

### 1. PERSONAL INCOME TAX

#### ❖ Personal income tax for business households and individuals

Circular No. 100/2021/TT-BTC dated 15 November 2021 issued by the MOF has the amendment effective from 01 January 2022 as follows:

Individuals, who only have property leasing activities with the rental period is under a year, are not required to pay VAT and are not required to pay PIT if the rental is 100 million VND/year or less. In case the lessee pays rent in advance for many years, the revenue level to determine whether an individual must pay tax or not is a one-time payment amortized by the calendar year

#### ❖ Guidance on PIT for foreign workers

OL No. 53948/CTHN-TTHT dated 13 December 2021 issued by Hanoi Tax Department promulgated on declaring PIT for employing foreigners from parent companies to work in the Company as:

In case, the entire salary of the foreigner who only has income from the work at the Company and does not concurrently work at other enterprises is paid by the Company in Vietnam by the agreement, the Company is responsible for withholding, declaring, and paying PIT on the total taxable income paid to the foreign employee.

#### ❖ Payment of funeral and wedding

OL No. 54819/CTHN-TTHT dated 15 December 2021 issued by Hanoi Tax Department has the following notable points: Payment for funeral or wedding of employees or their families should not include in taxable income when calculating PIT if satisfying the provisions of Clause 5, Article 11, Circular No. 92/2015/TT-BTC dated 15 June 2015 and compliance with the level of CIT taxable income determination according to Point 2.30, Clause 2, Article 4, Circular No. 96/2015/TT-BTC (had been amended at Clause 4 Article 3 Circular No. 25/2018/TT-BTC)

### 2. VALUE ADDED TAX

#### ❖ Value added tax for business households and individuals

Circular No. 100/2021/TT-BTC dated 15 November 2021 issued by the MOF effects from 1 January 2022 has an amendment as follows:

The owners of an e-commerce base should declare and pay taxes on behalf of individuals on the basis of the authorization. Previously, Circular 40 required e-commerce base owners to declare and pay taxes on behalf as well as provide information of individuals trading on the base.

### 3. E- INVOICE

#### ❖ New guidance on penalty for administrative violation in the tax and invoice

Decree No. 102/2021/ND-CP dated 16 November 2021 issued by the Government to supplement regulations related to sanctioning of administrative violations on invoices in Decree No. 125/2020/ND-CP with some outstanding as follows:

- Statute of limitation for an administrative penalty on the invoice issuance is 02 years;
- Fines from VND 20 million to VND 50 million shall be imposed for the act of giving or selling invoices (with some exceptions);
- Fines from VND 4 million to VND 8 million shall be imposed for the loss, burnt or damaged invoice which has been issued but not yet declared for tax purposes.
- No charges on late payment fines during the period of consideration and decision to reduce or exempt fines.

#### ❖ Issue invoices for goods used in sponsor for social security activities

OL No. 53181/CTHN-TTHT dated 08 December 2021 issued by Hanoi Tax Department promulgated as follows:

Enterprise sponsors RT-PCR testing machines to support the prevention and treatment of Covid-19 must invoice, declare, calculate and pay value added tax according to regulations.

#### 4. OTHER

##### ❖ Adjustment on fees and charges for organization and individual affected by Covid-19:

Circular No. 120/2021/TT-BTC dated 24 December 2021 granted by the MOF regulated some main contents as follows:

- 50% reduction on the granting fee for certificates of construction capacity to organizations and certificated of practicing construction to individuals as prescribed under Circular 172/2016/TT –BTC.
- 50% reduction on the fee for appraising construction investment projects and appraisal of basic design as specified under Circular 209/2016/TT-BTC;
- 50% reduction on the granting fee of activities for sending labors abroad to work in-term as prescribed under Circular 259/2016/TT-BTC;
- Circular 120 also provides adjustment to other charges related to industries, professions, and fields seriously affected by the Covid-19 epidemic.

#### 5. LABOR – INVESTMENT

##### ❖ Granting entry to foreigners, Vietnamese people residing with relatives overseas

OL No. 450/VPCP-QHQT dated 18 January 2022 issued by the Government Office with the following contents:

###### **Subjects of application:**

- The foreigners shall have invitation or guarantee of agencies, organizations, and individuals in accordance with the Law on entry, exit, transit, and residence of foreigners in Vietnam
- The foreigners entering Vietnam for tourism purposes shall continue to be applied the pilot program for reopening international tourism

###### **Procedures for Immigration approval**

- The foreigners, Vietnamese people residing overseas with relatives shall be entitled to enter Vietnam according to regulations of the Law on entry, exit, transit and residence of foreigners in Vietnam and the Government's Decree No. 82/2015/ND-CP dated 24 September 2015 without re-applying for inspection of identity, grant of visa/visa-free entry, permission of entry from the central or local authorities if having legal entry documents (as

unexpired certificate of visa-free entry, permanent residence card, temporary residence card, visa)

- For foreigners do not have visas, the People's Committees of provinces shall consider to grant the entry and provide the convenience environments for who entry to work, attend conferences, seminars, study and humanitarian... in the provinces. The central authorities and agencies shall proactively decide the invitation, welcome and monitor the foreigners to work with.

##### ❖ New regulations on administrative violations in business planning and investment

Decree No. 122/2021/ND-CP ("Decree 122") on 28 December 2021 issued by the Government and effective from 01 January 2022 detailing stipulated penalties for administrative violations in business planning and investment with some notable summarized below:

- Overstated the chartered capital: A fine ranging from VND 20 million to VND 100 million depending on the overstatement value (from VND 10 billion to over VND 100 billion);
- Violation on regulations of reporting and informing investment activities: A fine from VND 20 million to VND 30 million shall be imposed for acts such as making reports of investments supervision and evaluation not timely or incomplete as the prevailing regulations, not periodically making reports of investments supervision and evaluation as prescribed. A fine between VND 30 million and VND 50 million for acts such as not complying with the regime of reporting investment activities or not reporting in a timely manner as prescribed, or reporting dishonestly or inaccurately on investment activities, etc.;
- Violations on investment incentives: A fine of between VND 50 million and VND 70 million shall be imposed for making inaccurate or dishonest declarations of necessary information to enjoy investment incentives.
- In addition, Decree 122 also stipulates sanctions for other violations in the fields of bidding, business registration, and planning.

## Abbreviations

OL	CIT
Official Letter	Corporate Income Tax
GDT	PIT
General Department of Taxation	Personal Income Tax
MOF	VAT
Ministry of Finance	Value Added 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.*