



LEGAL NEWSLETTER

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Decree 230/2025/ND-CP stipulates cases of exemption and reduction of land use levy and land rent, effective from August 19, 2025

On August 19, 2025, the Government issued Decree No. 230/2025/ND-CP stipulating other cases of land use levy and land rent exemption and reduction as prescribed in Clause 2, Article 157 of the Land Law 2024. The Decree clearly stipulates the principles, order, procedures and competence to implement the exemption or reduction of land use levy and land rent. These regulations are uniformly applied according to the Land Law 2024 and related documents. Accordingly, through this article, TNTP will update readers with the contents of Decree No. 230/2025/ND-CP stipulating other cases of exemption and reduction of land use levy and land rent ("**Decree 230**").

1. Decree 230 specifies cases of land use levy exemption or reduction for social security

Pursuant to **Clause 1, Article 4 of Decree 230** on land use levy exemption and reduction, the cases eligible for land use levy exemption or reduction are stipulated, specifically:

"1. Exemption of land use levy for the allocated land area within the residential land allocation quota in the following cases:

a) Allocation of residential land for resettlement or allocation of land to households and individuals in population clusters and lines in flooded areas under the Prime Minister's decision on adjustment and supplementation of subjects and mechanisms for loans for housing construction under the cluster construction program; residential lines and houses in areas frequently flooded in the Mekong Delta.

b) Assign residential land to households in fishing villages and people living on rivers and lagoons who move to settle in resettlement zones and points according to plannings, plans and projects approved by competent authorities.

The State stipulates the exemption of land use levy within the residential land allocation quota for the following three specific groups of subjects:

Households and individuals are arranged for resettlement: This policy is applied to ensure stable accommodation for people whose land is recovered for socio-economic development, defense and security projects.

Households living in population clusters and lines in flooded areas of the Mekong Delta: This is a specific policy associated with the Prime Minister's decisions on housing construction and population arrangement in areas often heavily affected by climate change.

People in fishing villages and residents living on rivers and lagoons: Exempt from land use levy when relocating to resettlement areas under projects, plannings or plans approved by competent agencies.

Thus, the provisions of Decree 230 on exemption and reduction of land use levy aim to ensure the implementation of social security policies for the right subjects, the right objectives and the strict control of competent state agencies.

Decree 230/2025/ND-CP stipulates cases of exemption and reduction of land use levy and land rent, effective from August 19, 2025

2. Decree 230 specifies cases of land rent exemption or reduction

Pursuant to Article 5 of Decree 230, specific regulations on cases of land rent exemption or reduction, specifically:

Exemption from the entire land lease term: for land used for the construction of the headquarters of the Bank for Policies, the Development Bank, the non-profit state financial fund, the commune post office – cultural point, the scientific research establishment, the digital technology zone/facility, the national innovation center, etc land area for diplomatic service and public service land of military units. This content is specified at Points a, b, c, Clause 1, Article 5 of Decree 230.

Exemption or reduction of land rents for agriculture – rural areas: enterprises with investment projects under incentive policies; tenants of land for agriculture – forestry – fishery and salt damaged due to natural disasters or fires, specifically:

- Pursuant to Point a, Clause 3, Article 5 stipulates that *"In case the land lessee is an organization subject to enterprise income tax and has a production and business operation period of 03 years or more, the land rent amount to be exempted or reduced shall be determined according to the percentage (%) of damage. The percentage (%) of damage is determined based on the value of damage in the year inscribed in the record of determination of the extent and value of damage according to the law on tax administration and the average of the taxable turnover in the previous 03 years;"*

- In case the land lessee is a household, individual or organization with a production and business operation period of less than 03 years, the land rent amount to be reduced according to the value of damage after deducting the amounts supported by the State as prescribed by law and the amounts specified at Point b, Clause 3, Article 5 of Decree 230.



Decree 230/2025/ND-CP stipulates cases of exemption and reduction of land use levy and land rent, effective from August 19, 2025

Exemption and reduction when production and business are suspended: if it has to be stopped due to natural disasters, fires or force majeure events, the land rent is reduced by up to 50% during the suspension of operation.

Exemption and reduction according to specific labor:

- Organizations employing between 30% and more than 50% of ethnic minority workers are entitled to a 50% reduction or full exemption.
- Organizations employing between 30% and more than 70% of employees who are people with disabilities are entitled to a 50% reduction or full exemption.

Exemption or reduction for socialized establishments of educational, medical, cultural, sports and environmental establishments shall be given incentives according to the list prescribed by the Government.

Special cases: exemption or reduction for macroeconomic stability and social security according to the Government's decision each year.

Conclusion: Article 5 of Decree 230 stipulates the exemption and reduction of land rent, clearly demonstrating the humanity and orientation of sustainable development when the State prioritizes all exemptions for the public sectors, scientific research, innovation, security and defense, and at the same time provides flexible incentives to disadvantaged groups, socialization establishments and cooperatives. This policy both encourages investment, ensures social security and macroeconomic stability. However, in order to achieve substantive effectiveness, it is necessary to have a strict monitoring mechanism to limit abuse and avoid budget revenue loss.

3. Decree 230 stipulates the reduction of payable land rents in 2025

Pursuant to Article 6 of Decree 230 stipulating the reduction of payable land rents in 2025
"1. 30% reduction of the payable land rent in 2025 for land users as prescribed in Article 4 of the 2024 Land Law who are being leased land by the State in the form of annual land rent payment (including cases where there are and do not have legal documents on land but are using land but must pay land rent in 2025 according to regulations and in case the land user is using the land but has not completed the land dossier in accordance with the land law).

The provisions of this Article apply to both the case where the land user is not eligible for land rent exemption or reduction or the land rent exemption or reduction period expires and the case where the land user is receiving land rent reduction in accordance with the land law and other relevant laws

Decree 230/2025/ND-CP stipulates cases of exemption and reduction of land use levy and land rent, effective from August 19, 2025

Clause 5, Article 6 of Decree 230: *The reduction of land rent of 2025 as prescribed in this Decree shall not be applied to the case where the land user submits the dossier after November 30, 2025."*

Based on the above provisions, it can be seen that Decree 230 regulating the reduction of payable land rents in 2025 has a number of outstanding points, specifically:

The policy of reducing land rents by 30% in 2025 is a direct financial support measure, applicable to all organizations and individuals that are leasing land from the State in the form of annual payment, except for land rent debts of previous years and late payment interest incurred (if any).

The reduction is determined on the land rent payable in 2025, after deducting other exemptions, reductions and incentives as prescribed.

Regarding procedures, land users need to make and submit a written request for land rent reduction in 2025 to the tax authority directly managing them, **the deadline is November 30, 2025** at the latest. The dossier will be considered by the tax authority and issued a decision on land rent reduction according to regulations.

Conclusion: The policy of reducing land rent by 30% in 2025 shows the State's strong support for the business community and land users, helping to reduce the financial burden and maintain production and business activities in the context of economic difficulties in 2025.



The Key Highlights of Decree No. 225/2025/ND-CP amendments to certain articles of decrees on elaboration of and measures for implementation of the Law on Bidding regarding investor selection

On August 15, 2025, the Government promulgated Decree No.225/2025/ND-CP amending and supplementing a number of articles of Decree No.23/2024/ND-CP and Decree No. 115/2024/ND-CP guiding the implementation of the Law on Bidding 2023 regarding investor selection. The Decree takes effect from the date of signing and is considered an important adjustment to improve the legal framework for bidding and investor selection activities in the context of administrative unit rearrangement and Vietnam's ongoing efforts to attract capital and technology.

1. Amendments and supplements to certain definitions in Decree No. 23/2024/ND-CP

Căn cứ Điều 2 Nghị định 117 quy định áp dụng đối với những đối tượng sau:

Pursuant to Point a, Clause 2, Article 1 of Decree No. 225/2025/ND-CP amending and supplementing Clause 2, Article 3 of Decree No. 23/2024/ND-CP, EOI requester means an agency or unit affiliated to a Ministry, ministerial agency, provincial People's Committee; agency or unit affiliated to an economic zone management board (for investment projects in economic zones); commune-level People's Committee or another agency as prescribed by specialized sector or industry law that is assigned to carry out procedures for invitation for EOIs (Expression of Interest).

Accordingly, compared to the previous regulation, Decree No. 225/2025/ND-CP removes the district-level People's Committees from the list of competent inviting entities and adds the communal People's Committees. This adjustment aligns with the new two-tier local government structure.

In addition, the Decree also introduces the official definitions of "Request for Proposals" and "Proposal" as follows:

- **Request for Proposals** is all the documents used in the investor appointment procedure, including the requirements for implementing the investment project. It serves as the basis for the investor preparing the Proposal and for the procuring entity to evaluate the proposal.
- **Proposal** is the documents prepared and submitted by the investor to the procuring entity in accordance with the request for proposals.

The inclusion of these terms standardizes and unify interpretation and application in practice, while minimizing the risk of disputes relating to the content, form, and validity of dossiers in the investor selection process.

The Key Highlights of Decree No. 225/2025/ND-CP amendments to certain articles of decrees on elaboration of and measures for implementation of the Law on Bidding regarding investor selection

2. Addition of incentives in investor selection

Clause 5, Article 2 of Decree No. 225/2025/ND-CP supplements Point b, Clause 1, Article 6 of Decree No. 115/2024/ND-CP, which provides for incentives granted to investors in investment projects with land use. Under the new regulation, the following groups of investors are entitled to incentives when participating in bidding for land-use investment projects:

A 5% incentive is granted to the following investors: Science and technology enterprises; Innovative start-up enterprises; Organizations supporting innovative start-ups that have been recognized by competent authorities; Innovation centers; Enterprises/organizations that have been granted Certificates of high-tech enterprises, high-tech incubators, or high-tech enterprise incubators; Newly established enterprises arising from projects producing high-tech products.

A 2% incentive: applicable to foreign investors who commit to transferring technology to domestic investors or partners.

The addition aims to encourage investment in innovation and high technology, while promoting technology transfer from foreign investors. The specific incentive levels help ensure transparency in bid evaluation and at the same time enhance the attractiveness and quality of investment projects in Vietnam.



The Key Highlights of Decree No. 225/2025/ND-CP amendments to certain articles of decrees on elaboration of and measures for implementation of the Law on Bidding regarding investor selection

3. Regulations on projects applying the investor selection method in special cases

Clause 17, Article 2 of Decree No. 225/2025/ND-CP supplements provisions on procedures for investor selection in special cases, which shall be carried out as follows:

Projects under the authority of the National Assembly or the Prime Minister: After the project's investment policy has been approved, the competent authority shall assign a specialized agency (under or directly subordinate to the competent authority) to review and evaluate the investor's financial capacity and conditions for project implementation in accordance with the approved policy.

Projects under the authority of the provincial People's Committee or projects not subject to investment policy approval: The competent authority shall review and evaluate the investor's financial capacity and project implementation conditions during the appraisal of the application for investment policy approval or the review of the project proposal dossier.

Projects that must be implemented immediately to meet urgent and important requirements for socio-economic development, or to ensure national defense and security: The investor shall prepare the project dossier and submit it to the agency, organization, or unit under or directly subordinate to the Ministry of National Defense or the Ministry of Public Security for review and evaluation.

New regulations in Decree 225/2025/ND-CP clearly define the authority and procedures for selecting investors in special cases, ensuring transparency and creating conditions for important and urgent projects to be implemented promptly.

4. Regulations on projects subject to direct appointments of investor

Pursuant to Clause 18, Article 2 of Decree No. 225/2025/ND-CP, which supplements Article 44c, specific cases of projects subject to direct appointment of investors as provided in Clause 2a, Article 34 of the Law on Bidding are as follows:

Projects proposed by investors who own or have the right to use technologies or products included in the list of strategic technologies and strategic products;

Projects requiring the selection of investors who have already deployed digital infrastructure or digital platforms to ensure technical consistency, compatibility, and connectivity;

Projects that need to be accelerated to serve national interests and socio-economic development, with specific cases provided in detail under the regulations.

The Key Highlights of Decree No. 225/2025/ND-CP amendments to certain articles of decrees on elaboration of and measures for implementation of the Law on Bidding regarding investor selection

5. The criterion of “experience” is no longer part of the capacity evaluation criteria

Point b, Clause 19, Article 2 of Decree No. 225/2025/ND-CP amends Clause 2, Article 45 of Decree No. 23/2024/ND-CP. Accordingly, Article 45 has been revised from **“Capacity and experience evaluation criteria”** to **“Capacity evaluation criteria”**.

Under the new regulations, the bidding documents are not required to include evaluation criteria on experience in implementing similar projects. However, such experience is still applied as a priority principle in cases where two or more investors achieve the same highest aggregate score. Specifically:

- The investor with greater experience in implementing similar projects will be given priority in the bid award recommendation.
- If investors have equal experience in similar projects, the one with a higher score in terms of investment effectiveness in sectoral, local, or regional development will be given priority in the bid award recommendation.

The removal of “experience” from the capacity evaluation criteria has broadened opportunities for new investors to participate in bidding. However, “experience” remains a priority factor when multiple investors achieve the highest aggregate score, thereby ensuring both fairness and the effectiveness and safety of project implementation.

Overall, Decree No. 225/2025/ND-CP not only revises and supplements definitions and investor selection procedures but also expands incentive mechanisms, clearly stipulates special cases, and introduces more flexibility in evaluating investor capacity. These new provisions are expected to enhance transparency and fairness while creating favorable conditions to foster socio-economic development.

The 2024 law on value added tax (effective from 01 July 2025)

The 2024 Law on Value Added Tax, passed by the National Assembly on 26 November 2024, shall officially come into force on 01 July 2025. With several substantive revisions regarding tax rates, taxable entities, conditions for input VAT credit, and VAT refund, the new Law is expected to have direct implications for the business operations of both domestic and foreign enterprises. This article by TNTP provides an overview of key noteworthy changes introduced by the 2024 Law on Value Added Tax.

1. Expanded definition of taxpayers

The 2024 Law on Value Added Tax significantly expands the scope of VAT taxpayers, with a particular focus on e-commerce and digital platform activities. Article 4 introduces new categories of taxpayers, including:

Foreign suppliers without a permanent establishment in Vietnam conducting e-commerce or digital-based business with organizations or individuals in Vietnam;

Foreign digital platform managers that are responsible for withholding and paying VAT on behalf of foreign suppliers;

Vietnam-based business entities applying the credit method for VAT calculation that purchase services from foreign suppliers without a permanent establishment in Vietnam through e-commerce or digital platforms must withhold and pay VAT on behalf of such suppliers;

Organizations operating e-commerce platforms or digital platforms with payment functions that withhold and declare VAT on behalf of business households and individuals trading on such platforms.



The 2024 law on value added tax (effective from 01 July 2025)

2. Adjustments regarding VAT-Exempt entities

Article 5 of the 2024 Law on Value Added Tax revises the list of goods and services not subject to VAT under the 2008 Law on Value Added Tax, with specific changes as follows:

(i) Removal of certain goods and services previously exempt from VAT under the 2008 Law on Value Added Tax, including:

- Fertilizers; specialized machinery and equipment used for agricultural production; offshore fishing vessels;
- Securities custody services; market organization services provided by stock exchanges or securities trading centers; other securities business activities;
- Exported products that are processed from mined natural resources and minerals are now subject to VAT unless listed as exempt under a specific Schedule issued by the Government.

(ii) Addition of new VAT-exempt categories, including imported goods used for humanitarian aid, disaster relief, epidemic prevention, or war recovery, as prescribed by the Government.



The 2024 law on value added tax (effective from 01 July 2025)

3. Adjustment of VAT rates for specific goods and services

The 2024 Law on Value Added Tax introduces significant changes to VAT rates for various goods and services, aiming to optimize the tax structure and enhance budget revenue efficiency.

According to Article 9 of the 2024 Law on Value Added Tax, the applicable VAT rates for certain goods and services have been revised as follows:

(i) For the 0% VAT Rate: The scope of the 0% VAT rate has been expanded to cover additional categories of exported goods and services under the 2024 Law on Value Added Tax, including:

- International transportation services;
- Export services such as leasing of means of transport for overseas use; aviation and maritime services directly serving international transport (or via agents);
- Construction and installation works performed abroad or in non-tariff zones;
- Goods sold in restricted areas to outbound passengers (foreigners or Vietnamese) or at duty-free shops;

(ii) For the 5% VAT rate: Several items previously VAT-exempt are now subject to 5%, including:

- Fertilizers;
- Offshore fishing vessels.

(iii) For the 10% VAT rate: Some items previously taxed at 5% under Article 8 of the 2008 Law on Value Added Tax are now subject to 10%, including:

- Unprocessed forest products;
- Sugar and its by-products (molasses, bagasse, filter mud);
- Specialized equipment and tools for teaching, research, and scientific experiments;
- Cultural, exhibition, physical training, and sports activities; performing arts; film production, import, distribution, and screening.

The 2024 law on value added tax (effective from 01 July 2025)

4. Revisions to conditions for input VAT Credit

Article 14 of the 2024 Law on Value Added Tax makes important changes to the criteria for claiming input VAT credits, including:

Under the 2008 Law on Value Added Tax, goods and services with a value below VND 20 million per purchase were not required to have evidence of non-cash payment to be eligible for input VAT credit. The new law requires evidence of non-cash payment for all purchases, except for specific exemptions to be determined by the Government.

New forms of documentation have been added to support input VAT credit claims, particularly for export activities. These include: Packing lists, bills of lading, and cargo insurance documents for exported goods and services.

The elimination of the VND 20 million cash payment threshold is expected to significantly influence business payment practices. Enterprises will need to shift to electronic payment methods, such as bank transfers, to ensure VAT credit eligibility.

Moreover, the inclusion of additional export-related documents for VAT credit purposes provides practical support for exporters and reduces financial burdens. Exporters should proactively prepare these documents to fully benefit from input VAT credits under the new provisions.

5. Additional VAT refund scenarios

Clause 3, Article 15 of the 2024 Law on Value Added Tax introduces a new scenario for VAT refund eligibility. Specifically, business establishments that, during a month or quarter, export goods or services and have accumulated input VAT credits of VND 300 million or more (that have not yet been fully credited) are entitled to a VAT refund for that month or quarter, except in cases where goods are imported and then re-exported.

This new regulation is particularly beneficial for export enterprises, as it facilitates faster capital recovery, improves cash flow, and enhances financial capacity. The broader refund policy is expected to provide practical support to exporters.

The above is TNTP's summary of *"The 2024 Law on Value Added Tax"* (effective from 01 July 2025). We hope the information is helpful to readers. Should you have any questions or require legal support, please do not hesitate to contact TNTP for timely assistance.

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