

### A. TAX - ACCOUNTING

#### 1. CORPORATE INCOME TAX

##### ❖ CIT on capital transfer activities

OL No. 39624/CTHN-TTHT dated 11 August 2022 issued by the GDT of Hanoi guides on CIT for capital transfer as follows:

- In case foreign organizations generate income from capital transfer in Vietnam, they are subject to CIT in Vietnam.
- In case the capital transferee is also a foreign organization that does not establish under the Investment Law or the Enterprise Law, the enterprise established under the law of Vietnam where the foreign organization invests its capital shall declare and pay corporate income tax payable from capital transfer activities of foreign organizations.

#### 2. PERSONAL INCOME TAX

##### ❖ PIT of individuals who sign service contracts with the company

OL No. 42227/CTHN-TTHT dated 26 August 2022 issued by the GDT of Hanoi City stipulated on PIT of individuals signed a service contract with the company as follows:

In case the Company pays wages, remunerations, and other expenses to residents who do not sign labor contracts or sign labor contracts less than 3 months with the amount of two million VND or more per time, the Company must be deducted at the rate of 10% of income before paying to individuals as prescribed at point i, Clause 1, Article 25 of Circular No. 111/2013/TT-BTC dated 15 August 2013 of the Ministry of Finance.

Actual expenses incurred related to the production and business activities of the Company shall be included in deductible expenses when meeting the provisions of Article 4 of Circular No. 96/2015/TT-BTC dated 22 June 2015.

#### 3. VALUE ADDED TAX

##### ❖ Declare and deduct VAT of imported goods via post-customs clearance inspection

OL No. 40071/CTHN-TTHT dated 15 August 2022 issued by the GDT of Hanoi guidance on VAT policy as follows:

In case, the Company has paid VAT according to the decision on tax assessment of the customs authority, the whole amount shall be deducted except for cases are imposed penalties for fraud or tax evasion by the customs authority. Input VAT incurred in the period shall be declared and deducted when determining the tax payable amount of that period according to the guidance in Article 14 of Circular No. 219/2013/TT-BTC of the MOF. The supplement tax declaration dossiers shall comply with the provisions in Article 47 of the Law on Tax Administration No. 38/2019/QH14 dated 13 June 2019 of the National Assembly and Clause 4, Article 7 of Decree No. 126/2020/ND-CP date 19 October 2020 of the Government.

#### 4. FOREIGN CONTRACTOR TAX

##### ❖ Foreign Contractor Tax on Facebook

OL No. 42536/CTHN-TTHT dated 29 August 2022 issued by the GDT of Hanoi regulated on tax declaration for FCT as follows:

In case Facebook - an overseas supplier - has made tax registration, tax declaration and directly paying tax in Vietnam according to the provisions in Articles 76, Article 77, Article 78, Article 79 of Circular No. 80/2021/TT -BTC, organizations purchasing services from overseas suppliers are not required to declare, deduct and pay taxes on behalf of overseas suppliers.

## 5. ELECTRONIC INVOICES

### ❖ Using electronic sales invoices

OL No. 43412/CTHN-TTHT dated 05 September 2022 issued by the GDT of Hanoi guidance on the use of sales invoices as follows:

In case the Company uses e-invoices according to Decree No. 123/2020/ND-CP of the Government, the seller must issue an invoice to deliver to the buyer by the provisions in Clause 1, Article 4 of Decree No. 123/2020/ND-CP when selling goods or providing services. In case the Company declares and calculates VAT by the direct method, the Company shall use sales invoices as prescribed in Clause 2, Article 8 of Decree No. 123. 2020/ND-CP when exporting goods or providing services abroad.

### ❖ Gas-works operators work a maximum of 12 hours/day

Circular No.12/2022/TT-BCT issued by the Ministry of Industry and Trade stipulates the working time and rest time for employees engaged in the operation, maintenance, and repair of gas distribution pipelines and other gas works effective from 9/9/2022.

According to the Circular, employees who operate, maintain, and repair pipeline systems of gas distribution and gas works work in shifts and working sessions. Specifically, the work shift must not exceed 12 hours per day and the maximum working session is 7 days.

Ensure that the total working hours of the shift and the overtime hours do not exceed 12 hours per day and the total hours of overtime must not exceed 300 hours per year.

## B. LABOR

### ❖ The Ho Chi Minh City Confederation of Labor issued the OL No. 27/HD-LDLĐ on building reports to the upper-level grassroots trade union congresses and grassroots trade unions under the labor union Ho Chi Minh City.

OL No. 27/HD-LDLĐ dated 20 September 2022 issued by the Ho Chi Minh City Confederation of Labor to guide in building reports for the upper-level local trade union congresses and the grassroots trade unions directly under the association The Ho Chi Minh City Labor Union with the following main contents:

- Theme, layout and content in the report of the executive committee at the meeting.
- General requirements to be followed when preparing the report of the trade union meeting.
- The discussion and collection of comments on the draft document of the trade union congress.
- Other issues related to the tally report of the Executive Committee and the resolution of the meeting.

## 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
OL	
Official Letter	

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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.*