

### A. TAX - ACCOUNTING

#### 1. CORPORATE INCOME TAX

##### ❖ Expenses are deducted from charity spending

Official Letter No.31943/CTHN-TTHT issued by the General Department of Taxation of Hanoi on July 6, 2022 on deductible expenses for charity. As follows:

- For expenses to finance education, health care, disaster recovery, building houses of gratitude, building houses for the poor, building houses of great solidarity; funding for scientific research, funding for policy beneficiaries as prescribed by law, funding under the State program for localities in areas with extremely difficult socio-economic conditions. difficulties through agencies and organizations that have the function of mobilizing funding in accordance with the law, the Company is allowed to account it as deductible expenses when determining taxable income if the expenditure is for the right objects and has sufficient documents to determine the grant as prescribed in Item a and b, Point 2.22, 2.23, 2.24, 2.25, 2.26, Clause 2, Article 6 of Circular 78/2014/TT-BTC (amended and supplemented in Article 4) Circular 96/2015/TT-BTC).
- Expenses to support mass organizations, social organizations, and charity expenditures that do not meet the conditions specified in Article 4 of Circular 96/2015/TT-BTC shall not be included in the deductible expenses. determine taxable income.

#### 2. PERSONAL INCOME TAX

##### ❖ PIT policy for non-resident individuals

Official Dispatch No. 32313/CTHN-TTHT issued by the General Department of Taxation of Hanoi on July 8, 2022 on PIT policy for non-resident individuals. As follows:

The company (overseas company) that sends personnel to work in Vietnam to study and consult the reality of the Vietnamese market, meets the condition that **an individual does not reside in Vietnam** as prescribed in Article

1 Circular 111/2013/TT-BTC dated August 15, 2013 of the Ministry of Finance shall:

- In case the payment of the Company (the Company in Vietnam) to the foreign employee is determined as income from salary, wages, monetary or non-monetary benefits other than salary, wages paid by the employer that the taxpayer is entitled to in any form arising in Vietnam according to the provisions of Article 2 of Circular 119/2014/TT-BTC, the Company (Vietnamese company) responsible for withholding 20% before paying to individuals as prescribed in Article 18 of Circular 111/2013/TT-BTC.
- In case the Company (the Company in Vietnam) pay on behalf for the Company (Overseas Company) according to the agreement on collection and payment between the two parties, the expenses for the individual foreign worker and does not arise incomes subject to PIT as prescribed in Article 3 of the Law on Personal Income Tax No. 04/2007/QH12 dated November 21, 2007 of the National Assembly (amended and supplemented with a number of articles in Law No. 26/2012/QH13) dated November 22, 2012 and Law No. 71/2014/QH13 dated November 26, 2014) are not subject to PIT in Vietnam.

#### 3. IMPORT TAX

##### ❖ Penalties for administrative violations due to failure to declare and pay VAT on imported goods on the spot

Official Letter No. 1799/TCHQ-TXNK of the General Department of Customs issued on May 19, 2022 on penalties for administrative violations due to failure to declare and pay VAT on imported goods on the spot.

As follows:

In case goods imported on the spot for production and export are subject to import tax and VAT, declared according to type codes A11 and A12 **but the on-spot importer has paid import tax but has not yet paid VAT, taxpayers shall make additional declaration of VAT** according to the provisions of Article 20 of Circular No. 38/2015/TT-BTC as amended

and supplemented in Clause 9 Article 1 of Circular No. 39/2018/TT-BTC.

Accordingly, the act of failing to declare and pay VAT of on-spot importers at the time of on-spot import of goods for export production is subject to administrative penalties as prescribed in Clause 11 Article 16. Law on Tax Administration No. 38/2019/QH14, Clause 3, Article 6 of Decree No. 128/2020/ND-CP dated October 19, 2020 of the Government.

#### 4. ELECTRONIC INVOICE

##### ❖ Time of tax declaration

Official Dispatch No. 32315/CTHN-TTHT of the General Department of Taxation of Hanoi City issued on July 8, 2022 on tax declaration and returned sales invoices. As follows:

- In case the branch of the company uses e-invoices according to Decree 123/2020/ND-CP of the Government, the time to issue invoices for selling goods and providing services shall comply with the provisions of Clause 1, Clause 2, Article 9 of Decree 123/2020/ND-CP. E-invoices must be fully recorded as prescribed in Article 10 of Decree No. 123/2020/ND-CP. **In case the issued e-invoice has a different time of digital signature on the invoice than the time of invoice issuance, the time of tax declaration is the time of invoice issuance** as guided in Clause 9 Article 10 of Decree No. 123/2020/ND-CP.
- In case the taxpayer discovers that the tax return submitted to the tax authority is incorrect, he/she may make an additional declaration in accordance with the provisions of Article 47 of the Law on Tax Administration No. 38/2019/QH14 of the National Assembly.

## B. LABOR – INVESTMENT

### 1. LABOR

#### ❖ Stop supporting expenses paid to the fund of occupational accidents and diseases according to Resolution 68/ND-CP dated July 1, 2021

According to the provisions of Resolution 68/ND-CP issued by the Government on July 1, 2021, from July 1, 2021 to the end of June 30, 2022, the employer is entitled to the rate of premium payment 0% of the salary fund as the basis for paying social insurance premiums to the labor accident and occupational disease insurance fund for employees subject to the occupational accident and disease insurance regime.

Thus, from July 1, 2022, the level of contribution to the Labor Accident and Occupational Disease Insurance Fund paid by the Employer will return to 0.5%.

### 2. INVESTMENT

#### ❖ 37 types of fees and charges reduced according to Circular 120/2021/TT-BTC from January 1, 2022 to the end of June 30, 2022 will be adjusted back to the original payment rate.

According to the provisions of Circular 120/2021/TT-BTC issued by the Ministry of Finance on December 24, 2021, 37 types of fees are mentioned in the circular, notably: Investment project appraisal fee construction, basic design; Fees for appraisal of construction estimates; Fees for assessment and issuance of international travel service business licenses; ..., will be reduced from 10% - 50% from January 1, 2022 to the end of June 30, 2022.

Accordingly, from July 1, 2022, these fees and charges will be adjusted back to the original payment level (ie the level paid before January 1, 2022).

## Abbreviations

|   |                                     |
|---|-------------------------------------|
| MOF   | CIT                                 |
| Ministry of Finance                                 | Corporate Income Tax                |
| GDT   | PIT                                 |
| General Department of Taxation                      | Personal Income Tax                 |
| MOLISA  | VAT                                 |
| Ministry of Labour, War invalids and Social Affairs | Value Add Tax                       |
| D - G   | SI - HI                             |
| Decree issued by the Government                     | Social insurance - Health insurance |

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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.