

# DECISION NO. 508/QĐ-TTg – APPROVAL OF THE TAX SYSTEM REFORM STRATEGY UNTIL 2030



The Prime Minister issued Decision No. 508/QĐ-TTg dated 23 April 2022 on approving the Tax System Reform Strategy until 2030.

## 1. The key strategic objectives

The strategy targets to synchronize Vietnam's tax policies with global good practices.

Regarding the tax administration reform, it is aimed to have:

|   | By 2025   | By 2030   |
|---|---|---|
| Taxpayers' satisfaction rate  | At least 90%                                      | At least 95%                                      |
| The rate of taxpayers being assisted online   | At least 70%                                      | At least 90%                                      |
| The rate of tax declaration, payment, refund, and exemption conducted electronically    | At least 98% by businesses and 85% by individuals | At least 98% by businesses and 90% by individuals |
| The rate of tax refunds and exemption applications processed on time by tax authorities | At least 98%                                      | At least 98%                                      |

## 2. Tax policy reformation measures

| No. | Type of taxes                 | Reformation measures  |
|-----|-------------------------------|---|
| 1   | Value-added tax (VAT)         | <ul style="list-style-type: none"> <li>Enlarge the tax base by diminishing the group of goods and services which exempt from VAT and subject to the 5% tax rate</li> <li>Apply a single VAT rate</li> <li>Review the revenue threshold subject to VAT reduction method</li> <li>Review and simplify regulations on VAT applicable to exported goods and services</li> </ul> |
| 2   | Special consumption tax (SCT) | <ul style="list-style-type: none"> <li>Evaluate and supplement products subject to SCT</li> <li>Develop a roadmap to increase SCT on tobacco, beer and liquor to limit manufacturing and consumption thereof as well as fulfill international commitments</li> <li>Review SCT rates on some certain products</li> </ul>   |

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| No. | Type of taxes   | Reformation measures  |
|-----|---|---|
| 3   | Import and export duty  | <ul style="list-style-type: none"> <li>Reduce the number of import tax rates from 32 to 25 by 2025, and 20 by 2030</li> <li>Evaluate import and export tax policies to stimulate exports, encourage the increase of domestic value, and limit the export of raw resources and minerals</li> <li>Review regulations on-the-spot imports and exports, and non-tariff zones to mitigate tax evasion</li> </ul>   |
| 4   | Corporate income tax (CIT)  | <ul style="list-style-type: none"> <li>Improve or abolish CIT incentives that no longer satisfy development and international integration requirements</li> <li>Grant CIT incentives to small and extra-small enterprises</li> <li>Shift the emphasis on foreign investment attraction from quantity to quality</li> <li>Encourage investment in key industries and preferred areas</li> <li>Enforce standards for transfer pricing and BEPS</li> </ul> |
| 6   | Personal income tax (PIT)   | <ul style="list-style-type: none"> <li>Review taxable and non-taxable items</li> <li>Impose simple conditions in PIT finalization on both taxpayers and tax authorities</li> </ul>  |
| 7   | Natural resources tax (NRT)   | <ul style="list-style-type: none"> <li>Examine the policies regulating the tax base for determining NRT</li> </ul>  |
| 8   | Property-related taxes (including agricultural and non-agricultural land use taxes) | <ul style="list-style-type: none"> <li>Grant exemption from agricultural land use tax until the end of 2025</li> <li>Encourage the effective use of real property, contributing to limiting the speculation in real estate</li> </ul>   |
| 9   | Environment protection tax (EPT)  | <ul style="list-style-type: none"> <li>Evaluate and supplement items creating pollution to subject EPT</li> </ul>   |

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