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Circular No. 39/2025/TT-BCT on maximum limits on the value of goods and services used for promotion, maximum discount rates for promoted goods and services

Amended enterprises law effective from July 01, 2025, and Decree 168/2025/ND-CP on enterprise registration guidance

Decree 70/2025/ND-CP amending Decree 123/2020/ND-CP regulating invoices and documents

Circular 32/2025/TT-BTC guiding the implementation of the law on tax administration, Decree 123/2020/ND-CP regulating invoices and documents, Decree 70/2025/ND-CP amending Decree 123/2020/ND-CP

Decree 23/2025/ND-CP regulating electronic signatures and trusted services

Decree 87/2025/ND-CP regulates land rent reduction in 2024

CIRCULAR NO. 39/2025/TT-BCT ON MAXIMUM LIMITS ON THE VALUE OF GOODS AND SERVICES USED FOR PROMOTION, MAXIMUM DISCOUNT RATES FOR PROMOTED GOODS AND SERVICES

Circular No. 39/2025/TT-BCT dated June 22, 2025, of the Ministry of Industry and Trade ("**Circular39**"), effective from July 01, 2025, sets out detailed rules on the maximum value of goods and services used for promotion and the maximum discount rates traders may apply.

1. Scope of application

Circular 39 applies to all traders engaged in promotional activities, including:

- Those conducting promotions directly or through distribution systems such as wholesalers, retailers, agents, or franchisees.
- Traders providing promotional services on behalf of others.
- Organizations and individuals engaged in trade promotion activities as provided under Article 91 of the 2005 Commercial Law are also subject to this Circular. Specifically, Vietnamese traders, their branches, and branches of foreign traders in Vietnam are entitled to conduct promotions or engage others to do so. Representative offices, however, are not permitted to conduct or commission promotional activities in Vietnam.

2. Limits on the value of promotional goods and services

In general, the material value used for promotion in respect of a unit of goods or services shall not exceed 50% of the selling price of such goods or services immediately before the promotion period. This limitation does not apply to the following types of promotions:

- Organizing customer participation in cultural, artistic, entertainment programs, and other events for promotional purposes.
- Other forms of promotion are approved by the competent state authority responsible for commerce.
- Offering samples of goods or services for customers to try free of charge.
- Giving goods or services free of charge, not tied to a purchase.

- Sales promotions involving contest entries and prize draws based on published rules.
- Promotions involving games of chance where prize winners are determined by luck.
- Customer loyalty programs that are based on the quantity or value of goods or services purchased, such as point cards or similar programs.

Additionally, the total value of promotional goods and services *in a single promotion program* is capped at 50% of the total value of the goods and services being promoted. This limitation does not apply to the following types of promotions:

- Organizing customer participation in cultural, artistic, entertainment programs, and other events for promotional purposes.
- Other forms of promotion are approved by the competent state authority responsible for commerce.
- Offering samples of goods or services for customers to try free of charge.
- Giving goods or services free of charge, not tied to a purchase.

A 100% promotional value cap applies in the following cases:

- Promotions under trade promotion programs approved by the competent central authorities.
- “Centralized promotions” implemented under decisions of competent central or provincial authorities to support economic development policies.
- Promotions during holidays under labor laws, including up to 30 days before the Lunar New Year and other holidays within the statutory period.

3. **Valuation of promotional goods and services**

The value of promotional goods and services is determined as follows:

- Goods/services not produced or supplied by the promoting trader are based on the purchase price paid by the trader or the market price at the time of announcement.
- Goods and services directly produced, imported, or supplied by the promoting trader are based on production costs or import prices.

4. **Maximum discount rate for promotional goods and services**

The maximum discount applicable to goods and services in a promotion is capped at 50% of the pre-promotion selling price. A 100% discount cap is permitted under centralized promotion programs, i.e., government-sponsored promotions, as described above.

No discount cap applies in the following cases:

- Goods or services subject to state price stabilization policies.
- Fresh food products.
- Goods or services from businesses undergoing bankruptcy, dissolution, relocation, or changes in business lines.

AMENDED ENTERPRISES LAW EFFECTIVE FROM JULY 01, 2025, AND DECREE 168/2025/ND-CP ON ENTERPRISE REGISTRATION GUIDANCE

On June 17, 2025, the National Assembly adopted the 2025 Amended Enterprises Law, which takes effect on July 01, 2025. The amendments introduce new concepts and clarify existing provisions to strengthen transparency, accountability, and corporate governance across Vietnamese enterprises. On June 30, 2025, the Government also passed Decree 168/2025/ND-CP, providing more specific guidance for enterprise registration, which came into effect on July 1, 2025.

1. **Definition of beneficial owner**

Under the 2025 Amended Enterprises Law, a “beneficial owner” is defined as a natural individual who ultimately *owns or controls* an enterprise, except where they act solely as the representative of the State in:

- Enterprises where the State holds 100% of charter capital, or
- Joint stock companies or multi-member LLCs with State capital, as governed under State capital management laws.

According to Decree 168 on business registration, enterprises determine beneficial owners according to one of the following criteria:

- A person directly owning *at least 25%* of the charter capital or voting shares; or
- A person indirectly owning *at least 25%* of the charter capital or voting shares; or
- A person with decisive control over the adoption of at least one of the key matters, such as:
 - appointment, dismissal, or removal of the majority or all members of the Board of Directors, Chairman of the Board of Directors, Chairman of the Members' Council; legal representative, director, or general director of the enterprise;
 - amendment or supplementation of the enterprise's charter;
 - change of the organizational structure of company management;
 - reorganization or dissolution of the company

According to Decree 168, "controlling rights" shall be understood as follows: if the consent of such an individual is not obtained, the enterprise's decisions relating to any of the matters specified shall not be passed even though the required voting ratio under a company charter is met. Controlling rights are established through private agreements with members, such as shareholder or joint venture agreements. Accordingly, such rights are relatively uncommon and are determined by the enterprise itself. In the absence of such private contracts, this provision shall not apply.

In addition, although Decree 168 does not include organizational shareholders as a "beneficial owner," it imposes a notification obligation on shareholders that are organizations. Specifically, where a shareholder is an organization that directly holds 25% or more of the voting shares, the enterprise or its founder must declare and notify the provincial-level Business Registration Authority of that shareholder's details, including:

- Name of the organization.
- Enterprise code or establishment decision number.
- Date and place of issuance.
- Registered head office address.
- Percentage of ownership of total voting shares.

2. **Enterprise obligations**

Enterprises must:

- Update, register information on beneficial owners to the competent authority (e.g., provincial Business Registration Office), including: (i) the individual directly owning at least 25% of the charter capital or voting shares; (ii) the individual who has the controlling rights as explained above; and (iii) organizational shareholders that directly hold at least 25% of the total voting shares. To avoid doubt, enterprises do not have to report individual or organizational entities indirectly owning at least 25% of the charter capital or voting shares. The reporting requirement applies regardless of whether the government might already have the information requested. For instance, where Vietnamese entity is a single member limited liability company, the licensing authorities might already have required information of the owner. Nevertheless, registration would be required.
- Declare beneficial owner details upon establishment or within 10 days of any changes to details mentioned above.
- Retain such information at the head office or another location specified in the company charter.
- Ensure the accuracy and truthfulness of reported data.

3. **Market value of capital contributions and shares**

The 2025 Amended Enterprises Law introduces more explicit rules on determining the market value of capital contributions and shares. Depending on whether the shares are listed or not, the value may be based on recent market prices, agreed prices between parties, or valuations by licensed valuation firms. Specifically, for listed or registered shares, the value may be based on (i) the average trading price over the past 30 days, (ii) the negotiated price between the parties, or (iii) the valuation by a licensed valuer.

For unlisted capital contributions or shares, the market value may be (i) the most recent transaction price, (ii) the negotiated price, or (iii) a valuation by a licensed organisation.

4. **Strengthened Prohibitions on False Declarations and Capital Misrepresentation**

Recent amendments to Article 16 of the Enterprises Law also reinforce strict prohibitions against falsification, dishonest declarations, and inaccurate information in the registration of enterprises, including falsely declaring charter capital, such as failing to contribute the full registered amount without duly registering a capital reduction, and intentionally misvaluing contributed assets.

DECREE 70/2025/ND-CP AMENDING DECREE 123/2020/ND-CP REGULATING INVOICES AND DOCUMENTS

Decree No. 70/2025/ND-CP, dated March 20, 2025, of the Government ("Decree 70"), effective from June 1, 2025, sets out amendments to the rules on e-invoices and documents under Decree 123/2020/ND-CP, including updated invoice issuance timelines and procedures for correcting and replacing invoices.

1. Timing for invoice issuance and submission

- For exported goods, invoices must be issued no later than the next working day after customs clearance.
- E-invoices must be digitally signed and submitted to the tax authority no later than the next working day from the date of issuance.
- The seller's tax declaration date is the date the invoice is issued. The buyer's tax declaration date is the date of receipt of a complete and valid invoice.

2. Principles for handling e-invoice errors

Decree 70 provides detailed instructions depending on the nature and status of the invoice:

- **Before sending to buyer:** A replacement invoice must be issued with correct details, noting: "Replaces Invoice Form No... Serial No... Invoice No... Date..."
- **After sending to the buyer:** No new invoice is required; the buyer must be notified.
- **Incorrect buyer name/address** (but correct tax code): Seller must notify the tax authority using Form 04/SS-HĐĐT.
- **Critical errors** (e.g., wrong tax identification number, incorrect invoice amount, VAT rate, VAT amount, or incorrect product specifications or quality):
 - The seller and buyer (if the buyer is an organization or enterprise) must prepare a written agreement specifying the incorrect details.
 - To correct specific items on the original invoice, the seller must issue an adjustment e-invoice, stating: "Adjustment for Invoice Form No... Serial No... Invoice No... Date...", and clearly describing the changes (e.g., quantity, price, VAT rate increase/decrease).

- To correct the entire invoice, the seller must issue a replacement e-invoice, stating: "Replaces Invoice Form No... Serial No... Invoice No... Date..." ..
- The seller shall digitally sign the adjustment or replacement invoice and send it to the buyer, and also submit the invoice data to the tax authority.
- **Discounts/promotions/construction changes:** A new invoice is issued showing (+/-) differences for the current period.
- **Returned goods or price reductions:** Only adjustment invoices are allowed (no replacements).
- **Same error occurs across multiple invoices for the same buyer in the same month:** A single adjustment or replacement invoice may be used, accompanied by a detailed list of the original erroneous invoices.
- **Missing required remarks on adjustment/replacement invoices:** the invoice will be invalid.

CIRCULAR 32/2025/TT-BTC GUIDING THE IMPLEMENTATION OF THE LAW ON TAX ADMINISTRATION, DECREE 123/2020/ND-CP REGULATING INVOICES AND DOCUMENTS, DECREE 70/2025/ND-CP AMENDING DECREE 123/2020/ND-CP

Circular 32/2025/TT-BTC ("**Circular 32**"), issued by the Ministry of Finance on May 31 2025 and effective from June 01 2025, provides detailed guidance on the implementation of the Law on Tax Administration, Decree 123/2020/ND-CP on invoices and documents, and its amendments under Decree 70/2025/ND-CP. Key contents of Circular 32 are as follows:

1. Authorization to issue e-invoices:

Organizations and enterprises may authorize a third party to prepare and issue electronic invoices on their behalf. Such authorization must be made in writing and submitted to the tax authority when registering for e-invoice usage.

2. Criteria for identifying high-risk taxpayers in e-invoice usage:

Circular 32 introduces a set of risk indicators to identify taxpayers likely to misuse e-invoices. These include, but are not limited to:

- Owners or legal representatives flagged for potential anti-money laundering violations.
- Operating business locations outside the province/city of their registered head office.
- Having prior administrative sanctions related to invoice violations.
- Accumulating long-term tax debts.
- Abandoning their registered business address or lacking real activities or supporting documentation of business operations.

DECREE 23/2025/ND-CP REGULATING ELECTRONIC SIGNATURES AND TRUSTED SERVICES

Decree No. 23/2025/ND-CP ("**Decree 23**"), issued on February 21, 2025, and effective from April 10, 2025, provides regulations on electronic signatures and trusted services.

Decree 23 provides detailed requirements for Safety Ensured Specialized E-Signature. Such signatures must meet the conditions outlined in Article 22.2 of the 2023 Law on Electronic Transactions, including identity verification, sole control by the signatory, and verifiability. They are valid for internal operations, professional activities within the same sector, or transactions with third parties. When backed by a digital certificate, they hold the same legal value as handwritten signatures.¹ The enterprise may apply for such Safety Ensured Specialized E-Signature to the competent authorities.

DECREE 87/2025/ ND-CP REGULATES LAND RENT REDUCTION IN 2024

Decree No. 87/2025/ND-CP ("**Decree 87**"), issued and effective as of April 11, 2025, provides regulations on the reduction of land rent applicable in 2024.

Under Decree 87, enterprises that lease land directly from the State under an annual payment scheme may be eligible for a 30% reduction in land rent for the year 2024.

To qualify for this incentive, the enterprise must satisfy two key conditions:

¹ According to Article 23.2 of the 2023 Law on Electronic Transactions.

- Land Lease Agreement: The company must have a land lease agreement signed with the competent state authority and must pay rent on an annual basis.
- Land Use Rights Certificate: The company must provide the Land Use Rights Certificate or documents proving its legal land use rights to ensure eligibility for the land rent reduction.

In addition to these eligibility criteria, Decree 87 also outlines detailed procedures for submitting applications for rent reduction. This measure aims to ease the financial burden on businesses and support broader economic recovery efforts.



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