

LAW ON CORPORATE INCOME TAX 2025: NEW REGULATIONS ON TAXABLE AND TAX-EXEMPT INCOMES, TAX CALCULATION METHODS FOR ENTERPRISES

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On June 14, 2025, the National Assembly passed the Law on Corporate Income Tax 67/2025/QH15 (**CIT Law 2025**), effective from October 1, 2025 and applicable from the CIT period of 2025. The CIT Law 2025 is developed and promulgated to institutionalize the policies and orientations of the Party and the State on reforming the tax policy system; overcome shortcomings and challenges in the implementation of CIT regulations in the past; ensure consistency and uniformity among domestic legal regulations and in line with the global trend of CIT reform, as well as inherit current CIT regulations that have been proven in practice to have a positive impact on the socio-economic situation. Below are some notable new contents of the CIT Law 2025:

First, the CIT Law 2025 has inherited, amended, and supplemented regulations on **taxable incomes**, typically as follows:

- The CIT Law 2025 inherits the provisions of the CIT Law 2008 and recognizes a number of types of taxable income that have been stipulated in sub-law documents (Decree 218/2013/ND-CP providing details and guidelines for the implementation of the CIT Law 2008, Circular 78/2014/TT-BTC of the Ministry of Finance guiding the implementation of Decree 218/2013/ND-CP), such as incomes from securities transfer, differences in collected fines,

compensations for breach of economic contracts or bonuses for good performance of contractual commitments, sponsorships, received gifts in cash or in kind, etc.

- The CIT Law 2025 supplements the provision that “in the cases where enterprises are required to pay additional corporate income tax regarding Income Inclusion Rule (IIR) according to the provisions of law, the additional corporate income tax payable shall be deducted from the corporate income tax payable in Viet Nam according to the provisions of this Law”. This is consistent with one of the purposes of developing the CIT Law 2025, which is to proactively participate in international initiatives and agreements on implementing Pillar Two of the global minimum tax.

Second, the CIT Law 2025 has amended and supplemented a number of regulations on types of **tax-exempt incomes**, particularly amending and supplementing the regulations on incomes from financial activities to protect the environment and promote sustainable development: Under the CIT Law 2008, these income include “incomes from the transfer of Certified Emissions Reductions (CERs) of enterprises granted with Certified Emissions Reductions”. To cover the incomes from the transfer of various types of emission reductions, such as CERs, VERs (Voluntary



Emission Reductions) and promote the development of carbon credit market and green bond market, the CIT Law 2025 has amended and supplemented this provision as follows: *“Incomes from the first transfer of certified emissions reductions, carbon credits after issuance by enterprises granted with certified emission reductions, carbon credits; incomes from green bond interest; incomes from the first transfer of green bonds after issuance”*.

Third, the CIT Law 2025 has amended a number of provisions on **deductible and non-deductible expenses when determining taxable income**, for example:

- Amending the scope of expenses requiring non-cash payment documents: According to the CIT Law 2008, in cases of invoices for single purchase of goods and services with a value of VND 20,000,000 or more (except for cases where non-cash payment documents are not required by law), non-cash payment documents are required to recognize such expenditures as deductible expenses when determining taxable income. However, the CIT Law 2025 requires *“expenses with sufficient invoices and non-cash payment documents as prescribed by law, except for special cases as prescribed by the Government”* and **“The Government shall provide guidance for this Article, including the additional expense level, requirements, time and scope of application for expenses for research and development activities of enterprises as prescribed in point a, clause 1 of this Article. The Ministry of Finance shall stipulate the dossier of expenses included in deductible expenses as prescribed in point b, **point c**, clause 1 of this Article”**. Thus, while guidance from state agencies is not yet available, all expenses must have sufficient invoices and non-cash payment documents to be recognized as deductible expenses when determining taxable income.
- Amending and supplementing a number of non-deductible expenses when determining taxable income; for example, adding *“expenses for BT, BOT, BTO contract business activities that are not in accordance with or exceed the amount prescribed by law”*; amending *“interest payments for loans for production and business capital of entities that are not credit institutions or economic organizations exceeding 150% of the basic interest rate announced by the State Bank of Vietnam at the time of borrowing”* in the CIT Law 2008 to *“interest payments for loans for production and business capital to entities that are not credit institutions exceeding the level prescribed by the Civil Code”* so that the provisions are compatible with applicable regulations in the Law on Credit Institutions and the Civil Code 2015, etc.

Fourth, the CIT Law 2025 has added a number of provisions on **tax rates**, including the addition of a **15% tax rate** applicable to enterprises with a total annual revenue of no more than 3 billion Vietnamese dong and a **17% tax rate** applicable to enterprises with a total annual revenue of over 3 billion Vietnamese dong and no more than 50 billion Vietnamese dong. The revenue used as the basis for determining enterprises eligible for the 15% and 17% tax rates mentioned above is the total revenue of the previous CIT period. The total revenue used as the basis for the application is determined according to the Government’s regulations. This provision is added to encourage small-scale enterprises as well as to foster a long-term source of revenue for the state budget.

It should be noted that the above tax rates do not apply to certain types of incomes, such as incomes from capital transfer, transfer of capital contribution rights; incomes from real estate transfer, except for incomes from investment in social housing construction as prescribed in the CIT Law 2025; incomes from transfer of investment projects (except for transfer of mineral processing projects), transfer of rights to participate in investment projects, etc. These tax rates do not apply to subsidiaries or affiliated companies where the enterprise in affiliation does not meet the conditions for applying the above tax rates of 15% and 17%.

The CIT Law 2025 is an important legal normative document for the production and business activities of enterprises, with many major changes in declaring and paying CIT. In addition to the analyzed contents, the CIT Law 2025 also amends a number of other contents, such as increasing the maximum deduction rate of annual taxable income to establish the Science and Technology Development Fund of enterprises from 10% (CIT Law 2008) to 20%, revising regulations related to CIT incentives, etc. It is necessary for enterprises to update the new contents of the CIT Law 2025, especially its guiding documents in the future (if any), to promptly apply the new relevant regulations and ensure their rights and interests. Should you wish to gain a deeper understanding of the regulations of the CIT Law 2025 as well as other tax-related matters, kindly contact NHQuang&Associates for legal support and advice.

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