



FAC Newsbrief

Notable provisions of Decree No. 236/2025/ND-CP providing detailed implementation guidance on Global Minimum Tax Rules

October 2025



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Following the Resolution No. 107/2023/QH15 dated 29 November 2023 introducing Pillar Two Global Anti-Base Erosion (“GloBE”) Rules (also known as Global Minimum Tax Rules (“GMT Rules”)), which comes into effect from 1 January 2024 in Vietnam, on 29 August 2025, the Vietnamese Government has officially issued the detailed guidance to implement GMT Rules (including Income Inclusion Rule (“IIR”) and Qualified Domestic Minimum Top-up Tax (“QDMTT”)) under Decree No. 236/2025/ND-CP. Effective date: **15 October 2025**

The GMT rules generally require large multinational enterprises (MNEs) to pay a minimum 15% level of corporation tax on profit in each jurisdiction in which they operate.

Notable provisions

In this Newsbrief, FAC is pleased to share with our valued clients/prospects the key highlights of Decree No. 236/2025/ND-CP. The regulations focus on the application of additional Corporate Income Tax under the Global Minimum Tax rules in Vietnam.

Key highlights of this Alert include:

- ✓ In-scope enterprises;
- ✓ Tested fiscal year;
- ✓ Applicable Financial Accounting Standard;
- ✓ Effective Tax Rate (ETR);
- ✓ Substance-based Income Exclusion (“SBIE”);
- ✓ Top-up tax computation;
- ✓ Reliefs;
- ✓ Administrative Requirements.



Notable provisions of Decree No. 236/2025/ND-CP providing detailed implementation guidance on Global Minimum Tax Rules (continued)

In-scope enterprises and General standard

In-scope enterprises

- ✓ Vietnamese taxpayers being members of an MNE Group which has annual consolidated revenues of at least EUR750 million in at least two of the four fiscal years preceding to the tested fiscal year;
- ✓ The Decree provides further clarification on how to determine the revenue threshold in certain cases, and elaboration on organisations being excluded from the application of the GMT Rules.

Tested fiscal year

- ✓ Tested fiscal year will be the fiscal year of the MNE group's Ultimate Parent Entity ("UPE");
- ✓ For Fiscal year 2024, the 'fiscal year' is further elaborated under the Decree, and generally include those fiscal years starting on or after 1 December 2023 onwards in 2024

Applicable Financial Accounting Standard

- ✓ For GMT compliance purpose in Vietnam, the financial accounting standards used in preparation of consolidated financial statements of the UPE would be applied;
- ✓ An explanation of discrepancies due to different accounting standard, where applicable, is required to be included the top-up tax declaration filing.



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Tax under Global Minimum Tax Rules

Formula of Effective Tax Rate (“ETR”)

- ✓ ETR is calculated on a jurisdictional basis;
- ✓ The determination of the Adjusted Covered Taxes and the Net GloBE income is based on the Financial Accounting Net Income or Loss (“**FANIL**”), adjusted for certain specific items;

$$\text{ETR} = \frac{\text{Adjusted Covered Taxes}}{\text{Net GloBE Income}}$$

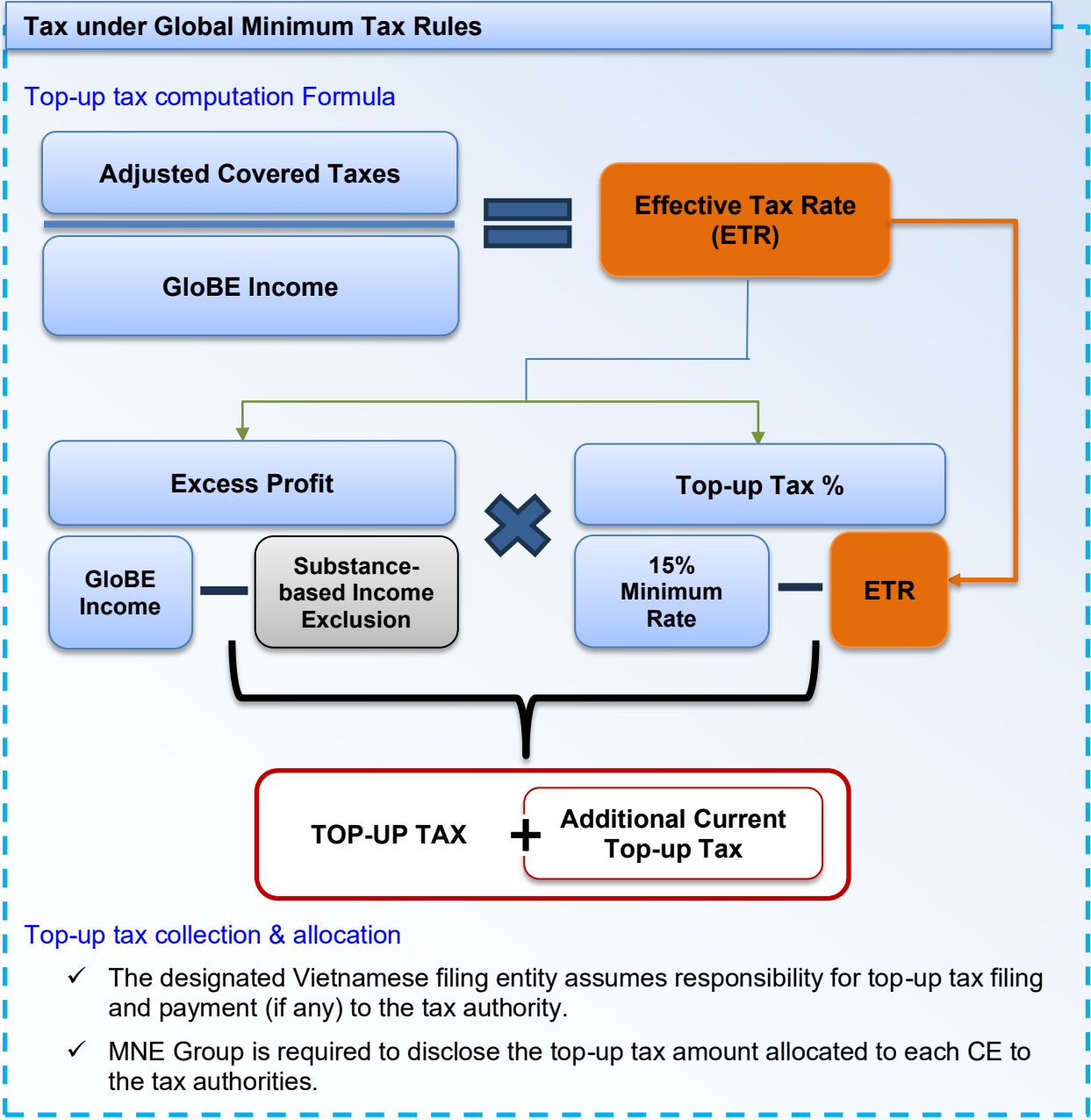
- ✓ If the jurisdictional ETR is below the 15% minimum rate, a top-up tax will be imposed in Vietnam.

Substance-based Income Exclusion (“SBIE”)

- In calculating the applicable top-up tax, Resolution 107 allows for a formulaic substance carve-out to be deducted from the Net GloBE Income;
- Exclusion Value:
 - ✓ **5%** of the MNE Group’s eligible payroll costs and tangible assets in the jurisdiction;
 - ✓ During the transition period of nine (09) years which begins from 2024, the carve-out begins at **9.8%** for payroll costs and **7.8%** for tangible assets, gradually reducing to **5%**.
- With the effect of the substance based carve-out, labor and capital-intensive businesses would be less impacted by the rules, even if their ETR is below 15%.



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Reliefs

Obligation relief

GMT Rules specifically provide certain relief, according to which DMTT in Vietnam shall be deemed to be zero if satisfying a number of conditions. In particular:

(i) De Minimis exclusion:

- Required conditions:
 - ✓ An average jurisdictional GloBE revenue that is less than EUR 10 million, and
 - ✓ An average jurisdictional GloBE Income or Loss that is either a loss or less than EUR 1 million both computed on a three-year average basis.

(ii) Exclusion from QDMTT in the initial phase of MNE Group's international activities:

- Required conditions:
 - ✓ Having constituent entities in no more than 06 jurisdictions at any point of time in the fiscal year, and
 - ✓ Sum of the net book values of tangible assets of all constituent entities located in all jurisdictions other than the jurisdiction where the MNE Group has the highest total tangible assets value not exceeding EUR 50 million.
- **Applicable period:**
 - ✓ The first 05 fiscal years after the first day of the first fiscal year when the MNE Group is subject to GMT.
 - ✓ For any MNE Group that is subject to GMT for FY2024, this five-year period is from FY2024 to FY2028.

(iii) Transitional Country-by-country report ("CbCR) Safe Harbors

- Required conditions: MNE Group meets any tests below:
 - ✓ **De minimis test:** Total Revenue less than EUR 10 million and Profit (Loss) before Income Tax less than EUR 1 million on its Qualified CbCR for the fiscal year; or
 - ✓ **Simplified ETR test:** Simplified jurisdictional ETR equal to or greater than the Transition Rate, which is 15% (for fiscal year 2024), 16% (for fiscal year 2025) and 17% (for fiscal year 2026); or
 - ✓ **Profit Routine Test:** The amount of the Substance-based Income Exclusion is equal to or greater than Profit before Income Tax on its Qualified CbCR for the fiscal year; or
 - ✓ **Net Loss position test:** Having Loss on its Qualified CbCR for the fiscal year.
- **Applicable period:** The fiscal years beginning on or before 31 December 2026, but not including a fiscal year that ends after 30 June 2028.



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Reliefs

Transitional administrative penalty relief

With an aim to provide in-scope MNEs with a “soft-landing” in the initial years, the Decree also provides administrative penalty relief in the transitional period with respect to the filing obligations, inter alia, including:

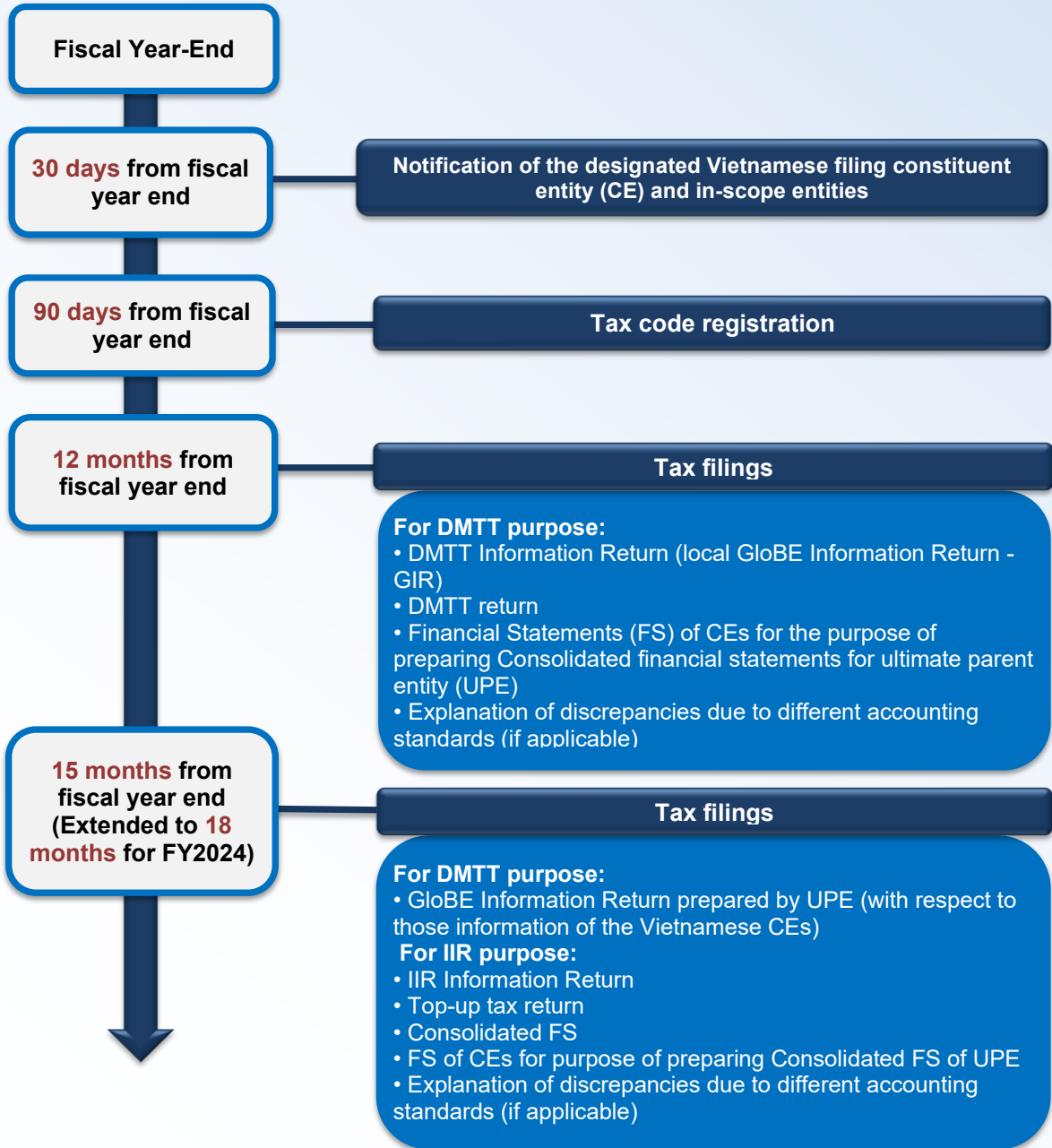
- ✓ Late submission or non-submission of Notification of the designated Vietnamese filing entity and Vietnamese in-scope entities;
- ✓ Late tax code registration within 90 days from the set deadline;
- ✓ Late submission of tax declarations within 90 days from the set deadline; etc.
- ✓ Late submission of tax declaration beyond 90 days from the set deadline where there is no tax payable or tax payable and late payment interests have been fully settled prior to the tax audit decision or the minutes on late submission of tax declaration.



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Administrative Requirements

The following key filing timeline is provided/ further elaborated under the Decree



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FAC's insights

Global Minimum Tax Rules create pressure on Multinational Enterprises

The GMT Rules can have significant impact on the cash taxes of MNE Groups, especially those enjoying generous corporate income tax incentives in Vietnam. It is expected to result in different implementation challenges, as well as administrative requirements for in-scope MNE Groups, particularly in the context of the annual ETR and top-up tax calculations based on a jurisdictional blending.

Policy Adaptation: From Tax Incentives to Investment Support

Implementation of the GMT Rules requires Vietnam to re-assess its policies to promote and attract foreign direct investment (FDI), as the current corporate income tax incentives regime may effectively be nullified in the post-GloBE environment. As a response measure, the issuance and application of Resolution No. 110/2023/QH15 dated 29 November 2023 and the guiding Decree No. 182/2024/ND-CP dated 31 December 2024 on Investment Support Fund will positively enhance the investment incentive policies, focusing on specific prioritised fields.



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