

Tax Rates

Vietnam have a wide range of taxes including Income tax, Value Added Tax, Custom Duties, Individual Income Tax, Land Tax, Consumption Tax, etc.

Main taxes and the related tax rates:

Tax	Rate
Value Added Tax	0%; 5%; 10%
Corporate Income Tax	20% ; 22%
Special Consumption Tax	10% - 70%
Personal Income Tax	5% - 35 %
Land use right transfer Tax	2% Value or 25% Value Added
Import tax and export tax	0% - 40%
Natural resource tax	4% - 15%
House and land tax	0.03% - 0.15%

Highlights

Applying the rate of 10 % for:

- Income from business carried out on social activities in the fields of education - training, vocational training, health, culture, sports and the environment;
- Income from press agencies operating printing press, including newspaper advertisements in accordance with the provisions of the Press Law; income of the agencies from publishing activities under the provisions of Law Publishing;
- Income of cooperative activities in the field of agriculture, forestry, fisheries, salt mining.

We table some industries/areas which enjoy the corporate income tax incentive for reference.

Industries	CIT incentive	Valid period
Income from the business of implementing new investment projects in the areas of particularly difficult economic social conditions; Economic zones; Hi-tech parks	4 years exempted + 9 years 50% reduction	From the first income-generating year
+ Business's income from new investment project in the difficult economic – social condition areas	2 years exempted + 4 years 50% reduction	From the first income-generating year
+ Business's income from new investment projects, including: high – grade steel production; production of energy-saving products; manufacturing machinery and equipment for agriculture, forestry, fishery and salt; manufacturing irrigation equipment; production and refining animal feed, poultry and aquatic products; development of traditional industries.		
+ Business' income from new investment project in Industrial Zone		

Current Tax Reforms

- Prime Minister issued Decision No. 732/QD-TTg on 17/05/2011 approving the strategy of tax system reform for 2011-2020. The overall objective of the strategy is defined as: “To build a uniform tax policy, that is consistent, fair and efficient.
- From 01/01/2016 Corporate Income Tax is 17% - 20%.

Outlook

Economic Outlook of Vietnam for 2014

- Forecast GDP growth of 5.6% to 6.0%
- Forecast headline inflation of 6.0% to 7.0%

All businesses in Vietnam benefit from:

- Political stability
- Economic stability, able to withstand the global financial turmoil which affected other economies in the region
- Stable fiscal and monetary management.