

### 1. VALUE ADDED TAX

#### ❖ VAT rate of legal services

OL No. 15172/CTHN-TTHT dated 11 May 2021 issued by Tax Department of Hanoi guided on VAT policy as:

In case, the Company provides legal services (legal advice, litigation, non-procedural representative, etc) for foreign organizations and consumed in Vietnam, these services shall be subject to VAT rate of 10% as prescribed in Article 11 of Circular No. 219/2013/TT-BTC.

### 2. PERSONAL INCOME TAX

#### ❖ Document for deduction of personal income tax

OL No. 14358/CTHN-TTHT dated 04 May 2021 issued by Tax Department of Hanoi guided on PIT as:

Pursuant to Clause 5, Article 12 of Decree No. 65/2013/ND-CP dated 27 June 2013 granted by the Government detailed guidance some articles of the Law on PIT and amended and supplemented Law on PIT. In case, the taxpayers register family circumstance deduction for dependents who have no income or whose average monthly income from all income sources is no more than 01 (one) million VND, the taxpayer shall make a commitment and take full responsibility for the accuracy of dependent's information.

### 3. CORPORATE INCOME TAX

#### ❖ Time to reconcile revenue which is subject to CIT for goods exported to agents to sell at the right price

OL No. 14207/CTHN-TTHT dated 04 May 2021 issued by Tax Department of Hanoi guidance on CIT policy as:

The time to reconcile revenue for calculating CIT is the time of transferring the ownership and use rights of goods to the buyer as prescribed in Article 3 of Circular No. 96/2015/TT-BTC dated 22 June 2015 of the MOF.

### 4. FOREIGN CONTRACTOR TAX

#### ❖ Finalization of Foreign Contractor Tax

OL No. 14198/CTHN-TTHT dated 04 May 2021 issued by Tax Department of Hanoi guidance on finalization of FCT as:

- In case, foreign contractors have incomes generating in Vietnam by basis of contract between foreign contractors and Vietnamese organizations are subject to FCT.
- In case, the foreign contractors are subject to pay VAT by direct method and CIT by the rate on the revenue, the Company is responsible for declaring FCT by time of arising payment and finalizing when terminate the contract as prescribed in Clause 3, Article 20 of Circular 156/2013/TT-BTC.

#### ❖ FCT obligations to foreign organizations and individuals do business or generate income in Vietnam

OL No. 15175/CTHN-TTHT dated 04 May 2021 issued by Tax Department of Hanoi stipulated on FCT as:

In case, a foreign company provides goods by term of delivery at the Vietnamese border and installation services with a contract separated the value of goods and services, the income from providing goods and installation services are subject to FCT in Vietnam. In case, the foreign contractor fails to meet the conditions for directly declaring tax in Vietnam as prescribed in Article 8, Section 2, Chapter II of Circular No. 103/2014/TT-BTC, the Company is responsible for deducting, declaring and paying taxes on behalf of foreign contractors, specifically:

- For CIT: rate for the value of machinery and equipment is 1%; for the value of installation services of machinery and equipment is 2%, and other services is 5%.
- For VAT: the VAT of machinery and equipment has been made at the import stag, the VAT of foreign contractor is only calculated on the value of installation services with rate of 5%;

In case, a foreign company provides goods by term of delivery at the foreign border, takes all responsibilities, costs and risks related to the exporting; and the buyer takes all responsibilities, costs and risks related to the receipt and deliveries goods from the border to Vietnam (with the warranty terms as responsibility and obligations of the seller) is not subject to FCT as regulated in Article 2 of Circular No. 103/2014/TT-BTC.

## 5. INVOICES

### ❖ Date of issuing e-invoices

OL No. 14875/CTHN-TTHT dated 10 May 2021 issued by Tax Department of Hanoi stipulated on the date of issuing e-invoices as:

The time for issuing e-invoices should comply with the provisions of Clause 3, Article 15, Decree No. 51/2010/ND-CP and the guidance on Clause 2, Article 16, Circular No. 39/2014/TT-BTC, the e-invoice issuance date for providing services is the completion date of service regardless of payment has been received or not.

In case, the invoice signing date is after the invoice issuing date, the company branch should rely on the invoice issuance date to determine obligations of tax declaration, payment and accounting as prescribed.

### ❖ Contents of input invoice for food and beverage service

OL No. 15176/CTHN-TTHT dated 11 May 2021 issued by Tax Department of Hanoi guided on issuance of invoice for food and beverage service as:

In case the input invoice is paper invoice, its contents should be complied with the provisions of Article 4, Circular No. 39/2014/TT-BTC and the attached list of the invoice should comply with the provisions of Clause 2, Article 19, Circular No. 39/2014/TT-BTC.

In case the input invoice is electronic one, its content should be complied with the provisions of Article 6 of Circular No. 32/2011/TT-BTC and the list of goods should be shown fully on the invoice to ensure the principle that information included in the e-invoices shall be accessed and used in a complete form if necessary as prescribed in Clause 3, Article 3, Circular No. 32/2011/TT-BTC dated 14 March 2011.

## 6. LABOR

### ❖ Report on the use of foreign workers

OL No. 15616/SLDTBXH-VLATLD dated 17 May 2021 issued by the People's Committee of Ho Chi Minh City - DOLISA stipulated on report of foreign worker employment.

Organizations and enterprises shall report on the employment of foreign workers in accordance with the provisions of Article 6, Decree No. 152/2020/ND-CP dated 30 December 2020 of the Government, as follows:

- Semi-annual report: Timeline for data aggregation is from 15 December of the previous year to 14 June of the reporting period; Report submission time is from 15 June to 04 July.
- Annual report: The timeline for data collection is from 15 December of the previous year to 14 December of the reporting period. Report submission time is from 15 December to 05 January of the next year.
- Report form: Form No. 07/PLI by Appendix I, Decree 152/2020/ND-CP.
- Form of submitting reports: organizations and enterprises should send reports to the email address of DOLISA (via the Department of Employment - Occupational Safety and Health): [ldnn.dolisa@gmail.com](mailto:ldnn.dolisa@gmail.com) attached with a scanned report with signed and red stamped and a soft copy.

## Abbreviations

OL	CIT
Official letter	Corporate Income Tax
MOF	PIT
Ministry of Finance	Personal Income Tax
GDT	VAT
General Department of Taxation	Value Added Tax
DOLISA	FCT
Department of Labor, War Invalids and Social Affairs	Foreign Contractor Tax

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*This newsletter aims to update and summarize general regulations associated with tax, accounting, investment and labor in Vietnam. You should refer to expertise before making decision.*