Temporary Exit Suspension in Vietnam:

What Business Leaders and Investors Need to Know

Alitium
Ho Chi Minh City
Level 5, L'Mak Signature Building
147 Hai Ba Trung
Xuan Hoa Ward (District 3)
Ho Chi Minh City, Vietnam

Hanoi
51 Phan Boi Chau
Cua Nam Ward (Hoan Kiem)
Hanoi, Vietnam

P: +84 (28) 3535 6460
E: vietnam@alitium.com

Contact
Phuong Vo
Managing Partner
phuong.vo@alitium.com

Phung Nguyen
Accounting & Tax Partner
phuong.nguyen@alitium.com

Matthew Lourey
Chairman
mlourey@alitium.com

Vietnam | Singapore | Malaysia

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Understanding Changes to Implementation of Border Exit Suspensions in Vietnam for 2026

Vietnam continues to use temporary exit suspension as a tool to enforce outstanding tax obligations. Decree 252/2026/ND-CP ("Decree 252"), effective from 1 July 2026, refines the rules and widens their reach. Notably, beneficial owners of a business can now be affected, in addition to its legal representative, where the business itself owes VND 500 million or more in tax, overdue for 120 days or more, and is subject to tax enforcement. By contrast, foreign individuals can be affected by overdue tax liabilities in their own name, regardless of the amount.

For business owners, directors, foreign executives and investors, tax compliance is more than a corporate finance responsibility. It can also carry personal implications, including restrictions on an individual's ability to exit the country.

This development highlights the importance of effective tax oversight and governance, particularly as businesses grow and ownership structures become more complex.

1. Who Can Be Subject To Temporary Exit Suspension?

Decree 252 identifies several categories of individuals who may be subject to temporary exit suspension in connection with unpaid tax obligations:

INDIVIDUALS IN SCOPE	RELEVANT CONDITIONS
Individual business operators and household business owners	Outstanding tax debt of VND 50 million or more, overdue by at least 120 days, where the taxpayer is subject to enforcement of an administrative tax-management decision.
Legal representatives of enterprises, cooperatives and cooperative unions	The relevant entity has tax debt from VND 500 million, overdue from 120 days, and is subject to tax enforcement.

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Beneficial owners of enterprises	The same VND 500 million threshold and 120-day overdue period apply to the enterprise, provided it is subject to tax enforcement.
Business operators, household business owners, beneficial owners and legal representatives linked to taxpayers no longer operating at their registered addresses	The tax authority has sufficient grounds and has notified that the taxpayer is not operating at its registered address. If, after 120 days from the notification, the taxpayer has neither restored its tax identification number nor completed its termination, the relevant individuals may be subject to temporary exit suspension.
Foreign individuals	They have overdue tax liabilities in Vietnam that remain unpaid.
Vietnamese citizens emigrating permanently and overseas Vietnamese leaving Vietnam	They have overdue tax liabilities that remain unpaid before departure.

An important distinction for foreign individuals: Unlike the thresholds applicable to business owners, legal representatives and beneficial owners, Decree 252 does not prescribe a minimum tax debt amount or a 120-day overdue period for foreign individuals. An overdue and unpaid tax liability may therefore trigger the measure regardless of its amount or how long it has been overdue.

This is particularly relevant to foreign executives and employees who may have personal tax obligations in Vietnam, including those arising from employment or other taxable income.

2. What Does The Inclusion Of Beneficial Owners Mean For Business Leaders?

One of the most significant changes under Decree 252 is the express inclusion of beneficial owners within the scope of individuals who may be subject to temporary exit suspension.

Previously, the relevant provisions focused on the legal representative of the enterprise. Under the new rules, individuals who ultimately own or exercise control over a business may also be affected, even if they are not directly involved in its day-to-day management. For groups with layered ownership or control arrangements, the individuals who ultimately own or exercise control over a Vietnamese enterprise should therefore be considered when assessing tax-related travel risks. This may be relevant to foreign investors, shareholders and group-level individuals who exercise ultimate control, including through intermediate entities.

The key point is that the risk is not necessarily limited to the person whose name appears as the company's legal representative. Beneficial ownership and control structures should also be considered when assessing potential exposure.

3. How Is The Measure Applied, And When Can It Be Lifted?

Decree 252 also provides a clearer framework for notification, implementation and cancellation of temporary exit suspension.

Advance notification

For individual business operators, household business owners, legal representatives and beneficial owners falling within the relevant tax-enforcement thresholds (i.e the first three categories in section 1), the tax authority will issue a notice of its intention to impose temporary exit suspension at least 30 days in advance. The notice is delivered through the electronic tax transaction system and published on the tax authority's website.

If the relevant requirements have not been met by the applicable deadline, the tax authority may issue the formal suspension notice to the immigration authority.

The 30-day advance notification process does not apply in the same way to foreign individuals with overdue tax liabilities or Vietnamese individuals leaving Vietnam for permanent residence abroad. For these categories, the tax authority may issue the relevant notice once the statutory grounds are established.

When can the suspension be lifted?

The conditions depend on the category of individual concerned:

- **Individual business operators and household business owners:** the outstanding tax debt is reduced to below VND 50 million, or the debt is written off in accordance with applicable law.
- **Legal representatives and beneficial owners of enterprises:** the relevant entity's outstanding tax debt is reduced to below VND 500 million, or the debt is written off in accordance with applicable law.
- **Taxpayers no longer operating at their registered addresses:** the suspension may be lifted when the taxpayer submits a dossier to restore its tax identification number, files the required tax returns and pays enough to reduce the remaining tax debt below the applicable threshold (below VND 50 million for an individual business operator or household business, or below VND 500 million for an enterprise, cooperative or cooperative union); alternatively, the lift of exit suspension may follow once termination of the tax identification number takes effect.
- **Foreign individuals and Vietnamese individuals leaving for permanent residence abroad:** the outstanding tax obligations must be fully settled, or the tax debt must be written off in accordance with applicable law.

Importantly, the new rules do not always require full settlement of the company's tax debt before the suspension can be lifted. For cases subject to the VND 50 million or VND 500 million thresholds, reducing the outstanding amount below the applicable threshold may be sufficient.

4. What If The Tax Has Been Paid But The System Has Not Been Updated?

Decree 252 addresses a practical issue that may arise when a taxpayer has paid the outstanding amount but the payment information has not yet been reflected in the tax administration system.

In that situation, the taxpayer may submit an electronic response together with a copy of the relevant tax payment receipt through the electronic tax system. Upon receipt, the tax authority is required to update its records and promptly issue a notice lifting the exit suspension.

The immigration authority will then act on that notification and promptly remove the travel restriction. This makes it important for taxpayers to retain payment evidence and respond promptly if a completed payment is not yet reflected in the tax system.

For foreign individuals, Decree 252 also provides for extension of the suspension where the relevant tax obligations remain unpaid.

5. Beneficial Ownership Declarations: An Increasing Compliance Priority

Alongside the expanded rules on beneficial ownership, the authorities are stepping up efforts to review and improve the completeness of beneficial ownership information in the National Business Registration Database.

While the current legal framework does not establish a single nationwide deadline for all existing businesses to submit or supplement beneficial ownership information, local Departments of Finance and Business Registration Offices have begun issuing their own notices and timelines for enterprises to review and complete their declarations. The Government has also set a target of having more than 80% of enterprises complete the supplementation of beneficial ownership information by the end of 2026.

For example, enterprises in Ho Chi Minh City have been requested to complete the relevant procedures before 12 December 2026, Hai Phong has set a deadline before 10 December 2026, while the deadline in Hanoi is before 31 December 2026 for the relevant group of enterprises identified in its official notice.

6. Practical Steps For Businesses And Individuals

Businesses and individuals should take a proactive approach to reviewing their corporate, tax and personal compliance positions. To reduce the risk of unexpected travel restrictions, businesses and individuals should consider the following steps:

1. **Review beneficial ownership information**: Review the company's ownership and control structure, identify individuals who qualify as beneficial owners, and ensure that the relevant information is accurately declared and updated in accordance with applicable requirements and local filing timelines.
2. **Monitor electronic tax notifications**: Regularly review the electronic tax transaction account and relevant tax authority communications for notices concerning temporary exit suspension.

3. **Plan ahead of international travel.** Address identified tax matters early and retain supporting payment records. A payment should not be assumed to have been reflected immediately in the relevant government systems.
4. **Review the company's tax position**. Check outstanding tax debts, overdue payment obligations, tax enforcement notices and any notifications concerning the company's registered operating address or tax identification number.
5. **Review personal tax obligations.** Foreign individuals working or earning taxable income in Vietnam, and Vietnamese individuals preparing to leave Vietnam for permanent residence abroad, should check that their personal tax obligations have been properly declared and settled.

Conclusion

Decree 252 reinforces the connection between a business's tax compliance position and the individuals who ultimately own, control or represent it. Temporary exit suspension is not simply a consequence of an individual's unpaid tax liabilities. A business's tax compliance and registration status may also affect the ability of its legal representatives and beneficial owners to leave Vietnam.
This article provides a general overview of selected provisions under Decree No. 252/2026/ND-CP concerning temporary exit suspension for taxpayers and certain individuals connected with businesses. It does not constitute legal or tax advice on any particular circumstance. The application of these rules depends on the relevant facts, the individual's relationship with the taxpayer and the applicable legal requirements. Businesses and individuals should seek appropriate professional advice to assess their position before making decisions that may affect their tax compliance or international travel.

For any further questions you may have, please reach out to us at vietnam@alitium.com

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This article is intended to provide an overview of recent updates and announcements. While it aims to present useful insights, it is important to note that the content shared here should not be considered as formal tax, legal or compliance advice. For specific guidance on compliance obligations or legal matters related to your business, we strongly recommend consulting with a qualified professional, such as a qualified professional advisor or legal expert or directly reach out to us.

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