

VINA BOOKKEEPING

Accounting – Tax – HR & Payroll

IMPORTANT UPDATE

**Summary of Corporate Income Tax (CIT)
Incentive Policies for Small and Medium
Enterprises**

Pursuant to Official Dispatch No. 3896/CT-CS

SECTION 1

CIT Incentive Policy — Official Dispatch No. 3896/CT-CS

Official Dispatch No. 3896/CT-CS, issued on 11 June 2026 by the General Department of Taxation (Ministry of Finance), provides guidance on implementing **National Assembly Resolution No. 198/2025/QH15** and **Government Decree No. 20/2026/NĐ-CP**, establishing a special incentive mechanism to promote the development of the private sector.



Full CIT Exemption — 3 Consecutive Years

Eligible enterprises receive a **complete exemption from Corporate Income Tax** for three (3) continuous years from the date of first-time issuance of the Enterprise Registration Certificate (ERC).



Incentive Start Date

The exemption period is counted **continuously from the first year** in which the enterprise is granted its initial Enterprise Registration Certificate (ERC).



Transitional Provisions

Enterprises that were granted an ERC **before** Resolution No. 198/2025/QH15 took effect but are still within their incentive period may **continue to enjoy the policy** for the remaining duration.

KEY HIGHLIGHT

FDI Companies Are Also Eligible for the 3-Year CIT Exemption

This is the **most significant and groundbreaking point** in the new guidance. The General Department of Taxation has clearly affirmed:

Who Qualifies as FDI?

Foreign-invested enterprises (FDI) that are **established and registered to operate under Vietnamese law** and are granted a first-time Enterprise Registration Certificate (ERC).



Required Conditions

Must **fully satisfy the SME classification criteria** under the Law on Support for SMEs and Decree No. 80/2021/NĐ-CP, and must not fall into any excluded categories.



Equal Treatment

FDI enterprises that meet all conditions enjoy the **same 3-year CIT exemption** as domestic enterprises — removing ambiguity and ensuring investment equality in Vietnam.

This provision eliminates previous barriers and affirms equality in Vietnam's business and investment environment for foreign investors.



IMPORTANT NOTICE

Exclusion Cases — Enterprises NOT Eligible for the Incentive

Enterprises must pay close attention to the following circumstances that **disqualify** them from the 3-year CIT exemption policy:



Carefully review each exclusion criterion before filing for the incentive. Non-compliance may result in tax recovery and penalties.

01

Restructuring or Conversion Origin

Newly established enterprises formed through **merger, consolidation, division, separation, ownership transfer, or change of enterprise type** are not eligible.

02

Prior Business Involvement of Key Persons

Newly established enterprises where the **legal representative** (unless externally hired and not a capital contributor), **general partner**, or **largest capital contributor** has previously participated in business operations in the same capacity at another enterprise — currently operating or dissolved within the past **12 months** from the date of dissolution to the date of new establishment — are excluded.

03

Income Types Excluded by Law

Income types that are not entitled to tax incentives under **Clause 3, Article 18 of the Corporate Income Tax Law No. 67/2025/QH15** are excluded from the incentive scope.

SME Classification Criteria – Decree No. 80/2021/NĐ-CP

To qualify for the above exemption, enterprises (including FDI companies) must meet the definition of an SME. Classification is based on two components: **Personnel (Labour)** and **Financial (Capital or Revenue)**, differentiated by sector.

i For enterprises operating less than one full year, the financial criterion is assessed based on the **registered charter capital stated on the ERC.**

Enterprise Type	Sector	Avg. Annual Employees (Social Insurance)	Financial Criterion (Meet 1 of 2)
Micro Enterprise	Agriculture, Forestry, Fishery; Industry & Construction	≤ 10 persons	<ul style="list-style-type: none"> Total capital ≤ VND 3 billion OR Annual revenue ≤ VND 3 billion
Micro Enterprise	Trade & Services	≤ 10 persons	<ul style="list-style-type: none"> Total capital ≤ VND 3 billion OR Annual revenue ≤ VND 10 billion
Small Enterprise	Agriculture, Forestry, Fishery; Industry & Construction	≤ 100 persons	<ul style="list-style-type: none"> Total capital ≤ VND 20 billion OR Annual revenue ≤ VND 50 billion
Small Enterprise	Trade & Services	≤ 50 persons	<ul style="list-style-type: none"> Total capital ≤ VND 30 billion OR Annual revenue ≤ VND 100 billion
Medium Enterprise	Agriculture, Forestry, Fishery; Industry & Construction	≤ 200 persons	<ul style="list-style-type: none"> Total capital ≤ VND 100 billion OR Annual revenue ≤ VND 200 billion
Medium Enterprise	Trade & Services	≤ 100 persons	<ul style="list-style-type: none"> Total capital ≤ VND 100 billion OR Annual revenue ≤ VND 300 billion



CONTACT US

Vina Bookkeeping (VBK) — Contact Information

If your enterprise requires in-depth advisory services on documentation preparation, eligibility assessment for CIT incentives, accounting treatment, or explanations to tax authorities in accordance with this latest guidance, please contact VBK through the following channels:

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We are always ready to accompany the sustainable growth and legal compliance of your enterprise.

— **Vina Bookkeeping (VBK) Expert Team**

✔ This report is prepared by VBK's professional tax and accounting consultants based on Official Dispatch No. 3896/CT-CS (issued 11 June 2026) and SME classification criteria under Decree No. 80/2021/NĐ-CP.