Changes to VAT Adjustments in Vietnam:

New Approaches Under Circular 89/2026/TT-BTC

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Key Changes in VAT Return Items 37 and 38 Under Circular 89/2026/TT-BTC

Effective from 1 July 2026, Circular 89/2026/TT-BTC introduced a new VAT Return, Form 01/GTGT, with one of the most significant changes being the approach for recording adjustments in VAT declarations, resulting in a far simpler procedure to adjust for many VAT scenarios.

Under the previous regulations, taxpayers were required to complete the adjustment process in two steps: (i) file a supplementary VAT return for the incorrect tax period, and (ii) reflect the corresponding adjustment in the current VAT return using Item 37 (decrease in deductible input VAT) or Item 38 (increase in deductible input VAT), as applicable.

Under the new regulations, this process has been simplified to a single-step adjustment in certain cases. Specifically, the scope of Item 37 and Item 38 have been expanded, allowing taxpayers to make adjustments directly in the current VAT return without filing a supplementary VAT return for the incorrect tax period.

This change simplifies VAT compliance, reduces administrative burdens, and minimizes the need to revisit previously filed tax periods. It is important to note that these two items apply only to input VAT adjustments and are not intended for output VAT corrections.

The following cases can be adjusted directly in the VAT return of the relevant reporting period, without filing a supplementary VAT return:

No.	Scenario	Use Item	When to Report	Supplementary VAT Return?
1	Deferred or instalment purchases (≥ VND 5 million) without non-cash payment evidence by the contractual payment due date	[37] – Decrease deductible input VAT	VAT period in which the payment obligation arises	❌ No
2	Non-cash payment evidence is subsequently obtained for the above purchases	[38] – Increase deductible input VAT	VAT period in which the payment evidence is obtained	❌ No
3	Correction of input VAT errors or omissions that qualify for direct adjustment under the new rules	[37] or [38]	VAT period in which the error is identified	❌ No
4	Receipt of an adjusted or replacement invoice under Clause 5, Article 10 of Circular 91/2026/TT-BTC, including: • Returns of goods and services • Commercial discounts • Post-settlement adjustments • Banking and payment service fee refunds • Telecommunications service adjustments involving prepaid mobile cards Natural gas sales value adjustments due to foreign exchange conversion differences	[37] or [38]	VAT period in which the adjusted/replacement invoice is received	❌ No
5	Change from the VAT credit method to the direct method	[37] – Decrease remaining deductible input VAT	Final VAT period before the change	❌ No

Implications for Businesses

The new guidance on Items 37 and 38 simplifies VAT compliance by allowing businesses to adjust deductible input VAT directly in the current reporting period instead of filing supplementary VAT returns in many common situations.
As a result, businesses can reduce administrative workload, improve efficiency in handling adjustment invoices, and streamline VAT reporting processes. However, businesses should strengthen controls over non-cash payment documentation, invoice adjustments, and VAT reconciliations to ensure accurate reporting under the new rules.

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

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