

Vietnam Capital Gains Tax

QUICK GUIDE for Calculating Tax Liabilities on the Disposal of Capital/ Securities in Vietnamese Companies

Seller: TAX RESIDENT

(eg, Vietnamese entities and individuals)

Corporate Entity Disposing

Gains on disposal of capital/ securities in a Vietnamese entity (including a Limited Liability Company or Joint Stock Company) are subject to Corporate Income Tax at the standard rate of 20% on the gain, and treated as "other income".

Individual Disposing

Disposal of Securities (Joint Stock Company)

Personal Income Tax is levied at the rate of 0.1% of the proceeds.

Disposal of Capital (Limited Liability Company)

Personal Income Tax is levied on gains from transfers of capital at a rate of 20% on the gain.

Seller: NON-TAX RESIDENT

(eg, foreign entities and individuals)

Corporate Entity Disposing

Disposal of Securities (Joint Stock Company)

Corporate Income Tax is levied at the rate of 0.1% of the proceeds.

Disposal of Capital (Limited Liability Company)

Corporate Income Tax is levied on gains from transfers of capital at a rate of 20% on the gain.

Individual Disposing

Gains on disposal of capital/ securities in a Vietnamese entity (including a Limited Liability Company or Joint Stock Company) are subject to Personal Income Tax at the a rate of 0.1% of the proceeds.

Tax Declarations & Payments

Responsibility for declaring and remitting taxes on gains from disposal of capital/securities in Vietnamese companies rests with:

Seller	Buyer	Obligation for Declaring and Remitting Tax	Time of Tax Declaration
Vietnamese Entity	Any	Seller	Year-end CIT Finalisation
Offshore Entity	Vietnamese Entity	Buyer	When each transaction occurs
Offshore Entity	Offshore Entity	Vietnamese Target Company	When each transaction occurs
Non-Tax Resident Individual	Vietnamese Entity/Tax Resident Individual	Buyer	Monthly/Quarterly basis
Tax resident Individual	Any	Seller	When each transaction occurs

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Other Matters

Anti-avoidance provisions

Where transfer values are not documented, or tax authorities believe the values declared are not reflective of the market price, arms-length revaluations can be undertaken by the tax authorities.

Double Tax Treaties

Vietnam is a party to more than 70 Double Tax Agreements with other countries, and treaty relief can be sought for relief from double taxation. Note that treaty relief is not automatic, and appropriate applications must be submitted for assessment by the tax authorities.

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