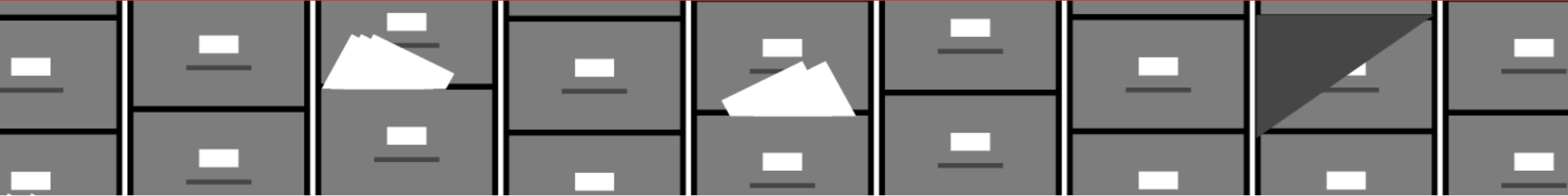


Proposal to revise the SST law



5 July 2024

At a glance...

The draft SST Law sets out a roadmap for tax rate increases from 2026-2030 and expands the scope of SST to include new products and services, notably beverages with a certain sugar content.

The draft law is proposed to be submitted to the National Assembly for consideration at the 8th National Assembly meeting in October 2024 and for approval at the 9th National Assembly meeting in May 2025.



In detail...

Key points

The draft law proposes a roadmap for rapid and significant increases in SST rates in a number of sectors, as highlighted below:

- SST rates for alcohol and beer will increase from 2026 to 2030 (up to 90% or 100%), specifically:

Products	Current SST rates	Proposed SST rates
Spirit/Wine with ABV ≥ 20°	65%	<ul style="list-style-type: none"> • <i>Option 1:</i> From 2026: 70%; 2027: 75%; 2028: 80%; 2029: 85%; 2030: 90% • <i>Option 2:</i> From 2026: 80%; 2027: 85%; 2028: 90%; 2029: 95%; 2030: 100%
Spirit/Wine with ABV < 20°	35%	<ul style="list-style-type: none"> • <i>Option 1:</i> From 2026: 40%; 2027: 45%; 2028: 50%; 2029: 55%; 2030: 60% • <i>Option 2:</i> From 2026: 50%; 2027: 55%; 2028: 60%; 2029: 65%; 2030: 70%
Beer	65%	<ul style="list-style-type: none"> • <i>Option 1:</i> From 2026: 70%; 2027: 75%; 2028: 80%; 2029: 85%; 2030: 90% • <i>Option 2:</i> From 2026: 80%; 2027: 85%; 2028: 90%; 2029: 95%; 2030: 100%



In detail...

- Beverages with sugar content above 5g/100ml are proposed to be included in the scope of SST for the first time and subject to 10% SST rate.
- Currently, cigars/cigarettes and other tobacco products are subject to SST at 75%. The draft law proposes include other tobacco products within the scope of SST. There are two proposed options in the roadmap for applying SST rates for each type of product as follows:

Products	Current SST rates	Proposed SST rates
Cigarettes	75%	<ul style="list-style-type: none"> • Option 1: From 2026: 2,000 VND/pack; 2027: 4,000 VND/bag; 2028: 6,000 VND/bag; 2029: 8,000 VND/bag; 2030: 10,000 VND/bag • Option 2; From 2026: 5,000 VND/bag; 2027: 6,000 VND/bag; 2028: 7,000 VND/bag; 2029: 8,000 VND/bag; 2030: 10,000 VND/pack
Cigars	75%	<ul style="list-style-type: none"> • Option 1: From 2026: 20,000 VND/cigar; 2027: 40,000 VND/cigar; 2028: 60,000 VND/cigar; 2029: 80,000 VND/cigar; 2030: 100,000 VND/cigar • Option 2: 2026: 50,000 VND/cigar; 2027: 60,000 VND/cigar; 2028: 70,000 VND/cigar; 2029: 80,000 VND/cigar; 2030: 100,000 VND/cigar
Tobacco (thuốc lá sợi), pipe tobacco or other forms, other tobacco products	75% for other tobacco products	<ul style="list-style-type: none"> • Option 1: From 2026: 20,000 VND/100g or 100ml; 2027: 40,000 VND/100g or 100ml; 2028: 60,000 VND/100g or 100ml; 2029: 80,000 VND/100g or 100ml; 2030: 100,000 VND/100g or 100ml • Option 2: 2026: 50,000 VND/100g or 100ml; 2027: 60,000 VND/100g or 100ml; 2028: 70,000 VND/100g or 100ml; 2029: 80,000 VND/100g or 100ml; 2030: 100,000 VND/100g or 100ml.



In detail...

- The draft law also proposes some changes to the descriptions and SST rates on certain types of automobiles.
- In terms of refunds and creditability of SST, the proposals include:
 - ✓ Temporarily imported and re-exported goods are proposed to no longer be entitled to tax refunds.
 - ✓ Clarifying tax refund regulations for imported raw materials used for the production and processing of exported goods whereby refunds are only applied in relation to the actual quantity of goods exported.
 - ✓ Refunds are only available in case of liquidation or bankruptcy. Restructuring such as merger, demerger, etc are no longer entitled to refund.

Contact us

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