



LEGAL NEWSLETTER

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Decree no. 117/2025/ND-CP on Tax Administration for E-commerce and Digital Platform-based business activities of Household business and Individual business

The Government has just issued Decree No. 117/2025/ND-CP on tax administration for e-commerce and digital platform-based business activities of household businesses and individual businesses. The Decree officially takes effect from July 1, 2025 ("**Decree 117**"). The Decree is considered an important step in tightening tax administration for the increasingly popular type of online business, and at the same time, ensuring fairness in tax obligations between traditional business entities and businesses on digital platforms. To help readers promptly grasp important changes and comply with the law, we would like to send to you the main details of this Decree.

1. Regulated entities of Decree 117

Under Article 2 of Decree 117, the following subjects apply:

- a. E-commerce platform operators, payment-enabled digital platform operators and other organizations performing digital business activities that have the responsibility to deduct and pay tax on behalf of sellers.
- b. Resident sellers and non-resident individuals that do business on e-commerce or digital platforms.
- c. Tax authorities and relevant organizations and individuals.

2. The deduction and payment of tax on behalf of business activities on e-commerce platforms and digital platforms according to Decree 117

Pursuant to Article 4 of Decree 117 on tax deduction and payment on behalf of the company, Article 4 directly stipulates **(1)** the responsibility to deduct and pay value-added tax (VAT) on behalf of organizations managing e-commerce platforms and **(2)** the responsibility to deduct and pay personal income tax on behalf of organizations managing e-commerce platforms e-commerce, specifically as follows: **(2)**

a. Responsibility to deduct and pay value-added tax (VAT) on behalf

Organizations managing e-commerce platforms – including domestic and foreign organizations, specifically: The owner directly operating the e-commerce platform, or the person **authorized** to manage the e-commerce platform will be subject to deduction and payment of value-added tax (VAT) on behalf of households and individuals engaged in business activities on the platform.

Conditions for incurring tax obligations: When there is a transaction of providing goods and services through an e-commerce platform and this transaction generates revenue in Vietnam, the platform management organization must deduct and pay VAT on behalf of the business household/individual.

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b. Responsibility to deduct and pay personal income tax (PIT) on behalf

Organizations managing e-commerce platforms (both domestic and foreign, as mentioned above) must also deduct and pay personal income tax (PIT) for these subjects:

For individuals residing in Vietnam: Organizations managing e-commerce platforms must deduct and remit PIT on behalf of resident individuals who conduct business activities through the platform. This means whether the transaction takes place in the country or abroad, if the seller is a resident individual, the platform management organization must still deduct and pay PIT on their behalf.

For non-resident individuals in Vietnam: The e-commerce platform management organization must also take the responsibility to deduct and remit PIT on behalf of non-resident individuals who sell goods and provide services through the platform, however, this responsibility only applies to transactions that generate revenue in Vietnam. This means if the seller is a non-resident individual and has revenue generated in Vietnam, the platform organization must also deduct and pay PIT on behalf of that individual as prescribed.

Thus, the provisions of Article 4 of Decree 117 have clarified the legal responsibility of organizations managing e-commerce platforms – both domestic and foreign – in deducting and paying VAT and PIT on behalf of households and individuals doing business on the platform. The application of the tax deduction and payment mechanism not only helps tax authorities better control revenues arising from online business activities, but also reduces the burden of tax declaration and payment directly for households and individuals.

3. Time to deduct and determine the tax amount to be deducted for business activities on e-commerce platforms and digital platforms according to Decree 117

Pursuant to Article 5 of Decree 117 stipulating the time of deduction, determining the tax amount to be deducted, specifically as follows:

a. Time to make tax deduction

According to the provisions of Decree 117, organizations that manage e-commerce platforms (including domestic and foreign) will have to make tax deductions right at the time of confirming successful transactions and accepting payments.

In other words, as soon as a household or individual successfully sells goods or provides services on the platform and is confirmed for payment, the platform will automatically deduct VAT and/or PIT before transferring the payment to the seller.

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b. The method to determine the amount of tax to be deducted

The value-added tax amount and personal income tax amount subject to deduction are determined as a percentage (%) of the turnover of each transaction of sale of goods or provision of services, specifically as follows:

Value Added Tax (VAT): The percentage of VAT shall comply with the provisions of the Law on Value Added Tax as follows:

- Goods: the VAT deduction rate on sales is 1%;
- Services: the VAT deduction rate on sales is 5%;
- Transportation and services associated with goods: the VAT deduction rate on turnover is 3%.

Personal Income Tax (PIT): Applied according to the PIT Law and classified according to the seller's residence status as follows:

- For resident individuals: Goods: 0.5%; services: 2%; transportation and services associated with goods: 1.5%.
- For non-resident individuals: Goods: 1%; services: 5%; transportation and services associated with goods: 2%.

If the transaction type cannot be determined

- In case organizations managing e-commerce platforms subject to deduction or payment cannot identify transactions generating revenue from e-commerce platforms as goods, services or types of services, the determination of the tax amount to be deducted shall be carried out according to the highest

Turnover as a basis for tax calculation

Turnover for calculating the deductible tax amount is the entire amount of sales or provision of services that households and individuals are entitled to, collected by the organization managing the e-commerce platform on behalf of customers who buy it.

Thus, the provisions of Article 5 of Decree 117 have clearly established that the time of tax deduction is as soon as the transaction is successfully confirmed and payment is accepted, ensuring timely and transparent tax collection.

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4. Declare and pay the deducted tax amount for business activities on e-commerce platforms and digital platforms according to Decree 117

Article 6 of Decree 117 stipulates the method of declaration and payment of the deducted tax amount as follows:

a. Regarding deductible tax declaration: Organizations managing e-commerce platforms (including domestic and foreign) are responsible for declaring the deducted tax amount every month.

b. Regarding the handling of canceled or returned transactions: In case the transaction is canceled or goods/services are returned, leading to the household or individual no longer having actual revenue, the platform organization will be allowed to adjust the deducted and paid tax amount as follows: The deducted tax amount of the canceled or returned transaction will be offset against the deductible tax amount of other transactions in the declaration period.

c. Determine the amount of tax paid on behalf: The tax amount that the platform organization must pay on behalf of households and individuals in the declaration period is calculated by the total tax of successful sales and service provision transactions minus the total tax of canceled or returned goods transactions (if any).

Thus, the provisions of Article 6 of Decree 117/2025/ND-CP have established a mechanism for tax declaration and adjustment for organizations managing e-commerce platforms.



Decree no. 117/2025/ND-CP on Tax Administration for E-commerce and Digital Platform-based business activities of Household business and Individual business

5. Responsibilities of households and individuals conducting business activities on e-commerce platforms according to Decree 117

a. Responsibilities of households and individuals to declare and pay several specific taxes by themselves

Decree 117 has stipulated that households and residing individuals having business activities on e-commerce platforms are responsible for declaring and paying excise tax, environmental protection tax, natural resource tax and other revenues payable to the state budget collected by the managing tax authorities by the tax law, law on tax administration and other relevant laws.

b. Responsibilities of households and individuals providing identification information

Business households and individuals are obliged to provide full and accurate identification information to the platform management organization to serve the tax declaration and payment on their behalf. Specifically:

- Vietnamese citizens: provide tax identification numbers or personal identification numbers;
- Foreigners: provide passport numbers or identification information issued by foreign competent agencies;
- At the same time, provide mandatory information in by the provisions of the e-commerce law (e.g. name, address, payment method, etc.).

c. Exemption from tax declaration and payment if deducted or paid on behalf

Households and individuals that have been deducted, declared and paid on behalf of value-added tax and personal income tax amounts by organizations managing e-commerce platforms as prescribed in this Decree are not required to declare and pay value-added tax and personal income tax for business activities on e-commerce platforms that have deducted taxes on their behalf.

Thus, Decree 117 has clearly defined the tax responsibilities of households and individuals doing business on e-commerce platforms..

Decree 117 marks an important step in completing the legal corridor to effectively manage business activities on e-commerce and digital platforms, especially for households and individuals doing business. We hope the above article is helpful to you.

Best regards.

New regulations under Government Decree No. 23/2025/NĐ-CP: Digital signatures and trust services

On February 21, 2025, the Government promulgated Decree No. 23/2025/NĐ-CP, which takes effect from April 1, 2025, providing regulations on digital signatures and trust services. This Decree replaces Decree No. 130/2018/NĐ-CP and aims to complete the legal framework in the context of national digital transformation, meeting practical demands for electronic identification, digital transactions, and ensuring safety and information security in the electronic environment. This article outlines several noteworthy new provisions under Decree No. 23/2025/NĐ-CP.

1. Classification of e-signature certificates and expansion of the scope of regulation

One of the key innovations introduced by Decree No. 23/2025/NĐ-CP is the clear classification of different types of e-signature certificates. Accordingly, Article 4 of Decree No. 23/2025/NĐ-CP identifies four types of certificates, including:

Original digital signature certificate: issued by the national electronic certification service provider to itself corresponding to each type of trust service (in this case, The National Electronic Authentication Centre under the Ministry of Information and Communications).

Digital signature certificates of trust service providers: refer to digital signature certificates issued by the National Electronic Authentication Centre to trust service providers, corresponding to each type of trust service. These include digital signature certificates for timestamping services, digital signature certificates for data message authentication services, and digital signature certificates for public digital signature authentication services.

Public digital signature certificate a digital signature certificate issued by a public digital signature certification service provider to a subscriber.

Special-use e-signature certificate: an electronic signature certificate issued by an agency or organization that creates and uses special-use electronic signatures.

Each type of certificate is specifically regulated in terms of its content, purpose of use, and validity period (ranging from 3 to 25 years, depending on the type). In addition, Decree No. 23/2025/NĐ-CP also expands its scope of regulation to cover other trust services such as electronic timestamps, data message authentication services, and public digital signature certification services, instead of being limited only to digital signature certification services as before.

New regulations under Government Decree No. 23/2025/NĐ: Digital signatures and trust services

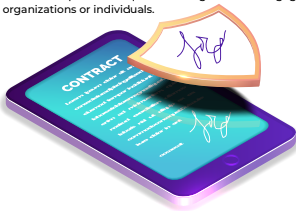
2. Strict management and application of special-use qualified e-signatures within agencies and organizations

The special-use qualified e-signature is a significant new feature introduced in Decree No. 23/2025/NĐ-CP. This type of e-signature is used internally within agencies, organizations, and enterprises to carry out operational activities without using external public services. According to Clause 1, Article 9 of Decree No. 23/2025/NĐ-CP, a special-use qualified e-signature shall have the same legal validity as a handwritten signature on a paper document if the following conditions are met:

- Confirmation of the identity of the signer and indicates the signer's approval;
- The data used to create the special-use qualified e-signature is uniquely associated with the content of the approved data message;
- The data used to create the special-use qualified e-signature is under the sole control of the signer at the time of signing;
- The validity of the special-use qualified e-signature can be verified under conditions agreed upon by the participating parties.

The use of special-use qualified e-signatures is considered a cost-effective and flexible solution, well-suited to modern governance models in a digital environment. However, to ensure legality and information security, special-use qualified e-signatures that are securely created and used internally by agencies and organizations must meet the conditions stipulated in Clauses 2 and 3, Article 9 of Decree No. 23/2025/NĐ-CP, including:

- Internal operations of the agency or organization that creates the signature;
- Specialized activities within a sector or field that share similar operational characteristics or work purposes and are interconnected through a charter of operation or regulatory documents on organizational structure, forms of affiliation, or joint activities;
- Representative activities conducted on behalf of the very agency or organization that creates the special-use qualified e-signature to engage in transactions with other organizations or individuals.



New regulations under Government Decree No. 23/2025/NĐ: Digital signatures and trust services

3. Recognition of foreign e- signatures

In addition, Decree No. 23/2025/ND-CP also addresses the recognition and integration of foreign digital certificates into the domestic authentication system. This facilitates cross-border electronic transactions, especially in the context of Vietnam's increasing participation in free trade agreements.

Decree No. 23/2025/ND-CP represents a significant advancement in the legal framework governing electronic signatures and trust services. With its clear and stringent regulations, the Decree not only enhances the legal validity of electronic transactions but also expands the legal space for the sustainable development of digital technologies. Businesses, organizations, and state agencies need to promptly update their understanding of the new regulations, adjust operational procedures, and build appropriate technical infrastructure to effectively adapt to the digital transaction environment.



Resolution No.68-NQ/TW on the development of the private economy by the politburo of the communist party of Vietnam

*In order to implement the national development policies outlined in the "Era of Rising" under the 13th National Congress of the Communist Party of Vietnam, the Politburo issued Resolution No. 68-NQ/TW with the aim of promoting the private economy in Vietnam. This resolution outlines essential policies to strengthen and create favorable conditions for the private economy to further contribute to the country's economy and society ("**Resolution 68**"). In this article, TNTP analyzes the key points of Resolution 68 concerning the Vietnamese private economy.*

1. Reasons for Issuance

After nearly 40 years since the Renovation era began in 1986, the private economy has grown significantly, contributing approximately 50% of GDP, 30% of total budget revenue, and employing about 82% of the workforce. It has played a crucial role in poverty reduction and improving social welfare. However, Resolution 68 emphasizes that the private economy still does not meet the expectations and requirements of becoming a core driving force of the national economy, due to the following reasons:

Incomplete understanding and perception of the position and role of the private economy;

Legal and institutional obstacles and inadequacies;

Leadership and guidance have not been properly prioritized;

Property rights and the right to free business have not been fully ensured;

Private businesses face many difficulties in accessing resources, especially capital, technology, land, natural resources, and high-quality human resources;

Preferential and support policies remain ineffective and inaccessible;

Business costs remain high.



Resolution No.68-NQ/TW on the development of the private economy by the politburo of the communist party of Vietnam

2. Guiding Principles

In Resolution 68, the Politburo outlines five key guiding principles:

- a) Recognize the private economy as one of the most important driving forces of the national economy, playing a key role in building an independent, self-reliant, and resilient economy to help the country avoid falling behind and rise toward prosperity.
- b) Develop the private economy rapidly, sustainably, efficiently, and with high quality—this is both an urgent and long-term strategic task that must be concretely integrated into national development strategies and policies.
- c) Eliminate outdated mindsets, biases, and attitudes toward the Vietnamese private economy; accurately assess its vital role in national development. Ensure equal rights and benefits for private enterprises and entrepreneurs in accessing business opportunities and other economic resources.
- d) Create an open, transparent, stable, safe, and easy-to-implement business environment with low costs that meets international standards, ensuring regional and global competitiveness. Promptly build and improve laws and breakthrough policies to encourage the private economy in priority and innovation-driven sectors. Promote entrepreneurship.
- e) Strengthen the leadership of the Party and the enabling role of the State, placing businesses at the center and as the main actors. Focus on training and fostering entrepreneurs with ethics and a strong business culture.

These guiding principles represent a major shift, as the Party officially acknowledges the vital role of the private economy in this new era. They also lay the groundwork for detailed guidance documents to realize the Politburo's vision for the private economy under Resolution 68.

Resolution No.68-NQ/TW on the development of the private economy by the politburo of the communist party of Vietnam

3. Solutions

After setting out specific directives, the Politburo proposed solutions to realize the outlined goals. According to TNTP, the most critical solutions include:

- (i) Promote reform, improve, and enhance the quality of institutions and policies, ensuring effective protection of property rights, freedom to do business, equal competition, and the enforcement of private economy contracts;
- (ii) Facilitate private economy access to resources such as land, capital, and high-quality human resources;
- (iii) Encourage science and technology, innovation, digital transformation, green transition, and sustainable, efficient business practices in the private economy;
- (iv) Rapidly develop large and medium-sized enterprises, as well as regionally and globally competitive private economic groups;
- (v) Provide practical and effective support to micro, small enterprises and household businesses.

When these solutions are concretely implemented and enforced, they will be a major driving force for robust development of the private economy. Obstacles and limitations will be removed, accompanied by comprehensive institutional and legal support and fairer access to resources, thereby maximizing the competitiveness of the private economy to meet national expectations and development goals.

From the content above, it is clear that Resolution 68 marks the beginning of a major transformation for Vietnamese society in general and the private economy in particular. The recognition of the private economy's contributions and the government's effort to create more favorable and equal conditions for its development demonstrate a unified shift in the thinking of the Party and the State—positioning the private economy as a solid foundation and a vital driving force for a new era of national prosperity.

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