

## VIETNAM:

### Is the New Personal Income Tax Refund Process in 2025 Beneficial to the Public?

Starting in 2025, the General Department of Taxation announced that Vietnam will introduce an automatic personal income tax (PIT) refund process, aiming to simplify procedures and reduce the administrative burden on taxpayers. This new approach will streamline manual steps and document processing, especially given the large number of individual taxpayers who need to settle and receive refunds each year.

#### How the System Works:

The system generates a suggested PIT settlement declaration based on data from income-paying organizations and individuals, tax registration records, dependents, tax obligations, and any outstanding taxpayer debts. Taxpayers will receive this pre-filled declaration through the eTax Mobile application, the General Department of Taxation's electronic tax platform for individuals. They can review the information and, if correct, confirm and submit the finalization dossier. If there are discrepancies, they can adjust the figures, provide justifications, and submit supporting documents as needed.

In details, the process unfolds in three key steps:

#### 1. Generation of the Suggested PIT Settlement Declaration:

- The system compiles data from income-paying organizations, tax registrations, dependents, tax obligations, and debts.
- A suggested PIT settlement declaration is generated and sent to taxpayers.
- **Taxpayers review the declaration via the eTax Mobile application**, either confirming or modifying the details if necessary.

#### 2. Processing of the Refund Request:

- Upon submission, the tax authority's system automatically acknowledges receipt and processes the refund request.
- It verifies that all tax obligations have been met, ensuring the employer has correctly withheld and paid PIT or that the taxpayer has made the necessary contributions.
- If all conditions are satisfied, the system proceeds with the refund process. **If discrepancies arise, the case is assigned to a tax officer for further review.**

### 3. Issuance of the Refund:

- The system generates a refund proposal, issues a refund decision, and processes the payment.
- If all requirements are met, the refund is credited to the taxpayer's verified bank account.
- The entire process is expected to be completed **within three working days**, significantly reducing the previous waiting period of six to forty days.

#### Who Is Eligible for a Refund?

Taxpayers eligible for a refund include **those who have overpaid taxes throughout the year or whose taxable income falls below the required payment threshold**. According to the PIT Law, individuals earning less than 132 million VND per year without dependents can apply for a refund, while those with dependents—such as parents, spouses, children, or siblings—can benefit from additional deductions of 52.8 million VND per dependent per year.

The General Department of Taxation emphasizes that the introduction of this automatic system marks a significant advancement in efficiency, minimizing paperwork and streamlining tax compliance. However, for the system to function smoothly, taxpayers must ensure their information is accurate and up to date to prevent any delays in refund processing.