

1. PERSONAL INCOME TAX

❖ Reduced value-added tax ("VAT") rate by 2% in 2022

Decree No. 15/2022/ND-CP dated 28 January 2022 issued by the Government has the amendment effective from 01 February 2022 as follows:

- VAT on goods and services currently subject to 10% VAT shall be reduced by 2%, except the following goods and services: Telecommunication, financial activities, banking activities, securities, insurance, trading of real estate, metal and precast metal products, mining products (excluding coal mining), coke mining, refined oil, chemical products; Goods and services subject to excise tax
- For business establishments declared VAT by the deductible method, when issuing VAT invoices for goods and services subject to the VAT reduction, the Company should specify the "8% VAT rate" in the line of the VAT rate, VAT amount payable, and total amounts payable on the issued invoice. The seller or service provider shall declare output VAT and the buyer or service user shall declare input VAT according to the VAT amount written on the VAT invoice.
- Business establishments (including household and individual businesses) declared VAT by the direct method (as a percentage (%) of revenue), when issuing VAT invoices for goods and services subject to reduced VAT, the Company should write the amount before the reduction in the "Amount" ("Thành tiền") column, the amount payable after reduction (by 20% of the tax rate on revenue) in the "Total amount" ("Cộng tiền hàng hóa, dịch vụ") row, and noted "reduced (amount) equivalent to 20% of the percentage rate by Resolution No. 43/2022/QH15" ("đã giảm... (số tiền) tương ứng 20% mức tỷ lệ % để tính thuế giá trị gia tăng theo Nghị quyết số 43/2022/QH15")

❖ Declare VAT for dependent accounting branches in other provinces

OL No. 4016/CTHN-TTHT dated 27 January 2022 issued by Hanoi Tax Department with some notable as:

- In case the branch generates revenue, the branch will directly declare and pay tax at the provincial agency;
- In case no revenue is generated, the declaration shall be concentrated at the head office.

2. CORPORATE INCOME TAX

❖ Corporate income tax ("CIT") on expenses and sponsorships of businesses and organizations

Decree No. 15/2022/ND-CP dated 28 January 2022 stipulated the exemption and reduction regime of the Resolution No. 43/2022/QH15 issued by the Government effective from 01 February 2022 has some notable as follows:

The donations and sponsors in cash or in kind of enterprises for Covid-19 epidemic control in Vietnam may be considered as deductible expenses when calculating CIT in the tax period of 2022.

3. PERSONAL INCOME TAX

❖ Deadline for additional registration of dependents

Clause 4 and Clause 5, Article 6 of Circular No. 95/2016/TT-BTC dated 28 June 2016 issued by the MOF guidance some notable as:

Employer should submit the tax registration for employees has income from salaries or wages and dependents registration for employees once a year within 10 working days before the submission of annual PIT finalization.

Therefore, in period of 2021, the deadline for additional registration of dependents should be as follows:

- Before 21 March 2022: If the dependent is the taxpayer's child, spouse, or parent.
- Before 31 December 2021: For other cases.

❖ **Declare and remit tax on behalf of promotion bonuses and trade discounts for household business**

OL No. 346/CTHN-TTHT dated 09 February 2022 issued by GDT guidance some notable as follows:

- In case the Company producing livestock, poultry, and livestock feed offers trade discounts to customers who are household businesses paying tax by the presumption method, the Company should declare and remit PIT on behalf of the contracted households.
- Household and individual businesses are responsible for providing information on tax calculation methods to organizations for declaring and remitting tax on behalf.

4. E- INVOICE

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

Decree No. 15/2022/ND-CP dated 28 January 2022 issued by the Government has the amendment effective from 01 February 2022 as follows:

- Invoices must be issued **separately** for goods and services which are eligible for VAT reduction. In case the Company fail to issue separated invoices for goods and services eligible for VAT reduction, the Company might not be entitled to VAT reduction;
- For goods sold, services completed before 01 February 2022, the tax rate of 8% is not applicable;
- For invoices made before 01 February 2022 but then discovered errors, when making an adjustment/replacement invoice, the tax rate applied before 01 February 2022 will remain;
- For the Company issued invoices at the wrong tax rate but do not issue an adjustment/replacement invoice, when detected, they will be handled according to regulations.

5. LABOR

❖ **Print the health insurance card according to the new form**

OL No. 519/BHXH-CST dated 11 February 2022 issued by the Social Insurance Department of Ho Chi Minh City guided some notable as follows:

- From 11 February 2022, the Social Insurance Department of Ho Chi Minh City shall print and issue a new form of HI card according to the provisions of Decision No. 1666/QĐ-BHXH in case of new issuance and re-issue due to loss, damage, or change information on the HI card;
- New form of HI card has the imprinted title of the Head of the Collection and Book Management Committee of the Vietnam Social Insurance Administration, the card signed by the General Director of Vietnam Social Insurance (*the old form is signed by the Director of the City Social Insurance*);
- The code on the new HI card is 10 numeric characters;
- Does not show the participant's address, only shows the place of issue and change of HI cards;
- The HI benefit code is moved down to the same line showing the date of birth, gender, and living object code;
- The old form of HI card issued before 11 February 2022 will continue being used for medical examination and treatment covered by HI;
- The new form of HI card is used and had the same value as the old one.

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
SI	HI
Social Insurance	Health Insurance

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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.