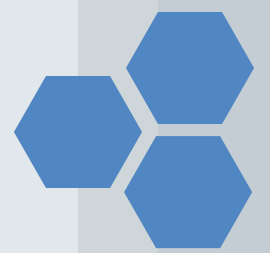




# **Vietnam Tax Systems Reform Strategy**

## **Experiences in development and implementation**



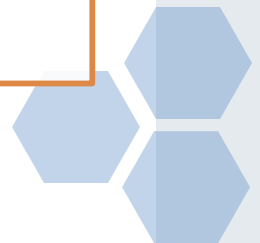


# CONTENT

**1. Strategy development process**

**2. Key components of the Vietnam tax system reform strategy to 2030**

**3. Implementation of the Strategy approved by the Prime Minister**





# 1. Strategy development process

**The General Department of Taxation of Vietnam implemented 02 important activities/components, they are:**

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*First* – Current status assessment

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*Second* - Developing a Strategy for Tax System Reform for the 2021-2030 (including tax policy reform; and tax administration reform)

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# 1. Strategy development process

## **Component 1: Current status assessment:**

- ❖ **The WB supported the General Department of Taxation to assess the current status of the tax agency's operations using the Development of Implementation and Monitoring Directives for tax reform (DIAMOND).**
- ❖ **Tax authorities assessed the results of implementation of the tax system reform strategy for the period 2011-2020.**





# 1. Strategy development process

## **Component 2: Developing a Strategy for Tax System Reform to 2030 :**

- ❖ **Established a Steering Committee to develop a Strategy for Tax System Reform to 2030**
- ❖ **Established drafting team/subcommittee according to each tax topic**
- ❖ **Workshop with experts from IMF, WB to discuss and analyze context, future visions...**
- ❖ **WB, IMF experts shared recommendations in line with the requirements of reforming Vietnam's tax authority according to each key area of tax systems**
- ❖ **Drafted the Strategy**
- ❖ **Consulted with stakeholders (units within the tax sector, agencies under the Ministry of Finance and relevant Ministries)**
- ❖ **Finalized the draft Strategy and submitted it to the Prime Minister for approval**



# 1. Strategy development process

1

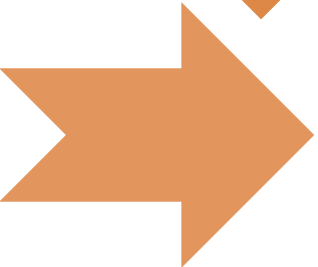
- Current status assessment

2

- Context analysis

3

- Building strategic direction for the coming period



The General Department of Taxation of Vietnam drafted and submitted to the Ministry of Finance for submission to the Government for approval:  
**The strategy was approved by the Prime Minister of Vietnam in Decision No. 508/QĐ-TTg dated April 23, 2022.**



## 2. STRATEGY FOR REFORMING THE TAX SYSTEM TO 2030

### Tax Policy

Overall  
objective

- ❖ **Continue to improve the tax policy system in association with the restructuring of state budget revenues, in line with international practices;**
- ❖ **Contributing to creating a favorable and fair investment and business environment, encouraging investment, promoting competition, regulating income reasonably, in line with the process of integration and development of the economy.**





## 2. STRATEGY FOR REFORMING THE TAX SYSTEM TO 2030

### Tax Policy

**The strategy specified tax policy reform solutions for 9 main taxes.**

#### **Selected solutions:**

- ❖ **Value-added tax:** Expanding the tax base, moving towards the application of a single tax rate; Research to increase the VAT rate according to the roadmap; Amending and supplementing regulations on tax deduction and refund;
- ❖ **Special consumption tax:** Reviewing, amending and supplementing taxable objects, adjusting tax rates for some goods; Develop a roadmap to increase taxes on tobacco and alcohol;
- ❖ **Corporate income tax:** Corporate income tax incentives for small and micro enterprises; Expand the tax base in accordance with the country's socio-economic context and international practices; Implement standards to prevent and combat transfer pricing, and prevent erosion of revenue bases.

**Soluti  
ons**







## 2. STRATEGY FOR REFORMING THE TAX SYSTEM TO 2030

### Tax Administration

Overall  
Objective

**Building a modern, streamlined, efficient and effective Vietnam tax administration; at the same time, the focus of tax administration is based on the electronic tax platform and three basic pillars: tax administration institutions; Human Resources; Information Technology**





## 2. STRATEGY FOR REFORMING THE TAX SYSTEM TO 2030

- **Tax Administration**

### Specific objectives

**Tax administration legislations** are consistent, public, transparent and fair, applying risk management to create favorable conditions for taxpayers to comply voluntarily, tax authorities are capable of efficient and effective tax management.



**Tax Officials** are professional, in-depth expertise and high integrity



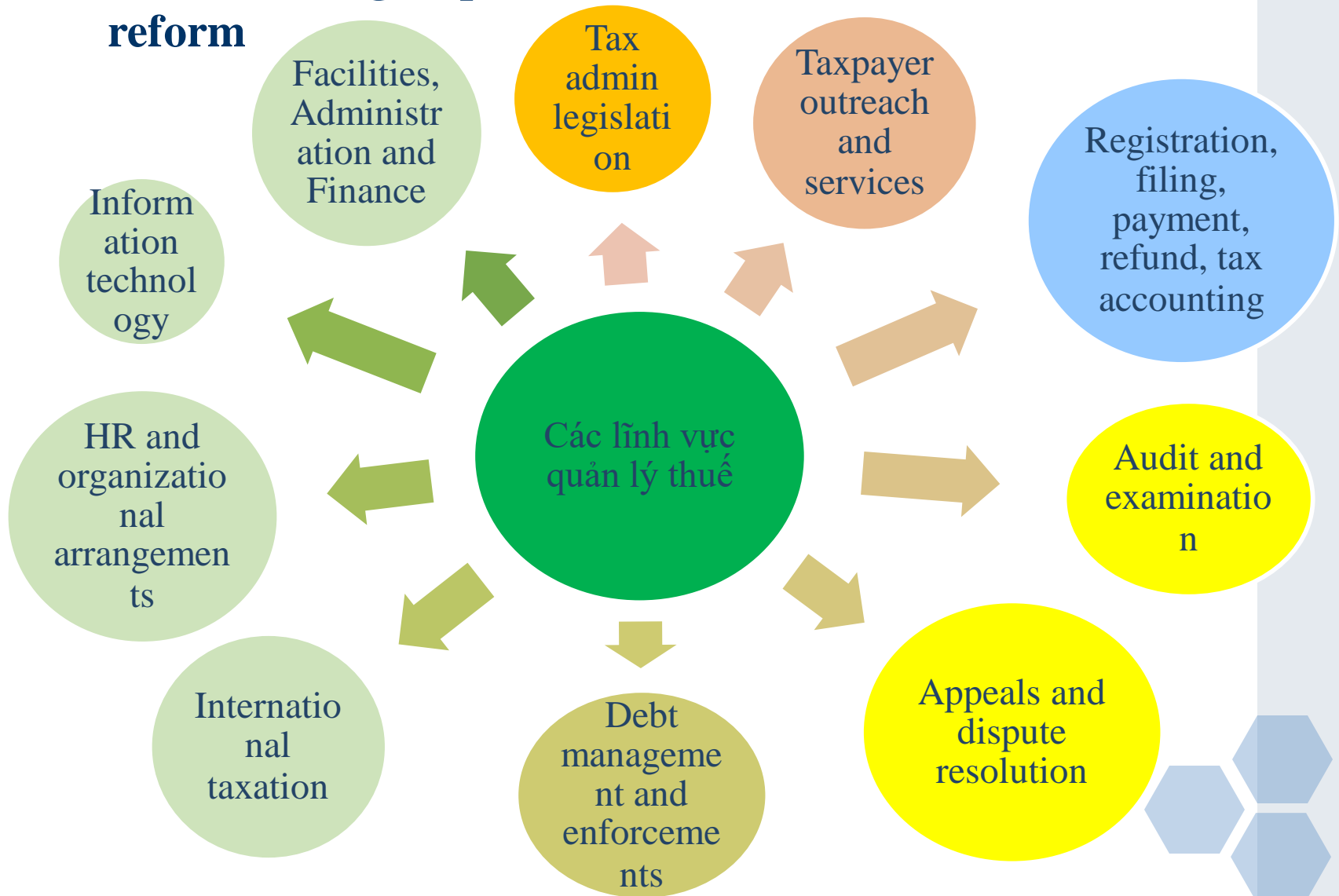
**IT System** integrated, focus, meet processing requirements, provide information for management, directing and operating of management agencies and provide electronic and digital services for taxpayers





# Solutions on tax administration reform

There are 10 groups of solutions for tax administration reform





## 3. Implementation of the Strategy

1. Formulate an action plan to implement the tax system reform strategy to 2030; Five year and annual plans for Tax system reform.

2. Establish steering committees at all levels to organize the implementation and evaluate the implementation of the Strategy.

3. Promote communication on the Strategy.





Thank  
You

FOR  
LISTENING