

Viet Nam

Overview of CbC reporting requirements

First reporting fiscal year: Commencing on or after 1 May 2017

Consolidated group revenue threshold: VND 18,000 billion

Filing deadline: On demand

Local filing required: Yes

Surrogate parent entity filing permitted: Yes

First review of the domestic legal framework: 2018/2019

Summary of recommendations

Area of implementation	Recommendations for improvement
Domestic legal and administrative framework	<p>It is recommended that Viet Nam amend its legislation or otherwise take steps to ensure that enforcement provisions relating to the effective implementation of CbC reporting filing requirements are provided for as soon as possible.</p> <p>It is recommended that Viet Nam take steps to ensure that local filing only occurs in the circumstances permitted under the minimum standard.</p> <p>It is recommended that Viet Nam clarify that the annual consolidated group revenue threshold calculation rule applies in line with the OECD guidance on currency fluctuations in respect of an MNE Group whose Ultimate Parent Entity is located in a jurisdiction other than Viet Nam.</p>
Exchange of information framework	<p>It is recommended that Viet Nam take steps to have qualifying competent authority agreements in effect with jurisdictions of the Inclusive Framework which meet the confidentiality, consistency and appropriate use conditions and with which it has an international exchange of information agreement in effect that allows for the automatic exchange of tax information.</p> <p>It is recommended that Viet Nam take steps to implement processes or written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework as soon as possible.</p>
Appropriate use	<p>It is recommended that Viet Nam take steps to ensure that the appropriate use condition is met ahead of the first exchanges of information.</p>

The domestic legal and administrative framework

It is recommended that Viet Nam amend its legislation or otherwise take steps to ensure that enforcement provisions relating to effective implementation of filing requirement for CbC reporting are provided for as required by the terms of reference as soon as possible. This recommendation remains in place since the 2018/2019 peer review.

Viet Nam has a legislative requirement for local filing which is in effect despite Viet Nam not yet meeting all of the consistency, confidentiality and appropriate use conditions. It is therefore recommended that Viet Nam take steps to ensure that local filing only occurs in the circumstances permitted under the minimum standard.¹

Where the MNE Group draws up, or would draw up, its Consolidated Financial Statements in a currency other than that specified by Viet Nam, the reference to Viet Nam's threshold has the effect as if it were a reference to the equivalent in that currency at the average exchange rate for the accounting period. While

this provision would not create an issue for MNE Groups whose Ultimate Parent Entity is a tax resident in Viet Nam, it may be incompatible with the guidance on currency fluctuations for MNE Groups whose Ultimate Parent Entity is located in another jurisdiction, if local filing requirements were applied in respect of a Constituent Entity (which is a Viet Nam tax resident) of an MNE Group which does not reach the threshold as determined in the jurisdiction of the Ultimate Parent Entity of such a Group.

This is an unintended consequence of having a local filing requirement and it is therefore recommended that Viet Nam clarify that the annual consolidated group revenue threshold calculation rule applies in line with the OECD guidance on currency fluctuations in respect of an MNE Group whose Ultimate Parent Entity is located in a jurisdiction other than Viet Nam.

The exchange of information framework

Viet Nam has no bilateral relationships in place for the exchange of CbC reports nor processes to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework.

It is recommended that Viet Nam take steps to have qualifying competent authority agreements in effect with jurisdictions of the Inclusive Framework which meet the confidentiality, consistency and appropriate use conditions and with which it has an international exchange of information agreement in effect that allows for the automatic exchange of tax information. This recommendation remains in place since the 2018/2019 peer review.

It is recommended that Viet Nam take steps to implement processes or written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework as soon as possible. This recommendation remains in place since the 2018/2019 peer review.

Appropriate use of CbC reports

Viet Nam does not yet have controls in place to ensure the appropriate use of CbC reports.

It is recommended that Viet Nam take steps to ensure that the appropriate use condition is met ahead of the first exchanges of information. This recommendation remains in place since the 2018/2019 peer review.

Note

¹ Viet Nam's 2021/2022 peer review included a monitoring point with respect to the conditions under which local filing may be required (paragraph 8 (c) iv. c) of the terms of reference). This monitoring points remain in place.



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