



Law No. 56/2024/QH15 Amending 9 Laws, Including Law On Tax Administration, Law On Accounting

Circular 86/2024/TT-BTC Regulating Tax Registration

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# LAW NO. 56/2024/QH15 AMENDING SEVERAL LAWS, INCLUDING LAW ON TAX ADMINISTRATION AND LAW ON ACCOUNTING

Law No. 56/2024/QH15, enacted on 29 November 2024 and effective on 1 January 2025, amends several laws, including the Law on Tax Administration and Law on Accounting ("Law No. 56/2024/QH15").

#### 1. <u>Tax Registration, Declaration, and Payment Obligations for Foreign Suppliers</u>

Under the Law on Tax Administration 2019, foreign suppliers providing e-commerce, digital platform-based business, and other services without a permanent establishment in Vietnam must directly or through a representative register, declare, and pay taxes in Vietnam as outlined by the Ministry of Finance. However, Law No. 56/2024/QH15 expands this obligation to include all foreign suppliers, removing the condition of having a permanent establishment. As a result, both foreign suppliers with and without a permanent establishment are now subject to this regulation.

### 2. <u>E-Commerce Platforms Must Declare and Pay Taxes on Behalf of Sellers</u>

According to Law No. 56/2024/QH15, a new provision related to e-commerce activities has been introduced: From 1 April 2025, e-commerce platform operators, digital platform managers with payment functions, and other organizations engaged in digital economy activities are required to withhold, declare, and pay taxes on behalf of sellers (including household businesses and sole proprietors).

#### 3. A mandatory requirement on accounting documents has been abolished

Under Law No. 56/2024/QH15, including the name and address of the agency, organization, unit, or individual receiving accounting documents is no longer mandatory. However, businesses may still include this information on accounting documents if needed, based on the nature of the economic and financial transactions.

### 4. <u>Accounting documents are only required to be translated into Vietnamese</u> when requested by state agencies

Under the Accounting Law 2015 (guided by Decree 174/2016/ND-CP), accounting documents, books, and financial statements must be translated into Vietnamese, except for accompanying documents like contracts, payment-related documents, investment project records, settlement reports, and other related documents.



Under Law No. 56/2024/QH15, all foreign language accounting documents, except financial statements, need not be translated into Vietnamese only unless requested by the relevant state authority.

## 5. Adding additional methods for verifying electronic documents besides digital signatures

Under Law No. 56/2024/QH15, alongside digital signatures, additional methods for verifying electronic documents have been introduced to increase flexibility in handling electronic transactions. These methods may include authentication codes, OTPs, or other legally recognized electronic verification solutions, improving convenience and security in managing electronic documents.

## CIRCULAR 86/2024/TT-BTC REGULATING TAX REGISTRATION

Circular 86/2024/TT-BTC regulating tax registration, enacted on 23 December 2024 and effective on 6 February 2025, replaces Circular 105/2020/TT-BTC ("Circular 86/2024/TT-BTC"), has the following new main contents:

## 1. <u>Using Personal Identification Numbers Instead of Tax Identification Numbers</u> <u>from 1 July 2025</u>

According to Circular 86/2024/TT-BTC, the personal identification number issued by the Ministry of Public Security under the law on identity cards, consisting of a 12-digit natural number, will replace the current tax number for taxpayers who are individuals or dependents.

The current tax numbers issued by tax authorities to individuals, households, or household businesses will remain valid until 30 June 2025. From 1 July 2025, taxpayers, tax authorities, and other related agencies, organizations, or individuals using tax identification numbers will switch to using personal identification numbers instead.

### 2. <u>Changes to Tax Registration Forms</u>

The tax registration forms issued with Circular 86/2024/TT-BTC have been revised compared to those in Circular 105/2020/TT-BTC. Tax registration documents, amendments to tax registration information, requests for temporary business suspension, termination of tax identification number validity, and reactivation of tax identification numbers submitted to tax authorities before the effective date of Circular 86/2024/TT-BTC (i.e., 6 February 2025), will continue to be processed under the tax administration laws applicable at the time of submission.



## RESOLUTION NO. 174/2024/QH15 ON CONTINUING TO REDUCE VALUE-ADDED TAX

Resolution No. 174/2024/QH15, enacted on 30 November 2024 and effective on 1 January 2025, on continuing to reduce value-added tax ("Resolution 174/2024/QH15").

According to Resolution 174/2024/QH15, the National Assembly has decided to keep the reduced VAT rate of 8% (previously 10%) for certain groups of goods and services from 1 January 2025 to 30 June 2025. However, this tax reduction policy excludes specific sectors such as telecommunications, information technology, finance, banking, insurance, and real estate businesses.

This policy aims to support economic and social recovery and development post-pandemic while alleviating cost burdens for citizens and businesses.

## DECREE 158/2024/ND-CP REGULATIONS ON ROAD TRANSPORT ACTIVITIES

Decree 158/2024/ND-CP on regulations on road transport activities, enacted on 18 December 2024 and effective on 1 January 2025 ("Decree 158/2024/ND-CP"). Accordingly, there are several new points related to passenger transport vehicles operating under hire contracts. We summarize its key provisions below.

#### 1. Passenger transport vehicles operating under contracts must display signage

Decree No. 158/2024/ND-CP stipulates that vehicles must have the "CONTRACTED VEHICLE" signage in the prescribed format and size, affixed permanently at the upper-right corner, just below the inspection stamp on the inside of the front windshield. The signage must be reflective and visible on the front and rear windshields. If the signage is displayed using electronic devices, the phrase "CONTRACTED VEHICLE" must always be illuminated, with a minimum size of 6 x 20 cm.

### 2. <u>Transport Contracts must be signed before commencing transportation</u>

For passenger transport vehicles <u>operating for hire under contract</u>, the written transport contract must be negotiated and signed before the commencement of transportation between the passenger transport company and the transport hirer, including cases where the driver is hired.



In cases where transport business units use passenger cars with 8 or more seats (excluding the driver's seat) or cars redesigned to have fewer than 8 seats from vehicles originally designed with more than 8 seats (excluding the driver's seat), the contract vehicles cannot confirm bookings for individual passengers outside the signed contract, sell tickets, collect additional payments beyond the signed agreement, or set fixed routes or schedules to serve multiple passengers of different contracting parties or transport hirers simultaneously.

For contract vehicles with fewer than eight seats (excluding the driver's seat), the transport vehicles can combine individual passengers who are not part of the same group for transportation.

### 3. <u>Drivers must pick up and drop off passengers at locations specified in the</u> contract

Drivers are only allowed to pick up and drop off passengers at the correct locations in the signed transport contract; are not allowed to collect or pick up passengers outside the list attached to the signed contract provided by the transport business unit; are not allowed to pick up and drop off passengers at the head office, branch office, representative office or at another fixed location rented or cooperated with by the transport business unit on the route.





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