

1. ELECTRONIC INVOICE

❖ Application of e-invoices for export customers

OL No. 2054/TCHQ-GSQL dated 3rd June 2022 issued by the General Department of Customs guidance on the application of e-invoices for export goods as:

i. Provisions on invoices in export customs dossiers

According to international practice for export procedures: use of commercial invoices for customs procedures and export of goods to foreign countries.

According to the provisions of Article 24 of the Customs Law and Point b, Clause 1, Article 16 of Circular No. 38/2015/TT-BTC dated 25th March 2015 as amended and supplemented Clause 5, Article 1 of Circular No. 39 /2018/TT-BTC dated 20th April 2018 of the MOF, the customs dossiers for export commodity consist of commercial invoices or equivalent vouchers, **without** the issuance of an additional electronic VAT invoice for export procedures.

ii. Time of issuing e-invoices for export goods according to Decree 123/2020/ND-CP dated 19th October 2020.

Time: after the customs declarant completes the export customs procedures. Therefore, the customs declarant cannot issue a VAT invoice to submit in the customs dossier when having customs clearance for the exported goods.

It means the preparation of e-invoices is under Vietnamese law, while invoices in international trade shall comply with international practices.

The time of issuing these 2 types of invoices is different:

- Commercial invoices are issued before implementing the customs clearance procedures
- E-invoices are issued after implementing the customs clearance procedures.

❖ Expiry for converting e-invoices

i. Under the provisions of Decree No.123/2020/ND-CP:

- Before 01st July 2022: Applicable to business establishments informed by the tax authority to convertibly use e-invoices and meet the conditions on information technology infrastructure.
- From 01st July 2022: The application of e-invoices is mandatory, except for some cases such as small and medium-sized enterprises, cooperatives, business households and individuals in areas with challenging socio-economic conditions, especially for transactions with tax authorities by electronic means, etc.

ii. According to the guidance in Circular No.78/2021/TT-BTC:

- Encourage agencies, organizations and individuals that meet the conditions on information technology infrastructure to apply the electronic invoices and vouchers according to the guidance in Circular No.78/2021/TT-BTC and Decree No. 123/2020/ND-CP before 01st July 2022.
- E-invoices are applied to business households and individuals from 01st July 2022.

Particularly for business households and individuals specified in Clause 1, Article 14 of Decree No. 123/2020/ND-CP that fail to communicate with tax authorities by electronic means, a paper invoice issued by the tax authority shall be used within a maximum period of 12 months. At the same time, the tax authority should prepare a solution to gradually switch to the application of e-invoices.

The maximum period of 12 months is counted once from 01st July 2022 for business households and individuals that have been operating before 01st July 2022.

2. OTHER

❖ Science and Technology Development Fund of enterprises

On 31st May 2022, the Ministry of Science and Technology issued Circular No. 05/2022/TT-BKHCN guiding the use of the science and technology development fund for enterprises.

According to Article 4, this Fund is used for activities to support the scientific and technological development of enterprises, including:

- Provide equipment for infrastructures and technical facilities
- Acquisition of the right to use, ownership
- Purchase of machinery and equipment towards innovation to improve productivity, and product quality or improve and develop new products for enterprises.
- Spending on training human resources in science and technology of enterprises.
- Spending on initiative activities.
- Spending on cooperation activities in science and technology with domestic and foreign organizations, individuals and enterprises.
- Spending on evaluation, testing, verification, promotion and commercialization of new products and technologies; registration of intellectual property rights.
- Spending on grants, support for the implementation of the National Program to Support Innovative Startup Ecosystem...
- Circular No. 05/2022/TT-BKHCHN, effective from 01st June 2022 and applicable to the use of the Fund of enterprises from the corporate income tax period of 2022.

3. LABOR

❖ Adjustment of regional minimum wages:

On 12th June 2022, the Government issued Decree No. 38/2022/ND-CP to adjust the regional minimum wages for employees working under labor contracts as follows:

i. Regional minimum wage:

Decree No. 38/2022/ND-CP has adjusted the regional minimum wage by increasing an average of 6% compared to the provisions of Decree 90/2019/ND-CP. Details of the new regional minimum wage are as follows:

Region	Mimumum monthly wage (VND/month)
Region I	4.680.000
Region II	4.160.000
Region III	3.640.000
Region IV	3.250.000

ii. Minimum hourly wage:

Decree No. 38/2022/ND-CP is the first Decree that stipulated on the minimum hourly wage.

Accordingly, the minimum hourly wage is the lowest remuneration as a basis for wage negotiation and payment to employees according to the time-based payment method, ensuring that the wage based on the employee's job or title for one hour according to the labor target, or the agreed work is not less than the minimum hourly wage.

Region	Hourly minimum wage (VND/month)
Region I	22.500
Region II	20.000
Region III	17.500
Region IV	15.600

❖ Adjusting the areas of regional minimum wage is applied

Decree No. 38/2022/ND-CP also adjusted the areas under regions I, II, III, and IV, thereby changing the regional minimum wages in some localities.

Specifically:

- Region I: addition of Thu Duc City merged from District 2, District 9 and Thu Duc District in Ho Chi Minh City. A number of localities were moved from Region II to Region I, including Ha Long City in Quang Ninh Province, Xuan Loc District in Dong Nai Province.
- Moving from Region III to Region II, including Quang Yen and Dong Trieu Towns in Quang Ninh Province; Hoa Binh City and Luong Son District in Hoa Binh Province; Vinh City, Cua Lo Town and Nghi Loc District and Hung Nguyen District in Nghe An Province; Hoa Thanh Town in Tay Ninh Province; Vinh Long City and Binh Minh Town in Vinh Long Province; Bac Lieu City in Bac Lieu Province.
- Moving from Region IV to Region III, including Districts of Van Don, Hai Ha, Dam Ha, and Tien Yen in Quang Ninh Province; Districts of Quynh Luu, Yen Thanh, Dien Chau, Do Luong, Nam Dan, Nghia Dan and Towns of Thai Hoa and Hoang Mai in Nghe An Province; Mang Thit District of Vinh Long Province; Hoa Binh District in Bac Lieu Province.

This Decree comes into effect from 01st July 2022.

❖ **Employees can temporarily reside in industrial parks from 15th July 2022**

Article 25 of Decree No. 35/2022/ND-CP dated 28th May 2022 of the Government regulating the management of industrial parks, and economic zones allow experts and employees to temporarily reside in accommodation facilities in industrial parks for production and business activities.

Accommodation facilities for experts and employees are built in the service land area of the industrial park.

Accommodation facilities must ensure a safe environmental distance, security, and order without affecting the production and business activities of enterprises.

The Decree comes into effect from 15th July 2022.

Abbreviations

MOF	CIT
Ministry of Finance	Corporate Income
GDT	PIT
General Department of Taxation	Personal Income
MOLISA	VAT
Ministry of Labour, Invalids and Social Affairs	Value added tax
OL	SI - HI
Official Letter	Social insurance - Health insurance

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)

Trần Mai Tường Vy

tran.mai.tuong.vy@kmc.vn

Nguyễn Văn Mùi

nguyen.van.mui@kmc.vn

(Japanese)

Lê Quốc Duy

le.quoc.duy@kmc.vn

Nguyễn Thị Thảo Uyên

nguyen.thi.thao.uyen@kmc.vn

This newsletter aims to update and summarize the general provisions related to Taxation, Accounting, Investment and Labor in Vietnam. You should seek professional advice before making a decision.