

Lorenz & Partners

Legal, Tax and Business Consultants

Office-Information No: 45 (EN)

Personal Income Taxation in Vietnam

September 2011

Table of Content

I.	PERSONAL INCOME TAX FOR LOCAL VIETNAMESE.....	5
1.	Resident and Non-resident for tax purpose.....	5
2.	Resident taxpayers.....	5
2.1.	Regular Income: Income from business.....	6
2.2.	Regualr Income: Income from salaries and wages.....	7
2.3.	Tax rates.....	8
2.4.	Tax exemptions.....	8
2.5.	Tax deductions.....	9
2.6.	Tax incentives.....	12
2.7.	Irregular Income.....	13
3.	Tax withholding.....	25
4.	Tax administration.....	25
4.1.	Tax returns.....	25
4.2.	Appeals against assessment.....	26
4.3.	Interests and penalties.....	26
4.4.	Payment of tax and refunds.....	27
4.5.	Statute of limitations.....	27
5.	Non-resident taxpayers.....	28
5.1.	Definition of Non-resident taxpayers.....	28
5.2.	Regular income.....	28
5.3.	Irregular income.....	29
II.	PERSONAL INCOME TAX FOR EXPATRIATES IN VIETNAM....	30
1.	Foreign resident and non-resident for tax purposes.....	30
2.	Foreign resident taxpayers.....	30
2.1.	Allowances and subsidies to be deducted for expatriates.....	30
2.2.	Social security contributions.....	31
2.3.	Health insurance.....	32

2.4.	Irregular income - expatriates working & living in Vietnam...	32
3.	Personal income tax under Double Taxation Agreement (“DTA”).	32
3.1.	Definition of a resident	32
3.2.	Tax exemption and tax reduction under DTA.....	34
3.3.	Foreigners working in Vietnam up to 182 days	35
3.4.	Foreigners working in Vietnam more than 182 days	35
3.5.	Income from immoveable property.....	36
3.6.	Income from moveable property	36
3.7.	Income from dividends.....	37
3.8.	Income from interest.....	38
3.9.	Income from royalties	39
3.10.	Fees for technical services	40
3.11.	Income from providing independent personal services.....	40
3.12.	Income from wages	41
3.13.	Directors’ fees.....	43
3.14.	Income of the artists and athletes.....	43
3.15.	Income from pensions	44
3.16.	Government services.....	45
3.17.	Other income.....	46
3.18.	How to apply the DTA in Vietnam	46
Appendix 1: Deductible Allowances and subsidies.....		48
Appendix 2: Income subject to PIT exemption.....		53
Appendix 3: DTA’s executed by Vietnam to date.....		55

Dear Reader,

Keeping our brochures up to date involves a lot of time and effort. Only shorter newsletters are therefore available for immediate download on our website.

However, if you are interested in this or another of our brochures, please contact us by sending an e-mail to: info@lorenz-partners.com naming the brochure(s) you would like to obtain.

Best regards,
Lorenz & Partners