

1. ACCOUNTING PRINCIPLES

❖ Guidance on setting up and handling of provisions for devaluation of securities investment

Circular No. 24/2022/TT-BTC dated 07 April 2022 granted by MOF amending and supplementing some articles of Circular No. 48/2019/TT-BTC guiding on setting up and handling of provisions for devaluation of securities investment as follows:

Objects for setting up the provision on securities investments devaluation should not include government bonds, government-guaranteed bonds, and local government bonds.

For corporate bonds that have been listed and registered for trading, the bond price on the market is the most recent transaction price at the Stock Exchange within 10 days up to the time of making financial statements. In case there is no transaction within 10 days up to the time of making the annual financial statement, the enterprise should not make a provision.

The Circular takes effect on 25 May 2022.

2. VALUE ADDED TAX

❖ Guidance on time to issue reduced VAT invoice for rate of 8%

OL No. 2688/BTC-TCT dated 23 March 2022 issued by MOF guidance on VAT in Decree No. 15/2022/ND-CP.

Accordingly, MOF guides on the time of starting issuing invoices under the policy of reducing VAT rate from 10% to 8% as follows:

- In case a business establishment signs a contract to provide services and has issued an invoice at the time of collection before 01 February 2022 at rate of 10%, services completed from 01 February 2022 to the end of 31 December 2022:
 - The amount has invoiced before 01 February 2022 is not eligible for VAT reduction policy.
 - The remaining amount has invoiced from 01 February 2022 to the end of 31 December 2022 is applied the reduction VAT policy with rate of 8%.

- In case a business establishment is subject to the tax rate of 10% in January 2022 but does not issue an invoice until 01 February 2022, this is the case of making invoices at the wrong time and is not eligible for VAT reduction.
- For invoices issued before 01 February 2022 with the VAT rate of 10% but later there are errors need to be adjusted, the adjusted invoice, invoice of goods return should be issued with the VAT rate of 10%.
- For activities of providing specific goods and services such as electricity, business establishments are entitled to VAT reduction according to regulations for invoices made from 01 February 2022 to the end of 31 December 2022.

3. LABOR

❖ Decision No. 08/2022/QĐ-TTg dated 28 March 2022 stipulates the implementation of the rent support policy for employees with the following contents:

Housing rent support policy for employees working in the enterprise

Supported objects: employees under the employment relationship who are renting, staying, and working in the following areas:

- Industrial parks and export processing zones;
- Key economic areas include economic zones (established under Decree No. 82/2018/ND-CP dated 22 May 2018 by the Government) and 24 provinces and cities directly under the central government (Hanoi, Hai Phong, Quang Ninh, Hai Duong, Hung Yen, Vinh Phuc, Bac Ninh, Thua Thien Hue, Da Nang, Quang Nam, Quang Ngai, Binh Dinh, Ho Chi Minh City, Binh Phuoc, Tay Ninh, Binh Duong, Dong Nai, Ba Ria - Vung Tau, Long An, Tien Giang, Can Tho, Ca Mau, An Giang and Kien Giang).

Implement under the principles: timely, right object, publicly, transparency... no support for employees who do not request support, employees working in many places will be supported at the place where they participate in

compulsory insurance, support once a month and not more than 03 months.

Supported conditions:

- Rent and stay in accommodation from 01 February 2022 to 30 June 2022;
- Having an indefinite-term labor contract or a definite-term labor contract of 01 month or more entered into before 01 April 2022;
- Participating in compulsory social insurance.

Level of support: 500,000 VND/person/month. (Monthly payment, up to 3 months).

Policy to support rent for workers returning to the labor market

Supported Objects: employees who are working in enterprises, cooperatives, and business households with business registration in industrial parks, export processing zones, or key economic areas.

Supported conditions:

- Renting or staying in accommodation from 01 April 2022 to 30 June 2022;
- Having an indefinite-term labor contract or a definite-term labor contract of 01 month or more entered into from 01 April 2022 to 30 June 2022, except for the continuing of labor contract has been signed and performed previously;
- Participating in compulsory social insurance.

Support level: 1,000,000 VND/person/month. (Monthly payment, up to 3 months).

❖ **According to OL No. 1244/LDTBXH-VL dated 21 April 2022 granted by the MOLISA guidance on the implementation of Decision No. 08/2022/QĐ-TTg of the Prime Minister:**

- To identify employees **"working"** or **"returning to the labor market"** for applying the rent support of 500,000 or 1,000,000 VND/month **will be based on the time of signing the labor contract.**
- If signing before 01 April 2022, identified as "working" and entitled to a support level of 500,000 VND/month. In case of signing (new contract, not serial contract) from 01 April to 30 June 2022, identified as "returning to the labor market" and will be entitled to a support level of 1,000,000 VND/month.
- In case the period of 01 April to 30 June 2022, the employee terminates the old contract (signed before 01 April) and signs a new contract (after 01 April), the working time under the old contracts is supported

500,000 VND/month, under the new contract is supported 1,000,000 VND/month and the combined maximum support period of both contracts is no more than 3 months.

- The responsibility to identify enterprises where employees work is in industrial parks, export processing zones or economic zones is belonging to the DOLISA to review, make statistics and provide information to the social insurance agency.
- The identification of employees participating in compulsory social insurance preceding the month of request for support shall be confirmed by the responsible social insurance agency.

❖ **Guidance on implementing regulations for overtime hours**

OL 1312/LDTBXH-ATLD dated 26 April 2022 issued by MOLISA guidance on the implementation of Resolution No. 17/2022/UBTVQH15 for increasing overtime hours in the contextual of economic recovery.

Accordingly, MOLISA requests DOLISA of the provinces and central cities to be concerned with the following contents:

- The cases in which the employer is allowed to let employees overtime for a maximum of 300 hours a year are specified in Clause 1, Article 1 of Resolution No. 17/2022/UBTVQH15 and Clause 3, Article 107 of Labor Code.
- All cases are allowed overtime up to 300 hours a year will be allowed overtime from 40 to 60 hours a month from 01 April 2022.
- Fully comply with other regulations on overtime at Labor Code and guidance documents from Labor Code.
- When organizing overtime from over 200 hours to 300 hours a year, the employer must notify DOLISA as prescribed in Clause 4, Article 107 of Labor Code and Article 62 of the Decree No. 145/2020/ND-CP of the government.
- Provisions of the Resolution No. 17/2022/UBTVQH15 shall be implemented until the end of 31 December 2022, unless the National Assembly decides to extend the implementation time.

Abbreviations

MOF	CIT
Ministry of Finance;	Corporate Income Tax
GDT	PIT
General Department of Taxation	Personal income Tax
MOLISA	VAT
Ministry of Labor, Invalids and Social Affairs	Value Added Tax
DOLISA	OL
Department of Labor, Invalids and Social Affairs	Official Letter

Contact:

KHAI MINH CONSULTING COMPANY LIMITED

Room 603, 6th Floor, Citilight Tower, No. 45 Vo Thi Sau Street,
Da Kao Ward, District 1, Ho Chi Minh City, Vietnam

Tel: 84 28 3820 5731 / 2

Fax: 84 28 3820 0906

(English)

Tran Mai Tuong Vy

tran.mai.tuong.vy@kmc.vn

Nguyen Van Mui

nguyen.van.mui@kmc.vn

(Japanese)

Le Quoc Duy

le.quoc.duy@kmc.vn

Nguyen Thi Thao Uyen

nguyen.thi.thao.uyen@kmc.vn

This newsletter aims to update and summarize the general regulations related to Taxation, Accounting, Investment and Labor in Vietnam. Please find professional advices before making a decision.