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TAX ALERT
CIRCULAR NO. 89/2026/TT-BTC ON TAX ADMINISTRATION

New regulations on tax administration affects numerous Vietnamese enterprises in Vietnam

On 30 June 2026, the Ministry of Finance issued Circular No. 89/2026/TT-BTC ("Circular 89"), effective from 1 July 2026, providing detailed guidance on the implementation of tax administration regulations under the new Law on Tax Administration and Decree 252. Circular 89 simultaneously replaces, consolidates and updates a number of previous guiding documents on tax administration, including Circular No. 80/2021/TT-BTC, Circular No. 19/2021/TT-BTC and related amending documents, while also abolishing Circular No. 103/2014/TT-BTC on tax administration for foreign contractors.

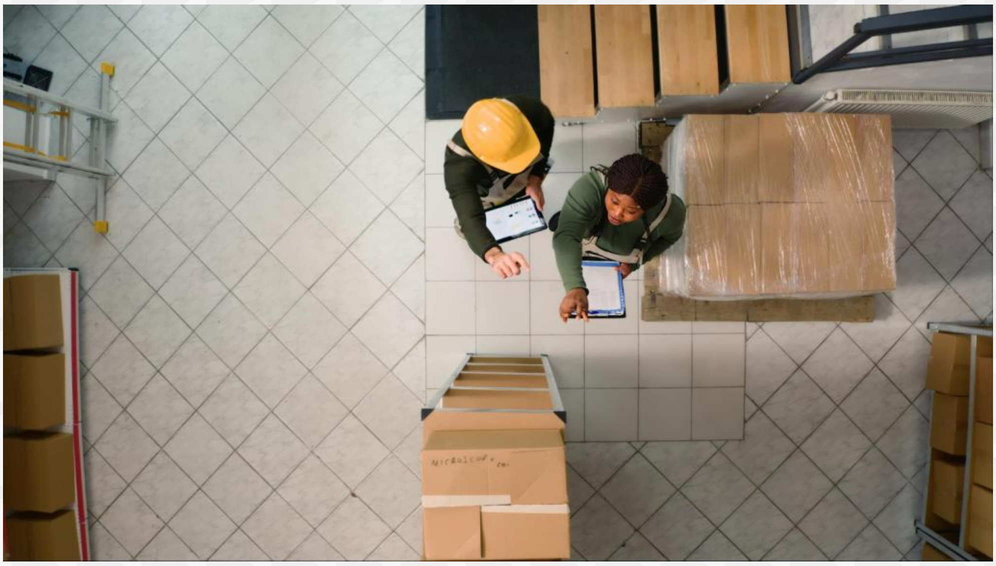
Given that Circular 89 covers a broad range of matters, replaces numerous prior guiding documents, and has a significant impact on tax administration practices, we would like to summarize and share some notable new points below:

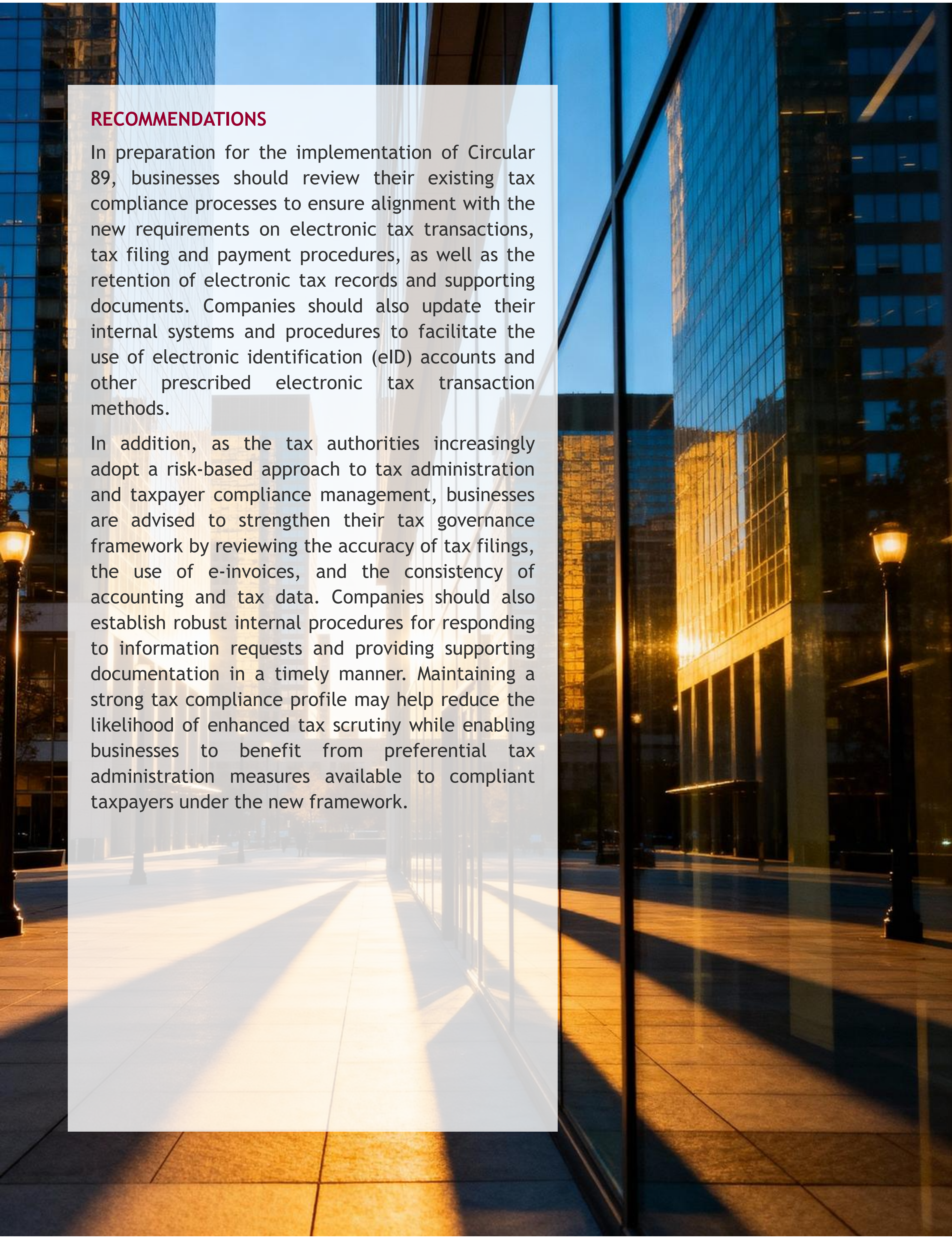
- Circular 89 consolidates tax administration regulations by replacing 10 existing circulars, including but not limited to Circular No. 80/2021/TT-BTC, Circular No. 103/2014/TT-BTC on foreign contractor tax, and Circular 19/2021/TT-BTC on electronic transactions. This consolidation provides a unified framework for implementing the Law on Tax Administration and facilitates taxpayers in navigating and applying tax administration regulations.
- The Circular supplements and standardizes regulations on electronic transactions in the tax field, including guidance on electronic dossiers and documents, tax registration, tax declaration, tax payment, and the electronic exchange of information between taxpayers and tax authorities, thereby establishing a unified legal basis for carrying out tax procedures in an electronic environment.
- The Circular issues a synchronized new set of forms for use in tax administration, replacing the forms previously prescribed under various circulars, thereby standardizing the forms used for tax registration, declaration, payment, refund and administration procedures.

- Updates regulations on electronic transactions in the tax field, including:
  - Establishes a unified regulatory framework for electronic tax transactions, clarifying the scope of transactions between taxpayers and tax authorities, between tax authorities and relevant state agencies and organizations, as well as the connection with T-VAN service providers and electronic payment systems.
  - Requires taxpayers to use electronic tax transaction accounts when conducting electronic tax transactions, whereby electronic identification accounts (eID) are recognized as the preferred form of account in accordance with regulations on electronic identification and authentication. The Circular also clarifies the information systems permitted for conducting electronic tax transactions, the principles for registering and changing transaction methods, and the requirement that taxpayers must not submit duplicate dossiers through multiple electronic channels, except in cases where the system encounters technical issues.
  - Specifies that taxpayers are considered to have received tax authorities' notices, decisions, and other electronic documents at the time when the system records successful delivery to the taxpayer's electronic tax transaction account or registered electronic address. Once a transaction has been completed through the prescribed electronic method, taxpayers are not required to repeat the same procedures through other methods. Specifically, tax authorities must notify the acceptance or non-acceptance of tax dossiers within a maximum period of one working day for most tax dossiers and three working days for certain specific dossiers, such as tax refund, tax exemption, or tax reduction applications.
  - Clarifies that the time when a taxpayer is considered to have completed the submission of an electronic tax dossier is the time when the Tax Administration Information System receives a complete and valid dossier, and as recorded in the electronic tax dossier receipt notice sent to the taxpayer. The tax authority will use this time as the basis for determining the dossier submission, calculating late submission periods, and determining the processing timeline for the dossier.

- The Circular also updates and refines guidance on tax declaration, payment and administration, including regulations on tax filing, allocation of tax obligations, extension of tax payment deadlines, and the handling of tax amounts, late payment interest and penalties under the Law on Tax Administration. Building on existing regulations, Circular 89 supplements and clarifies several important provisions, including:
  - The Circular supplements guidance on determining, selecting and changing the value-added tax ("VAT") declaration period. Accordingly, newly established taxpayers may elect to declare VAT on a quarterly basis, and after 12 full months of operation, the declaration period will be determined based on revenue of the preceding year. Taxpayers eligible for quarterly declaration may choose to declare either monthly or quarterly, and must maintain that method consistently throughout the calendar year; where a taxpayer switches from monthly to quarterly declaration, it must register with the tax authority before 31 January of the year of application. Once the tax authority approves the change in tax period, the taxpayer may declare VAT on a quarterly basis from the registered year onward.
  - Clarifying the obligation to declare and finalize foreign contractor tax, whereby finalization declarations upon termination of a contractor agreement are only required where there is a change to the amount of tax previously declared and paid.
- Introduces a mechanism for classifying taxpayers by risk level and compliance category (good compliance, medium compliance, low compliance, and non-compliance). Under this mechanism, tax authorities will analyze and assess taxpayers based on criteria such as location of operations, scale, business sector, characteristics of tax obligations, compliance history, and tax risk indicators, drawing on tax administration databases and information shared by relevant agencies and organizations. Based on the classification results, tax authorities will apply appropriate administration measures, whereby taxpayers with good compliance and low risk may receive preferential treatment, while high-risk or low-compliance cases will be subject to enhanced monitoring and administration.
- Strengthens risk management in VAT refunds. Circular 89 adds a provision that dossiers for the refund of unutilized input VAT of enterprises or organizations undergoing dissolution or bankruptcy will be classified as subject to pre-refund inspection.

- Circular 89 provides for post-refund inspection of dossiers subject to pre-refund processing, with such inspections to be conducted on a risk-management basis and within 5 years from the date the tax authority issues the tax refund decision.
- With respect to tax inspection activities, Circular 89 supplements and refines a number of provisions on authority, procedures, and handling mechanisms to enhance the effectiveness of tax administration. Notable changes include:
  - Establishes a mechanism for inspections conducted at the tax authority's headquarters, with its own procedures, including an inspection decision, inspection minutes, and an inspection period not exceeding 10 working days. This means that dossier inspections at the tax authority's headquarters are now more comprehensively regulated and are no longer limited to requests for taxpayer explanations, as was previously the case.
  - The Circular supplements provisions on re-inspection within tax inspection activities, clarifying the authority, timeline, and procedures involved. Accordingly, re-inspection must be conducted within a statute of limitations of 2 years from the date the inspection conclusion or the decision on handling of administrative violations relating to tax administration is issued.
  - Introduces a mechanism for online and remote tax inspections conducted electronically. Under this mechanism, the entire process of providing explanations, exchanging information, preparing minutes, and issuing conclusions and handling decisions may be carried out in an electronic environment and executed with electronic signatures. Where the electronic data is insufficient to reach a conclusion, the tax authority will conduct a direct inspection at the taxpayer's headquarters in accordance with regulations.





RECOMMENDATIONS

In preparation for the implementation of Circular 89, businesses should review their existing tax compliance processes to ensure alignment with the new requirements on electronic tax transactions, tax filing and payment procedures, as well as the retention of electronic tax records and supporting documents. Companies should also update their internal systems and procedures to facilitate the use of electronic identification (eID) accounts and other prescribed electronic tax transaction methods.

In addition, as the tax authorities increasingly adopt a risk-based approach to tax administration and taxpayer compliance management, businesses are advised to strengthen their tax governance framework by reviewing the accuracy of tax filings, the use of e-invoices, and the consistency of accounting and tax data. Companies should also establish robust internal procedures for responding to information requests and providing supporting documentation in a timely manner. Maintaining a strong tax compliance profile may help reduce the likelihood of enhanced tax scrutiny while enabling businesses to benefit from preferential tax administration measures available to compliant taxpayers under the new framework.

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