

### A. TAX - ACCOUNTING

#### 1. CORPORATE INCOME TAX

##### ❖ CIT incentives

OL No. 37868/CTHN-TTHT dated 03 August 2022 issued the GDT of Hanoi to guidance on CIT incentives for software manufacturing enterprises as follows:

- In case an enterprise has an investment project that is eligible for CIT incentives because it meets the conditions on the field of incentive investments, CIT incentives may be applied to incomes generated from the field of incentive investments and from the liquidation of scraps and discarded products of the incentive investment field, exchange rate differences directly related to the revenue and expenses of the preferential sector, profit demand deposits in banks, other directly related incomes are also entitled to corporate income tax incentives as prescribed in Clause 2, Article 10 of Circular No. 96/2015/TT-BTC dated 22 June 2015 of MOF.
- In case an enterprise invests in upgrading, replacing or renovating technology of an operating project that is eligible for CIT incentives as prescribed but fails to satisfy one of the three criteria specified in Clause 4. Article 10 of Circular No. 96/2015/TT-BTC, tax incentives are applied according to the project in operation for the remaining time (if any).
- In case the branch of the Company has a project to produce software products that meet the regulations on new investment projects in Clause 3, Article 10 of Circular No. 96/2015/TT-BTC, the branch's project is a beneficiary of CIT incentives according to actual conditions.

#### 2. PERSONAL INCOME TAX

##### ❖ Income subject to PIT for bonuses received by individuals on behalf of the collective

OL No. 35192/CTHN-TTHT dated 19 July 2022 issued by GDT of Hanoi City stipulated on the

PIT policy for bonuses of individuals receiving on behalf of the collective as follows:

In case the Company pays a bonus to the collective without naming any individual (this bonus will be used by the collective and the individual receiving the reward is only the person who is appointed to receive the award on behalf of the collective), this income is not included in the PIT income of the received individual, the Company is not required to deduct PIT for this bonus.

#### 3. VALUE ADDED TAX

OL No. 7460/BTC-TCT dated 29 July 2022 by MOF in response to OL No. 1175/BXD-KTXD dated 08 April 2022 of MOC on VAT policy as follows:

In case construction and installation activities have the time of pre-acceptance test and handover of works, work items, completed construction and installation volumes, from 01 February 2022 to the end of 31 December 2022, regardless of whether money has been collected or not, they are eligible for VAT reduction according to the provisions of Decree No. 15/2022/ND-CP.

#### 4. FOREIGN CONTRACTOR TAX

OL No. 40743/CTHN-TTHT dated 18 August 2022 issued by the GDT of Hanoi regulated on tax declaration for foreign contractors as follows:

In case the Company is a foreign contractor that is declaring and paying tax by the mixed method and has income from asset liquidation activities in Vietnam, this income is subject to CIT under the guidance of the Government in Clause 3, Article 7 of Circular No. 103/2014/TT-BTC.

Taxable turnover and the rate (%) of CIT calculated on income from asset liquidation activities should comply with the provisions of Article 13, Circular No. 103/2014/TT-BTC.

## 5. ELECTRONIC INVOICE

### ❖ Issue invoice for sub-leasing office

OL No. 37366/CTHN-TTHT date 01 August 2022 issued by the GDT of Hanoi guidance on the issuance of invoices for the sub-leasing office as follows:

In case the Company uses e-invoices according to Decree No. 123/2020/ND-CP, provided the office sublease service (the company rents an individual's house to make an office and the lessor agrees to sublease the unused space), the Company must issue an invoice if this sub-lease is in accordance with the provisions to the buyer when providing services as prescribed in Article 4 of Decree No. 123/2020/ND-CP of the Government.

## B. LABOR – INVESTMENT

### 1. LABOR

#### ❖ The compulsory insurance in construction investment activities stipulated in Circular No.50/2022/TT-BTC issued by MOF

Circular No 50/2022/TT-BTA dated 11 August 2022 granted by MOF stipulated compulsory insurance in construction investment activities with the following notable contents:

- This Circular stipulates that construction contractors are responsible for purchasing compulsory insurance for workers on construction sites in accordance with the law.
- The minimum insurance amount for workers on the construction site is VND 100 million/person/case.
- Regarding the range of compensation, the insurance enterprise will compensate the construction contractor for the amounts that they compensate for the employee's injury or death due to a labor accident or occupational disease arising from performing work on the construction site except in certain cases.
- According to Article 26, when an employee is injured or dies due to a labor accident or occupational disease arising from the performance work on the construction site under the insurance responsibility, the insurance enterprise will pay the insurance premiums as:

- Allowance for leave during the treatment period prescribed by the doctor but not exceeding 06 months' salary in each insured event
- Expenses for an emergency, necessary inpatient and outpatient treatment but not exceeding VND 100 million/person/case.
- In case the employee has a working capacity decrease of less than 81%, the compensation level shall be determined according to the Table of Compensation payment rates in Appendix IV issued with this Circular.
- In case the employee dies/permanently loses working capacity from 81% or more, the insurance company will pay VND 100 million/person/case.

- The total amount of compensation does not exceed the insured total specified in the insurance contract.

This Circular takes effect from 01 October 2022.

### 2. INVESTMENT

#### ❖ Publishing the list of periodical reporting regimes within the management of the MPI.

Decision No. 1392/QĐ-BKHĐT dated 09 August 2022 issued by MPI to publish the list of periodical reporting regimes under the management of the MPI.

In the list of periodic reporting regimes, investors should attentively implement fully the following quarterly and annual reporting regimes:

- Report on the status of project implementation.
- Report on the operation of the investment project.
- Periodic monitoring and evaluation reports.

## Abbreviations

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

## Contract:

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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*