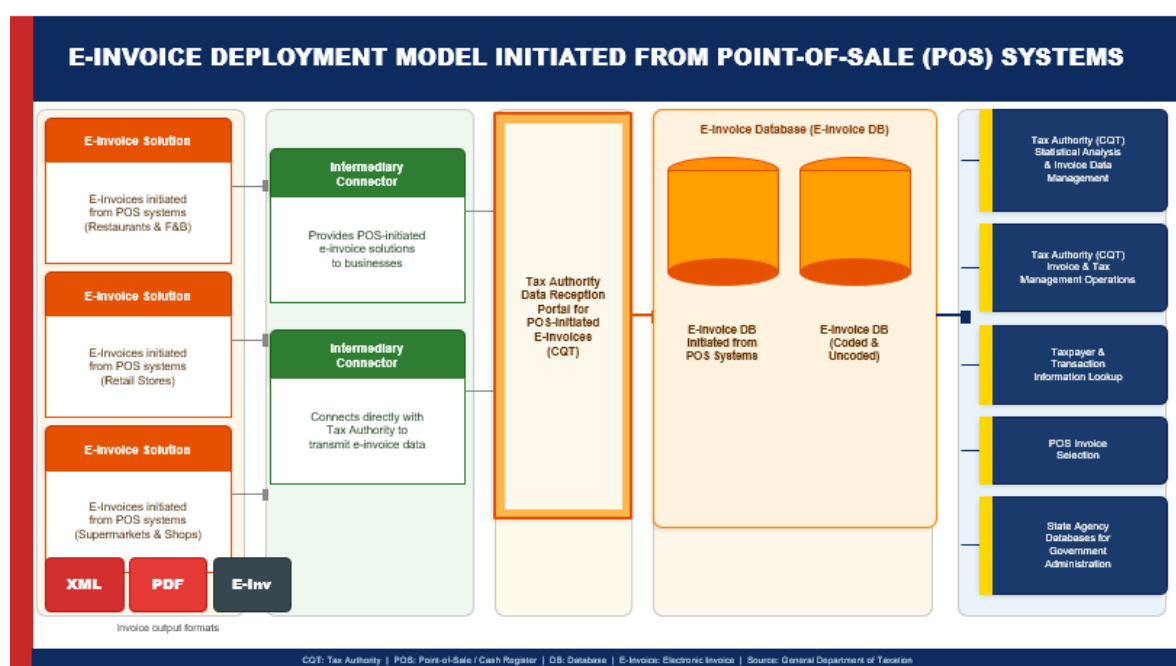
Table 5.5 - Electronic invoice implementation model



The e-invoice implementation framework is structurally organized into three primary functional streams:

- I. Taxpayers directly generate and transmit e-invoices via the official state e-invoice system free of charge;
- II. Taxpayers establish a direct enterprise connection to the central e-invoice repository;
- III. Taxpayers generate invoices through authorized solution providers (110 certified organizations) and transmit data via specialized service providers designated for data reception, transmission, and secure storage (27 certified organizations).

Table 5.6 - E-invoices generated from cash registers model



E-invoices generated from cash registers were introduced as an advanced solution enabling point-of-sale operators to issue authenticated invoices at the exact time of transaction. Enterprises, business households, and business individuals generating annual revenues from VND 1 billion or more within retail trade, food and beverage, restaurants, hotels, petroleum retailing, tobacco, and entertainment sectors are statutory bound to deploy cash register-initiated e-invoices. Within the energy retail sector, the implementation of e-invoices for petroleum achieved a 100% completion rate, with all retail gas stations successfully issuing automated electronic invoices for every single retail sale transaction.

2.2. Automatic personal income tax refund implementation

Commencing from April 2025, the tax administration officially operationalized the automated Personal Income Tax (PIT) refund system. This architecture

leverages digital platform integration and big data analytics to automatically cross-reference multi-source datasets, verify eligibility criteria, and interface with national population databases, the State Treasury, and commercial banking systems. This automated verification mechanism has dramatically compressed PIT refund processing turnaround times to a maximum of 6 working days, eliminating subjectivity and minimizing administrative compliance friction for individual taxpayers.

In 2025, there were 892,118 individuals filing PIT returns, of which 282,034 cases were eligible for automatic refunds, totaling VND 1,314.5 billion; 263,933 refund orders were issued, accounting for 94% of cases to be processed and transferred to the State Treasury for refunds amounting to VND 1,212 billion.

2.3. Implementation of AI Chatbot to support taxpayers and tax officials

To foster service excellence and maintain technical consistency, the tax administration has successfully integrated artificial intelligence solutions into its operational workflows. On September 8, 2025, the authority officially deployed the AI Chatbot Virtual Assistant for Application Upgrade Inquiries, dedicated strictly to supporting tax officials in looking up systemic software adjustments and technical protocols, effectively processing an average of 200 to 500 queries daily.

Following this backend implementation, on December 6, 2025, a public-facing AI Chatbot Taxpayer Assistant was formally integrated into the eTax Mobile platform. Driven by advanced natural language processing (NLP) and contextual awareness, this intelligent assistant empowers taxpayers to execute real-time queries using natural language regarding critical fiscal fields, including:

- › Dependent registrations and tax deductions;
- › PIT finalization procedures and tax liability statuses;
- › Land-related financial obligations and registration fees;
- › Electronic tracking of overpayments and tax arrears;
- › Real-time monitoring of tax refund orders, exemptions, and reductions;
- › Enforcement rulings, debt recovery notifications, and asset freezing orders;
- › Statutory travel restrictions and the formal lifting of temporary exit suspensions.

HIGHLIGHTS OF CHAPTER V

①	An Interconnected Electronic Service Ecosystem: Driven by 8 integrated digital portals and mobile applications - highlighted by the corporate eTax portal (covering over 1 million active enterprises with an electronic filing adoption rate of 99.38%), the eTax Mobile platform (8.44 million downloads, 17.27 million successful transactions), iCanhan, the central e-invoice repository, the Administrative Procedure Handling Portal (delivering 158 full online public services), the Electronic Portal for Foreign Providers, and the E-commerce Portal for business households - establishing an omnipresent digital infrastructure serving taxpayers anytime, anywhere.
②	The E-Invoice System - A Historic Modernization Milestone: Total cumulative volume by the end of 2025 reached an unprecedented 20.89 billion electronic invoices (encompassing 4.10 billion invoices with tax authority codes; 5.53 billion codeless invoices with full data transmission; 6.17 billion codeless invoices via summary data tables; 5.10 billion cash register-initiated invoices; and 2.64 million individual transaction invoices). In 2025 alone, the system successfully processed over 9.1 billion invoices. The digital billing infrastructure operates seamlessly via 3 deployment streams, powered by 110 certified solution providers and 27 certified transmission and storage organizations, capturing 374,290 businesses registered for cash-register e-invoices and securing a 100% compliance rate across retail petroleum stations.
③	Automated Personal Income Tax Refund: Launched in April 2025, this data-driven system shortens PIT refund turnarounds to a maximum of 6 working days. In 2025, the automated system successfully identified 282,034 eligible automatic refund cases and systematically issued 263,933 electronic refund orders, representing 94% of all processed PIT refund dossiers for the year.
④	AI-Powered Virtual Assistants (Chatbots) for Taxpayers and Tax Officials: On September 8, 2025, an AI Chatbot was deployed to streamline technical upgrade inquiries for tax officials, successfully processing an average of 200 - 500 queries daily. Subsequently, on December 6, 2025, a public-facing AI Chatbot was operationalized to facilitate taxpayer support. Integrated directly into the eTax Mobile platform, this assistant leverages natural language understanding technology to enable instant, real-time lookups of tax liabilities, refund statuses, tax exemptions and reductions, enforcement rulings, and temporary exit suspensions
⑤	Interconnected Data Sharing and Interoperability with External Partners: The tax administration has established robust data synchronization channels with external stakeholders. This includes integration with the National Population Database administered by the Ministry of Public Security (achieving a 95% matching rate between tax identification numbers and citizen identity cards, alongside 53.3 million authentications via the VNeID application); data exchange linkages with 60 commercial banks; and connectivity with 478 e-commerce platforms under the management of the Ministry of Industry and Trade. Furthermore, seamless inter-agency data interoperability has been institutionalized with Vietnam Social Security, the General Department of Customs, the State Treasury, the State Securities Commission, the General Statistics Office, and the Vietnam Register.

CHAPTER VI

TRANSFORMATION OF TAX ADMINISTRATION MODEL

1. Context and policy for tax administration model transformation

1.1. Direction of transformation policy model

The transformation of the tax administration model is an inevitable outcome of Vietnam's socio-economic development and international integration. Traditional tax administration methods have revealed numerous limitations amidst a rapidly expanding taxpayer base, a booming digital economy, and a streamlined tax administration workforce following organizational restructuring. In response to these realities, the Party and the State have issued major guidelines directing this transformation.

The transformation of the tax administration model is the result of a sequence of major strategic legal orientations enacted during the 2022 – 2025 period through the following core documents:

①	Resolution No. 57-NQ/TW dated December 22, 2024, of the Politburo on breakthroughs in science, technology, innovation, and national digital transformation. This document focuses on developing big data platforms and the data economy, which are the foundation for data-driven tax management.
②	Resolution No. 68-NQ/TW dated May 4, 2025, of the Politburo on the development of the private sector. This is a historically significant policy, opening a new era in tax management for the private economic sector. The Resolution requires the cessation of the application of the lump-sum tax method for business households and the review and refinement of tax policies to ensure fair treatment among economic sectors and broaden the tax base.
③	Resolution No. 198/2025/QH15 dated May 17, 2025, of the National Assembly on certain special mechanisms and policies for private sector development. This document focuses on improving the business environment; supporting access to land, production and business premises, and rental of houses and land; providing financial and credit support, corporate income tax and personal income tax exemptions; supporting science, technology, digital transformation, and human resource training; and supporting the formation and development of medium and large enterprises and pioneering enterprises.
④	Resolution No. 193/2025/QH15 dated February 19, 2025, of the National Assembly on piloting special mechanisms and policies to create breakthroughs for science, technology, innovation, and national digital transformation, implemented alongside Resolution 57-NQ/TW and Resolution 68-NQ/TW, serves as the basis for deploying shared digital platforms for tax management.
⑤	The Tax System Reform Strategy until 2030 (Decision No. 508/QĐ-TTg dated April 23, 2022, of the Prime Minister) sets the goal of building a modern, professional, transparent, data-driven, and risk-managed tax administration system, aiming to serve taxpayers' voluntary compliance.

1.2. Requirements and drivers for transformation

The transformation of the tax administration model stems from three basic groups of requirements and drivers:

- › Demands from Economic Realities: The rapid expansion of the digital economy, e-commerce, and digital platforms renders traditional administration methods no longer suitable. Structural shifts in the economy – characterized by a private sector wherein business households and business individuals account for a significant share with actual revenues that are structurally difficult to monitor – coupled with the increasing complexity of multinational enterprises (MNEs) and cross-border business models, necessitate advanced tax administration tools.
- › Imperatives from Organizational Restructuring: Following the organizational restructuring in 2025, the tax administration operates under a more streamlined structure, achieving an 82% reduction in administrative nodes. With an optimized civil service workforce, transitioning to data-driven and risk-based tax administration is a prerequisite for securing the efficacy and efficiency of tax administration nationwide.
- › Mandates from Global Integration and International Standards: Tax administration practices promulgated by the OECD and the IMF universally converge on a “self-assessment, self-remittance, and self-responsibility” model, underpinned by risk-targeted post-filing audits. This framework embraces a taxpayer-centric approach, shifting the administrative paradigm from “management” to “service” and facilitating taxpayers in fulfilling their fiscal obligations anytime and anywhere via digital platforms and mobile applications. Aligning closely with these international benchmarks is an imperative to bolster the competitiveness of Vietnam’s investment and business environment.

2. Transformation of the tax administration model

2.1. Old tax administration model

The traditional tax administration model is organized based on specialized functions. Each functional division or tax official is responsible for specific management stages – such as tax registration, declaration processing, payment collection, refund verification, audit and examination, debt management and enforcement, and dispute resolution – applied uniformly across all taxpayer segments.

The core characteristics of this traditional model include:

- › Pre-filing Control: Tax authorities prioritize the approval and control of dossiers before taxpayers fulfill their fiscal obligations.

- › Periodic Audit Planning: Audit and examination activities are primarily organized based on periodic schedules rather than risk-based selection.
- › Presumptive Taxation: Household businesses primarily fulfill their tax obligations through the presumptive assessment method (tax "lump-sum" method), where the tax liability is determined by a fixed rate for the period rather than being pegged to actual generated revenues.
- › High-Touch Administrative Interaction: Tax administration involves significant direct interaction at the taxpayer's premises. Taxpayers are often required to interface with multiple departments or tax officials when exercising their rights and fulfilling obligations, resulting in a relatively high frequency of face-to-face contact.
- › Document-Centric Service: Taxpayer dialogue and support activities are primarily conducted through physical dossiers and paper-based documentation. Information technology application is largely limited to digitizing existing manual workflows rather than re-engineering processes into native-digital frameworks.

These characteristics reflect management methodologies aligned with the conditions of previous development stages. However, in the context of a rapidly burgeoning digital economy, the emergence of big data, and the widespread adoption of electronic invoicing, current practical realities necessitate continuous innovation – transitioning toward a modern tax administration model anchored in big data and risk management.

2.2. New tax administration model

In the new model, taxpayers transition from a passive role to an active role – voluntarily fulfilling their tax obligations based on four core principles. This is the culmination of the "self-declaration and self-remittance" philosophy, which has been systematically institutionalized through successive reform phases.

FOUR CORE PRINCIPLES FOR TAXPAYERS

①	SELF-CALCULATION: Taxpayers self-calculate their tax liabilities based on their business activities, economic outcomes, and prevailing tax legislation. The tax administration provides transparent access to calculation methodologies, tax rates, deductions, and specific scenarios via its official electronic portals.
②	SELF-DECLARATION: Taxpayers proactively determine and declare their income, expenses, revenues, and input-output VAT through the eTax electronic service system (for organizations) or the eTax Mobile application (for individuals and business households). All declaration dossiers are archived systematically and cross-referenced against the centralized e-invoice repository and other verified data streams.

FOUR CORE PRINCIPLES FOR TAXPAYERS

③	SELF-REMITTANCE: Taxpayers proactively remit tax liabilities to the State Budget on schedule via the commercial banking system (60 linked commercial banks), e-wallets, and other modern payment channels. The entire process is fully digitized, with electronically generated receipts and documents holding full legal validity.
④	SELF-RESPONSIBILITY: Taxpayers bear full legal responsibility for the accuracy, completeness, and statutory compliance of all declared information. The tax administration conducts post-filing oversight through rigorous data analytics; instances of non-compliance are strictly enforced in accordance with the law.

The new tax administration model, characterized by substantive and positive transformations, maximizes facilitation for taxpayers while simultaneously enhancing the efficacy and efficiency of tax administration. This model secures sustainable revenue for the State budget and fosters a modern, equitable, and transparent business environment, defined by the following characteristics:

- **Enhanced Autonomy and Accountability:** The new model elevates taxpayer autonomy in conjunction with accountability, strictly adhering to the principle of "self-assessment, self-remittance, and self-responsibility." The tax administration shifts its primary focus toward risk-based post-filing oversight driven by data analytics, thereby significantly reducing administrative intervention in the normal production and business operations of enterprises. The proportion of desk audits conducted via data analytics has been expanded to replace excessive direct inspections at taxpayer premises, sharply reducing compliance costs and time, and contributing to a more favorable and transparent investment environment. Each taxpayer is assigned a dedicated tax official for comprehensive relationship management.
- **Risk-Targeted and Thematic Enforcement:** Focused and prioritized inspection strategies enable the tax administration to optimize resource allocation. Audits are conducted thematically, prioritizing businesses exhibiting high-risk indicators regarding invoicing, VAT refunds, transfer pricing, controlled transactions, e-commerce, and digital platform-based business models.
- **Tax Base Expansion and Fiscal Transparency:** The new model contributes significantly to expanding the tax base and institutionalizing transparency. The transition of business households from presumptive taxation (tax "lump-sum" method) to declaration-based methods pegged to actual revenue – integrated with e-invoicing – provides a more accurate reflection of operational scale. This ensures structural equity in tax obligations across economic sectors and mitigates revenue leakage from the private economic sector.

- Comprehensive Digital Transformation in Taxpayer Interaction: Full-scale digital transformation in taxpayer interaction has fundamentally improved service quality. The multi-channel dialogue system - encompassing eTax, eTax Mobile, AI chatbots, livestreaming, Zalo, and YouTube - operates on a 24/7 basis. This infrastructure enables taxpayers to access information and receive support anytime and anywhere, reducing logistical costs and significantly shortening the turnaround time for resolving fiscal inquiries.

3. Conditions for effective operation of the new tax administration model

For the new tax administration model to operate effectively, foundational infrastructure and organizational requirements must be met. These conditions represent the four key achievements that the Vietnam Tax Administration has built and solidified during the 2021 - 2025 period, establishing a robust premise for the current transformation process.

20,89 billion	53.3 million	746
Cumulative e-invoices as of December 31, 2025 - data foundation for post-inspection	VNeID logins to the tax system - identity verification	Focal point of the entire The Vietnam Tax Administration after reform - lean and efficient apparatus

3.1. E-invoice data infrastructure

The e-invoice system now covers 100% of enterprises and is actively expanding to include business households with annual revenues exceeding VND 1 billion in retail, hospitality, and food services. By the end of 2025, the system had accumulated over 20.89 billion e-invoices, with 374,290 business establishments utilizing e-invoices generated directly from cash registers. This serves as a massive, high-fidelity data repository for tax authorities to perform data reconciliation and predictive risk assessment.

Chart 6.1 - Cumulative electronic invoice volume over the years (billion e-invoices)

2023		~ 6.27
2024		~ 11.79
2025		~ 20.89

3.2. Cross-Sectoral data interconnectivity

The Vietnam Tax Administration has successfully integrated its database infrastructure with 10 major institutional partners, including: the National Population Database (Ministry of Public Security), Vietnam Social Security, the General Department of Customs, the State Treasury, 60 commercial banks, e-commerce platforms, the Ministry of Industry and Trade, the State Bank of Vietnam, and other specialized ministries. In 2025, the system recorded 53.3 million VNeID authentications, with the matching rate between Tax

Identification Numbers (TIN) and Citizen Identity Numbers reaching approximately 95%.

**Table 6.2 - Key database linkage partners
of the Vietnam Tax Administration**

No.	Partner	Scale and purpose of connection
1	Ministry of Public Security (National Population Database + VNeID)	53.3 million VNeID logins/year; individual taxpayer identification; matching TIN with ID card reaches 95%.
2	Vietnam Social Security	Reconcile declared personal income with social security contributions; detect discrepancies.
3	Department of Customs	Real-time API; import-export data for VAT refund, customs valuation verification.
4	State Treasury	100% of state budget payment transactions; real-time recording of tax payments.
5	Department of Private Enterprise and Cooperative Development	National Enterprise Registration Database; Interconnected linkage / 2010
6	60 commercial banks	All electronic payment channels; automatic debit; tax payment/refund via accounts.
7	478 e-commerce platforms	Seller revenue reports; withholding at source from April 1, 2025.
8	Ministry of Industry and Trade	Business registration and licenses; management of import-export enterprises, conditional industries.
9	State Bank of Vietnam	Cooperate in supervising monetary and foreign exchange transactions, anti-money laundering, and tax evasion.
10	Ministry of Natural Resources and Environment	Land and resource database; management of land use tax, resource tax, real estate transfer fees.
11	Ministry of Transport	Motor vehicle database; management of registration fees for cars and motorcycles; special consumption tax.

3.3. Information Technology system

The eTax system provides comprehensive digital service capabilities for over 1 million enterprises. The eTax Mobile application has surpassed 8.4 million downloads, directly serving individuals and business households, while the iCanhan application has accumulated over 11.4 million accounts (as of December 31, 2025) for Personal Income Tax (PIT) declaration. A new-generation IT system redesign is currently underway, aiming to integrate all tax management processes onto a unified, highly automated platform connected to the National Data Center.

3.4. Organizational structure of Vietnam Tax Administration

The organizational model – comprising the Central Tax Department, 34 Provincial Tax Offices, and 350 Commune-Level Tax Offices – has remained stable since July 1, 2025. This structure provides the institutional basis for the new model, characterized by clear functional decentralization: the central level focuses on big data analytics and the management of large taxpayers; provincial levels coordinate and manage according to delegated authority; and local levels directly engage with business households, individuals, and SMEs. The new model ensures that every taxpayer is assigned a dedicated tax official responsible for comprehensive and continuous monitoring.

4. Tax administration for business enterprises

4.1. Overview of enterprises and their economic role

4.1.1. Role and characteristics:

Enterprises serve as the core economic entities in a market economy, acting as the primary drivers of GDP growth, innovation, job creation, and labor productivity. They play a pivotal role in poverty reduction, ensuring social stability, and mobilizing revenue for the State budget. During the 2021 – 2025 period, the number of operating enterprises nationwide grew consistently, surpassing the one-million mark for the first time. This achievement stems from a significantly improved business climate, simplified registration procedures, and the strategic impetus provided by Resolution No. 68-NQ/TW of the Politburo regarding private sector development. However, the enterprise landscape is predominantly composed of micro, small, and medium-sized enterprises (MSMEs). A large segment of these entities faces constraints in financial capacity and management sophistication, with limited technological capabilities and innovative intensity. Productivity, operational efficiency, and competitiveness remain modest, often characterized by business strategies lacking long-term vision and limited integration with State-owned Enterprises (SOEs) or Foreign-Invested Enterprises (FIEs).

4.1.2. Contribution to the economy and state budget

In 2025, tax revenue from the domestic private sector reached VND 502,615 billion (accounting for 49.3% of total revenue across the three enterprise sectors). This surpassed revenue from the foreign-invested sector (VND 323,862 billion – 31.8%) and the State-owned sector (VND 192,061 billion – 18.9%). This shift highlights the maturation and expansion of the domestic private sector, catalyzed by long-term structural innovation policies. Enterprises serve as the primary engine for employment and human capital utilization. The private and FDI sectors, in particular, remain the largest employers of the social labor force, ensuring social welfare and economic stability. Through upskilling and vocational training initiatives, enterprises also facilitate the transition of the workforce toward the digital economy, fostering a highly skilled labor pool.

4.2. Policy and legal framework for enterprises

The Politburo, the National Assembly, and the Government define enterprises as the central drivers of economic growth, emphasizing the imperative to accelerate institutional reforms and enhance policy quality. This strategic direction has been institutionalized through a synchronized legal framework:

Resolution No. 68-NQ/TW dated May 4, 2025, of the Politburo on the development of the private economy: identifies the private economy as an important driver of growth; calls for institutional reform, reduction of compliance costs, and creation of favorable conditions for enterprise development.

Resolution No. 198/2025/QH15 dated May 17, 2025, of the National Assembly on certain special mechanisms and policies for the development of the private economic sector: improving the business environment for enterprises; supporting access to land, production and business premises, rental of houses and land; financial and credit support, and corporate income tax and personal income tax exemptions; ceasing the collection and payment of the business license fee.

Law on Tax Administration No. 108/2025/QH15 dated December 10, 2025 (effective from July 1, 2026): stipulates the responsibilities for tax declaration, payment, and compliance with accounting, statistical regimes, and the use of invoices and documents by enterprises; stipulates tax obligations for foreign organizations doing business on e-commerce platforms and other digital platforms.

Law on Corporate Income Tax No. 67/2025/QH15 dated June 14, 2025: stipulates corporate income tax incentives for enterprises and investment projects based on preferential business sectors, industries, and locations (investment in high technology, strategic technology, investment in areas with difficult socio-economic conditions, especially difficult areas, enterprises employing female workers, ethnic minority workers, newly established enterprises from business households...).

Decree No. 320/2025/ND-CP dated December 15, 2025, of the Government detailing the implementation of the Law on Corporate Income Tax No. 67/2025/QH15.

Decree No. 20/2026/ND-CP of the Government detailing and guiding the implementation of some articles of Resolution No. 198/2025/QH15.

The aforementioned legal normative document system has contributed to improving the domestic investment environment and attracting capital for socio-economic development while incentivizing investment in R&D, digital transformation, and technological innovation.

4.3. Tax administration for enterprises

4.3.1. Tax administration by enterprise scale

Tax authorities deploy management strategies tailored to enterprise scale to maximize administrative efficiency.

Table 6.3 – Tax management by enterprise size

Group	Identification criteria	Management method	Management unit
Large enterprises	Corporations, general corporations, large enterprises with inter-regional business operations nationwide. Average annual number of employees participating in social insurance of 200 or more; total annual revenue of VND 300 billion or more; total assets of VND 100 billion or more. High-risk industries (real estate, finance, banking, large FDI...)	Centralized management; in-depth risk analysis; transfer pricing and related party transaction inspection; APA.	Large Enterprise Tax Branch and Provincial/City Tax Authorities
Medium enterprises	Average annual number of employees participating in social insurance not exceeding 200; total annual revenue not exceeding VND 300 billion or total capital not exceeding VND 100 billion.	Risk-based management; compliance support; application of risk management and IT in tax inspection.	Provincial/City Tax Authorities
Small and micro enterprises	Average annual number of employees participating in social insurance does not exceed 100; total annual revenue not exceeding VND 100 billion or total capital not exceeding VND 50 billion.	Focus on support and communication; inspection based on e-invoice data; tax authorities support tax liability determination; simplification of administrative procedures.	Provincial/City Tax Authorities and grassroots tax offices

4.3.2. Domestic enterprises

Domestic enterprises (comprising both State-owned enterprises and non-State enterprises) constitute the largest segment in terms of volume and serve as the primary contributors to the State budget. Notably, the non-State enterprise sector has demonstrated robust and accelerated growth during the 2021 – 2025 period.

502,615
billion VND

Revenue from the non-state-owned enterprise sector in 2025 – increased by 73% compared to 2021

= 49,3% total revenue from the three economic sectors (surpass FDI sector)

For domestic enterprises, the tax administration employs modern management methodologies, transitioning from traditional administrative-based oversight to risk-based management. This framework prioritizes taxpayer compliance as its central pillar and operates entirely on a centralized digital data platform.

4.3.3. Enterprises with Foreign Direct Investment (FDI)

Foreign-Invested Enterprises (or FDI) play a pivotal role in the Vietnamese economy, particularly within the manufacturing, high-tech, and export-oriented industries. Revenue from the FDI sector in 2025 reached VND 323,862 billion, accounting for 31.8% of the total revenue from the three enterprise economic sectors. Due to the inherent complexity of their business structures, this sector entails the highest risk regarding transfer pricing, necessitating heightened supervisory vigilance.

The tax administration adheres to OECD international standards for determining prices in controlled transactions based on the arm's length principle. Decree No. 132/2020/ND-CP dated November 5, 2020 (as amended and supplemented by Decree No. 20/2025/ND-CP), prescribes the detailed principles, methodologies, and procedures for determining transfer pricing factors, as well as the rights and obligations of taxpayers regarding declaration and determination of controlled transaction prices.

Beyond audit and examination activities, the tax administration institutionalizes the Advance Pricing Agreement (APA) mechanism, which enables businesses and tax authorities to establish a prior consensus on transfer pricing methodologies. This reduces tax disputes and enhances fiscal certainty for businesses – the best practice adopted by many OECD member countries.

4.3.4. Tax Administration for Cross-Border Business Activities

The explosive growth of cross-border business activities poses significant challenges for tax administration, particularly in ensuring tax equity between domestic enterprises and Foreign Service Providers (FSPs) when both provide goods and services to Vietnamese consumers.

4.3.4.1. Electronic Portal for Foreign Suppliers

Vietnam is among the pioneering nations in the Asia-Pacific region to implement an Electronic Portal for Foreign Suppliers (operational since March 2022). This portal enables FSPs to register, declare, and remit tax directly to the Vietnamese budget without requiring a physical presence in Vietnam.

By the end of 2025, 202 foreign suppliers from diverse jurisdictions – including the United States, Singapore, Hong Kong, and the United Kingdom – had registered, declared, and remitted tax via the Portal.

As of December 31, 2025, cumulative revenue declared and remitted directly via the Portal reached VND 31.4 trillion since its inception in March 2022. In 2025 alone, foreign suppliers remitted VND 13.9 trillion to the Vietnamese budget, a 59.9% increase compared to 2024. This milestone establishes a robust foundation for tax administration within the global digital economy.

Table 6.4. Total Tax Declared and Directly Paid by Foreign Suppliers through the Foreign Supplier Portal

Year	Number of Foreign Suppliers	Tax declared and paid
2022	42	VND 1.9 trillion
2023	84	VND 6.9 trillion
2024	125	VND 8.7 trillion
2025	202	VND 13.9 trillion

4.3.4.2. E-commerce tax administration

Alongside the robust expansion of the digital economy and e-commerce, the State has enacted comprehensive policies to enhance tax administration effectiveness for digital business activities:

- › Regulations on tax registration, declaration, and payment obligations in Vietnam for foreign organizations and individuals conducting business activities on e-commerce and digital platforms¹⁰.
- › Mandatory disclosure obligations for e-commerce platform operators, digital platform operators, logistics providers, and payment intermediaries regarding operational and transaction data¹¹.
- › Withholding obligations, requiring e-commerce platforms and digital platforms with payment functions to deduct, declare, and remit taxes on behalf of business households and individuals generating revenue on said platforms¹².

The rapid evolution of e-commerce is transforming operational and tax administration methodologies. Tax authorities have prioritized the development of integrated tax management solutions for digital platforms and cross-border business activities.

Data interoperability with commercial banks, e-commerce marketplaces, logistics providers, and payment intermediaries is gradually forming a digital

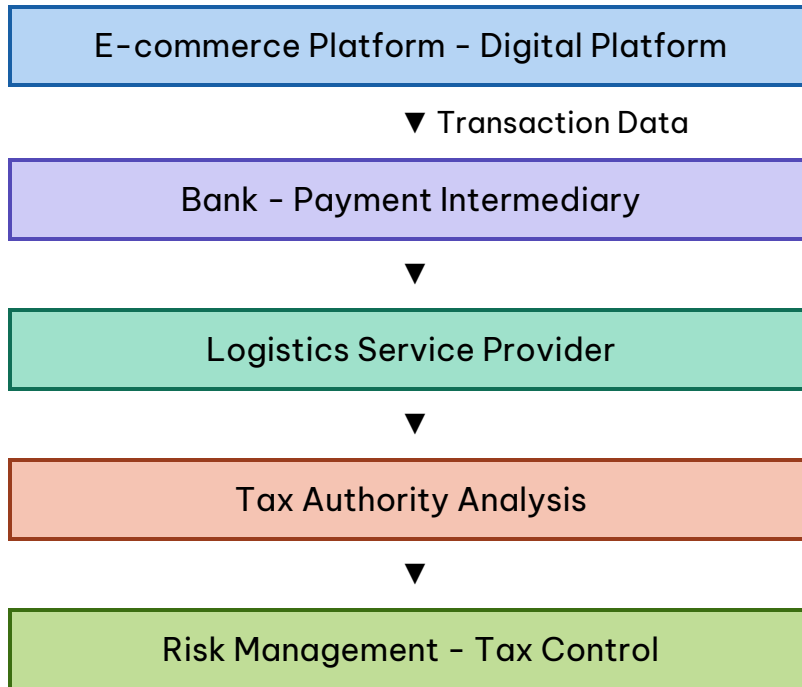
¹⁰ Law on Tax Administration No. 38/2019/QH14; Law on Tax Administration No. 108/2025/QH15 and guiding legal documents.

¹¹ Decree No. 91/2022/ND-CP dated October 30, 2022, of the Government; Law on Tax Administration No. 108/2025/QH15 and guiding legal documents.

¹² Decree No. 117/2025/ND-CP dated June 09, 2025 of the Government.

data ecosystem to support tax administration. Simultaneously, tax authorities are leveraging big data and risk management analytics to timely detect incomplete declarations or tax compliance risks.

Table 6.5 - E-commerce tax management model



Given the rapid development of the digital economy, tax administration for e-commerce and digital activities is identified as a strategic priority for modernization, essential for generating significant revenue for the State budget in the 2026 - 2030 period.

5. Tax Administration for business households and business individuals

5.1. Overview of business households and business individuals

5.1.1. Role and characteristics of business households and business individuals in the private economic sector

The private economic sector is increasingly affirming its pivotal role as a key driver of economic growth. Within this sector, business households and business individuals represent the most prevalent economic model, widely present across various industries, sectors, and residential areas. They contribute significantly to maintaining goods circulation, service provision, and social employment.

Concurrently with the digital transformation and the development of the digital economy, the operations of business households have undergone substantial shifts - expanding from traditional models to modern forms, including e-commerce, collaborative business arrangements, and service provision on digital platforms. This transition reflects an upward trend in scale, professionalism, and the deeper integration of this sector into the economy.

While business households and business individuals are primarily characterized by small capital scales, limited workforces, simple management structures, and high market adaptability, the sector still faces structural challenges: uneven management capacity, limited technology adoption, a high prevalence of cash-based transactions, and occasional difficulties in maintaining accounting records, invoices, vouchers, and tax declarations. In the context of a robust digital economy, modernizing management methods for this sector – towards transparency, data-driven approaches, and efficiency – is urgent to ensure equity in tax obligations and foster sustainable development.

5.1.2. Contributions of business households and business individuals to the economy and state budget

Household businesses and business individuals constitute one of the most common economic models in Vietnam, playing a vital role in supply chains and livelihood creation. This sector currently employs approximately 9 million workers (equating to roughly 20% of the national labor force) and contributes nearly 30% to the annual GDP.

Beyond their economic and social welfare impact, business households also serve as key revenue contributors to the State budget. In 2025, budget revenue from this sector recorded a breakthrough growth, reaching approximately VND 32,840 billion, an increase of 37.5% compared to 2024 and 65.2% compared to 2023. This marks the highest growth rate in the last three years, demonstrating a clear shift in tax administration methodologies.

With their large numbers and widespread operations, business households and business individuals have always been an important group of taxpayers, closely linked to the formation and development of the Vietnam Tax Administration, and will continue to play a crucial role in tax management in the future.

5.2. Policies and legal basis for innovating tax administration methods for business households and business individuals

5.2.1. Transitioning from presumptive tax to the declaration-based method

Recognizing the private economy as a crucial growth driver, the Politburo, the National Assembly, and the Government have prioritized the transition of tax management methods for business households from the “presumptive tax” method to the “declaration-based” method. This strategic shift aims to enhance transparency, equity, and alignment with digital transformation trends. This policy is institutionalized through several synchronized legal documents:

- Resolution No. 68-NQ/TW dated May 4, 2025, of the Politburo on the development of the private economy: sets the requirement for business households to transition to the declaration method from January 1, 2026.
- Resolution No. 138/NQ-CP dated May 16, 2025, of the Government issuing an action plan to implement Resolution No. 68-NQ/TW: which assigns the Ministry of Finance and the Vietnam Tax Administration to implement the transition of tax management methods for business households.

- › Resolution No. 198/2025/QH15 dated May 17, 2025, of the National Assembly on certain special mechanisms and policies for the development of the private sector: improving the business environment, financial and credit support, and providing free digital platforms and shared accounting software for business households and business individuals.
- › Resolution No. 139/NQ-CP dated May 17, 2025, of the Government on the implementation of Resolution No. 198/2025/QH15 on certain special mechanisms and policies for the development of the private sector.
- › Law on Tax Management No. 108/2025/QH15 dated December 10, 2025, of the National Assembly (effective from July 1, 2026): stipulating the principles of declaration and tax calculation for business households and business individuals; stipulating the responsibilities of e-commerce platforms and digital platforms for withholding, declaring, and paying taxes on behalf of business households and business individuals; supporting households businesses and business individuals in tax declaration and calculation.
- › Decree No. 68/2026/ND-CP dated March 5, 2026, of the Government (amended and supplemented by Decree No. 141/2026/ND-CP): stipulating tax policies and tax management for business households and business individuals under the declaration method from January 1, 2026.

The above set of legal documents forms an important legal basis for the transformation of the tax management model for business households towards modernization, based on declaration, electronic data, and enhanced self-compliance of taxpayers.

The Vietnam Tax Administration has been and continues to review and participate in amendments to regulations on fees, charges, accounting regimes, and support policies for business households to create favorable conditions for business households and business individuals to transition their management methods and gradually participate in the formal economy.

5.2.2. Policy Operationalization

To operationalize the directives of the Politburo, the National Assembly, and the Government, the Ministry of Finance and the Department of Taxation have issued comprehensive action plans and implementation schemes:

In 2025, the Ministry of Finance/Department of Taxations issued Action Plans to implement resolutions on private sector development; approved the Scheme “Transformation of the model and tax management methods for business households upon abolition of the Presumptive tax method”, serving as a national orientation for implementation. The documents include:

- › Action Plan for Implementation issued together with Decision No. 2260/QĐ-BTC dated June 30, 2025, of the Minister of Finance;
- › Scheme “Transformation of the model and tax management methods for business households upon abolition of the presumptive tax method” issued

together with Decision No. 3389/QĐ-BTC dated October 6, 2025, of the Minister of Finance;

- › Action Plan for Implementation issued together with Decision No. 2456/QĐ-CT dated July 8, 2025, of the Director of the Department of Taxation.
- › Action Program “Accompanying business households and business individuals in tax law compliance” issued together with Decision No. 3789/QĐ-CT dated December 31, 2025, of the Director General of the Department of Taxation.
- › Plan “60-day intensive implementation plan from presumptive tax to declaration for business households” issued together with Decision No. 3352/QĐ-CT dated October 31, 2025, of the Director General of the Department of Taxation.

5.3. Results of implementing tax management innovations for business households and business individuals

The tax administration has vigorously implemented tax administrative procedure reforms. Through a comprehensive review of all tax administrative procedures, the tax authority has proposed reductions and simplifications specifically for business households. This has contributed to a substantial decrease in compliance time and costs for these businesses, while simultaneously enhancing transparency, clarity, and accessibility to policies, thereby facilitating business households in fulfilling their tax obligations.

In 2025, the Vietnam Tax Administration proactively prepared for the transition of tax management methods for business households and business individuals from the presumptive method to the declaration-based method, in accordance with Resolution No. 68-NQ/TW. This involved synchronous propaganda and support efforts, including the “60-day intensive” campaign, in coordination with local authorities and relevant organizations. Simultaneously, the tax authority finalized infrastructure, digital applications, and management databases. As a result, nearly 100% of business households were engaged and guided; over 18,300 households switched to the declaration-based method before January 1, 2026; and over 3,200 households transitioned into companies.

Digital transformation outcomes for business households have shown significant progress. As of December 31, 2025, the proportion of stable business households paying taxes via the eTax Mobile application nationwide reached nearly 92.1%; the proportion of business households using electronic tax payment methods nationwide stood at 68%; and the electronic tax declaration rate for business households under the declaration-based method reached 99%, reflecting the robust digital transformation within this sector.

The Vietnam Tax Administration has accelerated the implementation of e-invoices generated from cash registers in accordance with Decree No. 70/2025/ND-CP. Accordingly, tax authorities at all levels have coordinated with technology solution providers, payment intermediaries, and industry associations to diversify services, optimize costs, and support business households in installing

sales software, accounting software, and e-invoicing systems at affordable costs or free of charge during the initial implementation phase.

In the 12 months of 2025, a total of 281,277 business establishments registered to use e-invoices generated from cash registers – a 5.3-fold increase compared to the entire year of 2024. This figure includes 107,592 enterprises (a 2.8-fold increase) and 173,685 business households (a 12.8-fold increase).

Cumulatively, from the start of implementation to December 31, 2025, a total of 374,290 business establishments – comprising 171,948 enterprises and 202,342 business households – had registered to use e-invoices generated from cash registers, an increase of 302% compared to December 31, 2024. The proportion of business establishments that have actively utilized these systems reached 70% of the total registered entities.

202,342
Businesses
households

Registered to use e-invoices generated from cash registers
(cumulative from implementation to December 31, 2025)

The use of e-invoices reached a rate of about 78%, an increase of nearly 9% compared to the end of 2024

HIGHLIGHTS OF CHAPTER VI

①	Transformation of the Tax Administration Model for business households: All business households currently under the presumptive tax method transitioned to the declaration-based method pegged to actual revenue effective January 1, 2026 – a fundamental structural change ensuring transparency, equity, and alignment with the national digital transformation strategy.
②	Comprehensive and Synchronized Legal Framework: Six pivotal documents constitute the legal foundation for this transformation, including Decision 508/QĐ-TTg, Politburo Resolution 68-NQ/TW, Resolution 198/2025/QH15, the Law on Tax Administration No. 108/2025/QH15, Decree 70/2025/ND-CP on cash-register-initiated e-invoices, and Decree 68/2026/ND-CP on tax policies for business households and individuals (amended and supplemented by the Government's Decree 141/2026/ND-CP dated April 29, 2026).
③	Strategic Shift from Pre-filing Control to Risk-Based Post-Filing Audit: The new model pivots the tax administration's role from centralized control to taxpayer service, upholding the principles of “self-assessment, self-remittance, and self-responsibility”. Tax authorities now conduct post-filing audits driven by data analytics, prioritized by risk-profiling for high-risk sectors and transactions.

HIGHLIGHTS OF CHAPTER VI	
④	Data Infrastructure and Cross-Sectoral Interconnectivity: The e-invoice system reached a cumulative total of 20.89 billion invoices by the end of 2025, with 374,290 business establishments registered for e-invoices generated from cash registers. The Vietnam Tax Administration has successfully integrated databases with over 10 major institutional partners, recording 53.3 million logins via VNeID with a Tax Identification Number (TIN) - Citizen Identity Card matching rate of approximately 95%.
⑤	Domestic Private Sector Surpasses FDI Sector in Tax Revenue: The number of operating enterprises surpassed the 1 million mark for the first time (1,017,056 enterprises in 2025). Revenue from the domestic private sector reached VND 502,615 billion, accounting for 49.3% of total revenue across the three economic sectors, thereby surpassing the Foreign-Invested Enterprise (FIE) sector.
⑥	Breakthroughs in Cross-Border Digital Economy Tax Administration: Vietnam ranks among the first nations in the Asia-Pacific region to implement an Electronic Portal for Foreign Suppliers. By the end of 2025, 202 foreign suppliers had registered, declared, and remitted taxes, with cumulative revenue totaling VND 31.4 trillion. In 2025 alone, revenue reached VND 13.9 trillion, a 59.9% increase compared to 2024.
⑦	Accelerated Digital Transformation within the Household Business Sector: Nearly 100% of business households were reached and guided through the “60-day intensive implementation campaign”. As of December 31, 2025, the eTax Mobile adoption rate among eligible business households reached nearly 92.1%. Budget revenue from business households in 2025 reached approximately VND 32,840 billion, marking a 37.5% increase compared to 2024.

CHAPTER VII

ORIENTATION FOR THE PERIOD 2026 - 2030

1. Socio-economic impacts of the tax system in the period 2021 - 2025

Vietnam's tax system during the 2021 - 2025 period has generated five major socio-economic impacts. These outcomes represent the cumulative results of both the tax policy framework (laws, resolutions, and strategies) and tax administration (organizational structure, technology, and human resources).

Tax administration not only contributes to securing State budget revenue but also serves as a critical component of the investment and business climate and national competitiveness. Therefore, the process of tax reform and modernization must ensure a strategic balance between enhancing the efficiency of State management and preventing tax evasion, while simultaneously maintaining a stable, transparent, predictable, and non-discriminatory policy environment. This approach is essential to facilitate international trade and investment, thereby continuously strengthening the confidence of the business community and foreign investors in Vietnam's business environment.

Table 7.1 - Five socio-economic impacts - of the tax system in 2021 - 2025

①	MOBILIZING SIGNIFICANT FISCAL RESOURCES	Total State budget revenue during the 2021 - 2025 period reached VND 9,922 trillion, exceeding the target stipulated in Resolution No. 23/2021/QH15 by 19.5%. The tax and fee-to-GDP ratio reached approximately 14.7%, serving as pivotal resources for development investment and social security programs.
②	SUPPORTING ECONOMIC RECOVERY AND DEVELOPMENT	Fiscal support measures - comprising tax exemptions, reductions, and deferrals - totaled nearly VND 1,000 trillion during the 2020 - 2025 period, providing critical support to businesses and individuals in overcoming the COVID-19 pandemic and restoring production and commercial activities.
③	ATTRACTING FDI AND INTERNATIONAL INTEGRATION	A transparent tax administration and a comprehensive legal framework - including Double Taxation Avoidance Agreements (DTAAs) with over 80 jurisdictions and the implementation of the global minimum tax - have fostered a highly predictable investment climate. Consequently, tax revenue from the Foreign Direct Investment (FDI) sector surged from VND 217 trillion in 2021 to VND 324 trillion in 2025.
④	REDUCING COMPLIANCE COSTS FOR BUSINESSES	The widespread adoption of electronic tax declaration systems (reaching 99.38% coverage) and electronic tax payment facilities (processing VND 1,230 trillion in 2025), coupled with ubiquitous e-invoice implementation, has significantly reduced the time, administrative burden, and compliance costs for enterprises. These improvements have collectively resulted in a taxpayer satisfaction index of 92.3%.
⑤	ENSURING SOCIAL EQUITY	The tax system upholds social equity through the transition of business households from the presumptive tax method to the declaration-based method effective January 1, 2026; the application of a progressive Personal Income Tax (PIT) schedule; and adjusted family circumstance deductions (VND 15.5 million/individual and VND 6.2 million/dependent). These measures collectively ensure the principle of fiscal equity based on the "ability-to-pay" framework.

Three prominent figures on socio-economic impacts

VND 9,922 trillion Total State budget revenue for the 2021 - 2025 period <i>= 119.5% of the target stipulated by Resolution No. 23/2021/QH15</i>	≈ VND 1,000 trillion tax exemptions, reductions, and deferrals <i>support for economic recovery during period 2020 - 2025</i>	92.3% Taxpayer Satisfaction Index (TSI) in 2025, <i>exceed the strategic goals</i>
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2. Strategic goals for 2030

The 2026 - 2030 period holds critical strategic significance, serving as the pivotal phase for achieving the nation's socio-economic development objectives. This period presents substantial opportunities to catalyze rapid growth, enhance productivity, quality, competitiveness, and innovation, while simultaneously posing considerable challenges for mobilizing resources for the State budget.

Decision No. 508/QĐ-TTg (dated April 23, 2022) regarding the Tax System Reform Strategy to 2030 establishes comprehensive objectives for the sector. Furthermore, Resolution No. 26/2026/QH16 on the National Financial Plan and Public Debt Borrowing and Repayment for the 2026 - 2030 period, enacted by the National Assembly on April 24, 2026, defines the total State budget revenue targets and outlines the requisite tasks and implementation solutions for the period.

Table 7.2 - Strategic goals for 2030 and current status of 2025

Indicator	Current Status 2025	Target 2030	Gap and measure
Tax and Fee Revenue / GDP Ratio	~15.1%	14 - 15%	Achieved
Domestic Revenue / Total State Budget Revenue Ratio	~86.1%	86 - 87%	Achieved
Tax Debt / Total Revenue Ratio	10.2%	≤ 7%	Required - 3.2%
Percentage of enterprises registering for electronic tax filing	99%	100%	Required +1%
Taxpayer Satisfaction Level	92.3%	≥ 95%	Required +2.7%
Percentage of enterprises filing taxes electronically	99.38%	100%	Required +0.62%

Pursuant to the targets stipulated in Resolution No. 26/2026/QH16, total State budget revenue for the 2026 – 2030 period is projected to reach approximately VND 16,400 trillion – a 1.65-fold increase compared to the 2021 – 2025 period, 2.4-fold compared to 2016 – 2020, and nearly 4-fold compared to 2011 – 2015.

Of this total, the revenue mandate overseen by the Tax Authority is approximately VND 14,600 trillion, contributing nearly 90% of the aggregate revenue target for the period – representing a 1.8-fold increase compared to 2021 – 2025 and 2.7-fold compared to 2016 – 2020. The target for the average tax-to-GDP mobilization rate is approximately 18%, with domestic revenue projected to account for 87 – 88% of total State budget revenue.

~ VND 16,400 trillion	TARGET Total State Budget Revenue <i>Period 2026 – 2030</i> <i>According to Resolution 26/2026/QH16 on the 5-Year National Financial Plan</i>
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3. Orientation for tax policy development to 2030

In alignment with the Tax System Reform Strategy to 2030, the comprehensive improvement of the tax policy system for the 2026 – 2030 period focuses on 9 key tax, fee, and charge categories, guided by specific objectives.

Table 7.3 – Orientation for tax policy improvement to 2030

Tax Category	Reform Orientation to 2030	Quantitative Target
VAT	Broaden the tax base; reduce the list of non-taxable goods; move towards applying a single tax rate; study phased tax rate increases; improve regulations on deductions and refunds.	<i>Increase domestic revenue; reasonable indirect tax structure</i>
Special Consumption Tax	Review and amend taxable objects; phased increase in taxes on tobacco, beer, and alcohol; apply a combination of ad valorem and specific tax rates.	<i>Regulate consumption; protect public health</i>
Tax Import-Export	Streamline the number of tax rates: from 32 rates (2022) down to about 25 rates (2025) and 20 rates (2030); restrict the export of raw resources and minerals.	<i>20 tax rates by 2030</i>
Corporate Income Tax	Review and abolish inappropriate incentives; shift the focus of attracting FDI from quantity to quality; implement anti-transfer pricing and anti-base erosion standards according to international practices.	<i>Broaden the tax base; selective incentives</i>

Tax Category	Reform Orientation to 2030	Quantitative Target
Personal Income Tax	Review and supplement taxable subjects; adjust the number of brackets and tax rates; simplify tax finalization for taxpayers and tax authorities.	<i>Social equity; prevent tax evasion and avoidance</i>
Natural Resource Tax	Amend the tax calculation price and taxable output; adjust the tax framework, rates, exemptions, and reductions towards transparency and clarity.	<i>Encourage deep processing; resource management</i>
Tax related to assets (land)	Research and improve towards increasing regulation on land; supplement house tax; restrict real estate speculation.	<i>Mobilize reasonable revenue from land</i>
Environmental protection tax	Expand taxable subjects; adjust the tax framework and rates accordingly.	<i>Sustainable development; environmental protection</i>
Fees, charges, and other collections	Review and improve the legal system; implement a roadmap for increasing fees; transition from fees to public service prices.	<i>Improve the business environment</i>

4. Modernize tax administration

The Vietnam Tax Administration is committed to a comprehensive modernization of tax administration, aligned with international best practices and Vietnamese law. The core pillars of this transformation include: a synchronized, transparent, and open institutional framework; a professional and ethical tax workforce; and an integrated, centralized IT architecture.

In the 2026 - 2030 period, the Vietnam Tax Administration will shift decisively from traditional administrative management methods to a modern, data-driven framework based on risk management and compliance management.

Core Objectives:

- Automated Compliance & Risk Analysis: Developing an automated scoring and risk analysis system powered by Big Data.
- AI Integration: Leveraging Artificial Intelligence for fraud detection, risk profiling, and targeted audit selection.
 - Partnership Strategy: Strengthening support mechanisms and partnerships with compliant taxpayers while reducing broad-based audits to enhance transparency and equity.
 - Tax Administration 3.0: Adopting the OECD's "Tax Administration 3.0" model - operating on a digital-data platform with real-time connectivity, automated risk management, and deep integration into digital economy activities, consistent with national digital transformation requirements.

Table 7.4 - Tax Administration Reform Indicators

Indicators	2025	2030	Variance
1. Satisfaction level of taxpayers <i>Satisfaction with the services of the Tax authorities</i>	≥ 90%	≥ 95%	+5%
2. Taxpayer Support through Electronic Channels <i>Online support rate</i>	≥ 70%	≥ 90%	+20%
3. Fully Online Tax Registration Applications <i>As a percentage of the total number of applications received</i>	≥ 80%	≥ 90%	+10%
4. Electronic Tax Filing, Payment, Refund, and Exemption/Reduction (Individuals) <i>For enterprises and organizations, maintain an electronic filing, payment, refund, and tax exemption/reduction rate of at least 98% in both 2025 and 2030.</i>	≥ 85%	≥ 90%	+5%
5. Tax Refund and Tax Exemption/Reduction Applications Processed on Time <i>Results issued within the prescribed statutory deadlines</i>	≥ 98%	≥ 98%	Maintain
6. Ratio of Total Tax Debt to Annual Tax Revenue Collection <i>Measured as of 31 December each year - target indicator to be reduced</i>	≤ 8%	≤ 7%	-1%
7. Tax Debt Collection Rate for Recoverable Tax Debts <i>Based on recoverable tax debts carried forward from the outstanding balance as of 31 December of the preceding year</i>	≥ 80%	≥ 90%	+10%
8. Integrated and Centralized Information Technology System <i>Capable of meeting 100% of tax administration and management, as well as operational oversight and direction, requirements</i>	100%	100%	Upgrade
Notes: - Enterprises and organizations shall maintain an electronic tax filing, payment, refund, and tax exemption/reduction rate of at least 98% at both the 2025 and 2030 milestones. - The long-term objective is to reduce outstanding tax and fee arrears to below 5% of total state budget revenue collections. 100% of electronic tax payments shall be accounted for in real time, and tax filing and payment information shall be processed within 24 hours.			

4.1. Modernizing information technology infrastructure

By 2030, the Vietnam Tax Administration aims to build a modern management system on a digital platform, ensuring effective State budget revenue

management while keeping citizens and businesses at the center of all services. Digital transformation is the core mission to innovate management, simplify administrative procedures, and enhance transparency.

Digital Transformation Strategic Orientation:

- Comprehensive Modernization: Applying interconnected and integrated IT solutions to foster digital transformation in tax administration.
- Centralized Data Ecosystem: Building a unified, Big Data-driven architecture tailored to the digital economy model.
- Administrative Reform: Expanding digital tax services for citizens and businesses; strengthening inter-agency data sharing and coordination.
- Integrated IT Systems: Deploying a comprehensive IT infrastructure that supports automated business processes and data-driven decision-making.

Table 7.5 - IT application indicators in the Vietnam Tax Administration by 2030

INDICATORS	YEAR 2025	YEAR 2030	VARIANCE
A. IT APPLICATION IN PROVIDING SERVICES TO TAXPAYERS			
Taxpayers are provided with electronic identification and authentication To use electronic tax services provided by the Vietnam Tax Administration	100%	100%	<i>maintain</i>
Tax administrative procedures provide Public services online Proportion of procedures reaching the level of fully online public services	100%	100%	<i>maintain</i>
Public services fully online connect to National Public Service Portal (NPSP) Connection rate with NPSP	100%	100%	<i>maintain</i>
B. IT APPLICATION IN TAX MANAGEMENT			
Needs for data collection, processing, storage, and exploitation are computerized For tax management, direction, and administration - integrated, centralized	100%	100%	<i>maintain</i>
Inspection activities via digital environment and information system Tax authorities perform via digital environment	50%	70%	+20 %
Work files are processed in the network environment Electronic processing rate	80%	90%	+10 %
Periodic reports are updated and shared on the National Reporting System According to the general roadmap of the Ministry of Finance and the Government	100%	100%	<i>maintain</i>

INDICATORS	YEAR 2025	YEAR 2030	VARIANCE
Tax officials records are stored and managed electronically Electronic personnel management records	100%	100%	<i>maintain</i>
Tax officials are provided with IT system accounts User accounts, email, online information exchange	100%	100%	<i>maintain</i>
Connect and exchange information with relevant agencies, ministries, and organizations According to the implementation roadmap of agreements and cooperation documents	100%	100%	<i>maintain</i>
C. TECHNICAL INFRASTRUCTURE, INFORMATION SECURITY AND SAFETY			
Server system deployed on a cloud computing platform Cloud computing platform	90%	95%	+5 %
Core applications are ready for operation at the backup data center eTax, Integrated Tax Management, PS online in the tax field	90%	95%	+5 %
IT system is operated, monitored, and supervised centrally Rate of centrally monitored systems	90%	100%	+10 %
Tax officials access the system to work remotely Year 2025: 100% of tax officials with duties outside the office - Year 2030: 100% of tax officials	100%	100%	<i>expand scope</i>
IT system ensures information security according to the 4-layer model 4-layer information security protection model	100%	100%	<i>maintain</i>
Information systems are approved for security level Rate of systems approved for security level	90%	95%	+5 %
Electronic tax declaration and payment information is processed within 24 hours Maximum processing time	100%	-	<i>completed in 2025</i>
Electronically paid tax amounts are accounted for in real-time upon payment Real-time accounting	100%	-	<i>maintain</i>
Taxpayers are granted accounts for tax obligation lookup and electronic tax payment On a smart mobile device platform	100%	-	<i>maintain</i>

4.2. Enhancing tax compliance

Enhancing tax compliance is the overarching goal for the 2026 - 2030 period, implemented through key projects approved under the Action Program for the Tax System Reform Strategy to 2030 (issued by the Minister of Finance on November 22, 2022).

Table 7.6 - Project on innovation and strengthening of tax registration, tax declaration, tax payment, tax exemption, tax reduction, tax refund, tax statistics, and tax accounting regime until 2030

INDICATORS	YEAR 2025	YEAR 2030	VARIANCE
A. TAX REGISTRATION			
Tax registration dossiers processed fully online / total dossiers received	≥ 80%	≥ 90%	+10 %
B. TAX DECLARATION			
Electronic tax declaration - Enterprises, organizations	≥ 98%	≥ 98%	maintain
Electronic tax declaration - Individuals with income from salary and wages	≥ 85%	≥ 90%	+5 %
Electronic tax declaration - Households and individuals engaged in business declaring using e-invoices	≥ 85%	≥ 98%	+13 %
On-time tax returns filed - Enterprises	≥ 98%	≥ 98%	maintain
On-time tax returns filed - Individuals	≥ 85%	≥ 90%	+5 %
C. TAX PAYMENT			
Electronic tax payment - Enterprises, organizations	≥ 98%	≥ 98%	maintain
Electronic tax payment - Households and individuals engaged in business declaring using e-invoices	≥ 85%	≥ 90%	+5 %
Electronically paid tax amount / total state budget revenue	≥ 85%	≥ 90%	+5 %
D. TAX REFUND			
Electronic tax refund - Enterprises, organizations	≥ 98%	≥ 98%	maintain
Electronic tax refund - Individuals with salary and wage tax finalization	≥ 85%	≥ 90%	+5 %
Tax refund dossiers processed and results returned on time	≥ 98%	≥ 98%	maintain
E. TAX EXEMPTION, TAX REDUCTION			
Electronic tax exemption, reduction - Enterprises, organizations	≥ 98%	≥ 98%	maintain
Electronic tax exemption, reduction - Individuals	85%	≥ 90%	+5 %

INDICATORS	YEAR 2025	YEAR 2030	VARIANCE
Tax exemption, reduction dossiers processed and results returned on time	≥ 98%	≥ 98%	maintain
G. TAX ACCOUNTING, TAX STATISTICS			
Provide electronic tax obligation information - Enterprises, organizations	≥ 98%	summarize, adjust	review period
Provide electronic tax obligation information - Individual	≥ 85%	summarize, adjust	period review
Automated processing of tax accounting documents, accounting within the day	≥ 98%	summarize, adjust	period review
Automated tax accounting and tax statistics reports on the application system	100%	summarize, adjust	period review

Table 7.7 - Project innovation and strengthening of taxpayer inspection capacity by 2030

INDICATOR	YEAR 2025	YEAR 2030	DIFFERENCE
TAX INSPECTION WORK INDICATORS			
1. Tax declarations automatically checked by software Year 2025: VAT, CIT, PIT for enterprises - Year 2030: all declarations	100%	100%	expand scope
2. Taxpayers select inspection plans based on risk Using application software risk management of the tax authority	90%	≥ 90%	maintain
3. Inspections processed / total inspections conducted Rate of detected violations at taxpayer's premises	≥ 90%	≥ 92%	+2 %
4. Rate of appeals after tax inspection Decreasing indicator - reflects the quality of conclusions of inspection and examination	≤ 5%	≤ 3%	-2 %
5. Tax inspection officials As a percentage of total officials in the Vietnam Tax Administration	≥ 30%	≥ 35%	+5 %

Table 7.8 – Project VI innovation and strengthening of tax debt management and enforcement capacity by 2030

INDICATOR	YEAR 2025	YEAR 2030	DIFFERENCE
TAX DEBT MANAGEMENT AND ENFORCEMENT INDICATORS			
1. Improve tax debt management mechanisms and policies Year 2025: Complete tax debt and enforcement management processes in accordance with the Law on Tax Administration and international practices - Year 2030: Develop the synchronized legal mechanisms and policies, amend and supplement some provisions in the Law on Tax Administration	<i>Complete processes</i>	<i>Legal synchronization</i>	<i>upgrade institution</i>
2. Ratio of total tax debt to annual revenue Indicator decreases annually as of December 31 compared to taxes and other revenues to the state budget - reduction target	$\leq 8\%$	$\leq 7\%$	-1 %
3. Ratio of overdue tax and fee debt to total state budget revenue Long-term general goal for both milestones - reflects debt recovery quality	$< 5\%$	$< 5\%$	<i>maintain</i>
4. Rate of collectible debt recovery Amount of debt from December 31 of the previous year carried over and recovered during the year	$\geq 80\%$	$\geq 90\%$	+10 %

4.3. Building a lean and efficient tax administration organizational structure

The tax authority shall build an organizational structure endowed with sufficient authority and capacity to enforce tax laws. This structure shall follow a model of tax management by taxpayer segment combined with functional management, optimized for the application of electronic taxation and risk-based management methods towards full automation. The tax administration system shall be reorganized to be modern, lean, effective, efficient, and efficacious from the central to local levels, in alignment with the two-tier local

government organizational model and the tax management requirements of the new era.

We shall cultivate a professional, integrity-driven, and innovative workforce of tax officials, possessing the required professional qualifications, political will, and ethical standards that meet the mandated job titles, positions, and competency frameworks. The focus is on fostering a reasonable organizational structure, prioritizing high-quality human resource development, and building a team of senior experts with profound expertise and experience to meet modern management requirements and align with international integration trends.

①	Comprehensive Review: Conduct a holistic evaluation of the implementation process for the 2021 - 2025 period regarding organizational structure and human resources; extract key lessons learned to develop an implementation roadmap for the 2026 - 2030 period.
②	Structural Optimization: Refine the organizational structure to align with the modern tax management model (segment-based combined with function-based); define clear decentralization and delegation of authority between the Tax Department - 34 Provincial Tax Offices - and 350 Commune-level Tax Offices.
③	Competency Development: Develop a Tax official Competency Framework tailored to the digital economy; implement specialized training programs on Big Data analytics, Artificial Intelligence, international tax management, and transfer pricing.
④	Talent Management: Innovate recruitment, evaluation, arrangement, and assignment of officials based on job positions and actual capabilities; foster a corporate culture of integrity and taxpayer-centric service.

4.4. International integration and competitiveness enhancement

International tax management capacity shall be enhanced through the development of a negotiation strategy for Double Taxation Avoidance Agreements (DTAAs), aligned with the new socio-economic context, emerging partners, and standardized application procedures for Tax Treaties, information exchange, and bilateral cooperation.

New international tax management regulations and measures concerning transfer pricing audits, e-commerce operations, and tax evasion/avoidance prevention shall be promulgated and implemented. Furthermore, the tax administration will actively apply risk management methods in international tax affairs and execute international cooperation programs with tax authorities of other countries and global institutions.

Table 7.9 – Orientation for international integration and competitiveness enhancement

INDICATORS	YEAR 2025	YEAR 2030	VARIANCE
A. LEGAL FRAMEWORK AND INSTITUTIONS			
Comprehensive legal framework for international taxation Meets the practical tax management requirements of Vietnam and aligns with international practices	<i>Build</i>	<i>Perfect</i>	<i>comprehensive upgrade</i>
International taxation processes, cross-border E-commerce, BEPS, Transfer Pricing Audit Manual Supports international tax management in line with international practices	<i>Develop and issue</i>	<i>Adjust to the new situation</i>	<i>update</i>
Set of principles for negotiating Tax Treaties and new Tax Treaty model Amend and supplement to meet Vietnam's new requirements	<i>Amend and supplement</i>	<i>Adjust to the new situation</i>	<i>update</i>
International tax specialized unit within the tax authority Specialization in Tax Treaties, Transfer Pricing Audits, APAs, MAPs, Information Exchange	-	<i>Build</i>	<i>establish new</i>
B. PROFESSIONAL CAPACITY AND TRAINING			
Basic and advanced international tax training programs Equip officials with knowledge and experience in international tax management	<i>Build</i>	<i>Specialized training</i>	<i>expand content</i>
Training on handling cross-border tax evasion, avoidance, and international tax disputes International Tax Officer	-	<i>In-depth Training</i>	<i>New Implementation</i>
Applying risk management in International Tax Management Enhancing Automation and Modernization of Management Work	<i>Apply</i>	<i>Promote, Enhance</i>	<i>upgrade</i>
C. INTERNATIONAL INFORMATION AND DATA EXCHANGE			

INDICATORS	YEAR 2025	YEAR 2030	VARIANCE
Information Exchange Database System (CbCR, Foreign Suppliers, Foreign Tax Authorities) Receive, Transfer Vietnam Data - and vice versa	<i>Collect, Build</i>	<i>Update, Exploit</i>	<i>fully operational</i>
Database on E-commerce, Cross-border Digital Services Serve International Tax Management	<i>Build</i>	<i>Update, Exploit</i>	<i>upgrade</i>
Requirements for Information Exchange with Foreign Tax Authorities and vice versa Timely Processing	100%	100%	<i>maintain</i>
Increase the number of requests for information exchange from foreign tax authorities Annually	+20% - 30%	+20% - 30%	<i>maintain the speed</i>
D. INTERNATIONAL COOPERATION AND COMMITMENTS			
Commitments at International Forums that Vietnam participates Ensure full implementation as a member	<i>Ensure Implementation</i>	<i>Ensure Implementation</i>	<i>maintain commitment</i>
International Tax Management Cooperation Programs with tax authorities of countries and international organizations Regional and Global	<i>Implement</i>	<i>Build Administrative Cooperation Mechanism for Taxation</i>	<i>expand mechanism</i>
E. CROSS-BORDER E-COMMERCE MANAGEMENT AND TRANSFER PRICING INSPECTION			
Management and supervision mechanism for organizations and individuals conducting e-commerce and cross-border digital services Build according to international practices	<i>Build</i>	<i>Adjust to the new situation</i>	<i>update</i>
Transfer Pricing inspection for FDI enterprises with related party transactions Rate inspection annually	1%	1.5%	+0.5%

5. Key solutions for revenue collection and tax management for the period 2026 - 2030

- ① **Proactive and Flexible Revenue Management:** Strictly adhere to the directives of the Government, the Prime Minister, and the Ministry of Finance to execute State budget revenue collection in a flexible, proactive, and timely manner. The Vietnam Tax Administration shall closely monitor macroeconomic trends, business activities, market fluctuations, and revenue progress across all tax categories and regions. The Vietnam Tax Administration must promptly identify revenue shortfall risks and proactively advise on appropriate revenue management scenarios, ensuring that revenue growth objectives remain aligned with macroeconomic stability and sustainable revenue base fostering.
- ② **Institutional Refinement and Tax Base Expansion:** Continue to refine the tax institutional framework, expand the tax base, and catalyze new growth drivers. It is essential to comprehensively perfect policies on taxes, fees, and charges toward greater transparency, ease of compliance, and alignment with international standards. Further research is required for revenue collection mechanisms in emerging fields such as the digital economy, e-commerce, cross-border transactions, digital assets, and new business models. Simultaneously, tax incentive policies shall be reviewed to ensure they are focused and prioritized – avoiding dispersion – to support investment and development while ensuring sustainable fiscal revenue.
- ③ **Building a Smart and Modern Management System:** Establish a smart, modern tax administration system underpinned by Big Data, Artificial Intelligence (AI), and risk management. For the 2026 - 2030 period, tax administration modernization is identified as a strategic breakthrough. Key efforts will focus on building a centralized, synchronized national tax database connected with national and specialized databases, enhancing analytical, forecasting, and early risk-warning capabilities, and transitioning from "post-audit" to "real-time monitoring."
- ④ **Enhancing Enforcement Against Tax Evasion and Fraud:** Strengthen enforcement against tax evasion, transfer pricing, tax fraud, and invoice fraud, with strict management of high-risk areas. Resources shall be concentrated on high-potential or high-risk sectors, including e-commerce, digital platform-based businesses, real estate, capital transfers, business households, cross-border services, FDI enterprises, and resource/mineral exploitation. Data sharing and connectivity with banks, customs, police, treasury, business registration, and natural resources agencies must be enhanced to effectively control revenue streams, cash flows, transfer prices, and actual tax obligations.

- ⑤ **Strict Debt Management and Enforcement:** Improve the effectiveness of tax enforcement and debt collection. Debt management must adhere to the principle of clear categorization for each debt group, identifying root causes, collectability, and responsibility for resolution. Synchronized reminder and enforcement measures shall be applied. The Vietnam Tax Administration aims to reduce the ratio of overdue taxes and fees to below 5% of total State budget revenue by 2030, regarding this as a key indicator of revenue management quality and the strict enforcement of tax laws.
- ⑥ **Sustainable Exploitation of Land and Real Estate Revenue:** Effectively exploit revenue from land and real estate in a transparent, open, and sustainable manner. The Vietnam Tax Administration will coordinate with ministries, sectors, and local authorities to perfect revenue management mechanisms based on market-based valuation. This includes controlling real estate transfer activities, combating tax evasion, and effectively capturing VAT from land post-infrastructure investment, while reducing over-reliance on volatile, time-sensitive revenue streams.
- ⑦ **Comprehensive Administrative Reform:** Resolutely and synchronously implement administrative reform, focusing on streamlining tax administrative procedures (including internal processes) in accordance with government directives. The Vietnam Tax Administration will continue to review, cut, and simplify procedures, combined with business process re-engineering toward digitalization, automation, and interconnection, placing taxpayers at the center of services. The Vietnam Tax Administration will promote the provision of end-to-end online public services to minimize resolution time and compliance costs for citizens and businesses. By strengthening data connectivity with national population databases and leveraging Big Data, AI, virtual assistants, and digital platforms, the Vietnam Tax Administration aims to improve service quality, transparency, and operational productivity, striving for a modern, professional, and intelligent tax administration system.
- ⑧ **Building a Professional and Integrity-Driven Workforce:** Cultivate a professional, incorruptible workforce of tax officials who master technology and data-driven thinking. Alongside streamlining the organizational apparatus, the Vietnam Tax Administration will enhance official quality, strengthen public service discipline, combat corruption and harassment, and provide specialized training in digital skills, data analysis, and risk management to meet the requirements of modern tax governance in the new era.

HIGHLIGHTS OF CHAPTER VII

①	SIX STRATEGIC GOALS FOR 2030: Pursuant to Decision 508/QĐ-TTg and Resolution 26/2026/QH16: Tax-to-GDP ratio of 14 – 15% (already achieved); domestic revenue ratio of 86 – 87%; tax debt ratio $\leq 7\%$; 100% of enterprises filing taxes electronically; taxpayer satisfaction index $\geq 95\%$; total State budget revenue (2026 – 2030) projected at ~ VND 16,400 trillion.
②	NINE TAX REFORM ORIENTATIONS: Focus on VAT (single rate structure); Special Consumption Tax (increased rates on tobacco, alcohol, and beer); Import-Export duties (reducing from 32 to 20 rate levels by 2030); Corporate Income Tax (anti-transfer pricing); Personal Income Tax (simplification); Natural resources; Property/Land tax (housing tax); Environmental protection; and Fees/Charges (service-based pricing).
③	FOUR PILLARS OF TAX ADMINISTRATION MODERNIZATION: IT infrastructure modernization; enhanced tax compliance; lean and efficient organizational apparatus; and international integration combined with competitiveness enhancement.
④	INTERNATIONAL INTEGRATION: Completing the international tax legal framework; establishing a specialized international tax unit; increasing the transfer pricing audit rate for FDI enterprises from 1% to 1.5%; maintaining a 100% timely response rate for information exchange requests; and aiming for a 20 – 30% annual increase in the volume of exchange requests.

CONCLUSION

The White Book-Vietnam Taxation 2026 provides a comprehensive overview of the Vietnam national tax system in recent years and serves as a pivotal milestone reflecting the progress of tax administration reform and modernization within the national financial innovation process. By disclosing achievements, addressing existing challenges, and outlining future development orientations in a public and transparent manner, the Department of Taxation, under the Ministry of Finance, aims to enhance public awareness, consensus, and confidence in tax policies and tax administration.

The Department of Taxation-Ministry of Finance, sincerely extends its gratitude to the taxpayer community for their continued partnership, compliance, and fulfillment of fiscal obligations to the State budget. We also express our appreciation to domestic and international agencies and organizations for their effective coordination and support in building, perfecting, and modernizing Vietnam's tax system.

Moving forward, the Department of Taxation-Ministry of Finance, will continue to accelerate institutional reform and tax modernization, building a transparent, efficient, and data-driven digital tax governance framework. This commitment will contribute to the effective mobilization, management, and utilization of financial resources, fostering a favorable environment for citizens and businesses, and advancing the nation's goals of rapid and sustainable development in this new era.

DEPARTMENT OF TAXATION - MINISTRY OF FINANCE

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