

1. CORPORATE INCOME TAX

❖ CIT incentives for software manufacturing enterprises

OL No. 60516/CTHN-TTHT dated 08 December 2022 stipulates CIT incentives for software manufacturing enterprises as follows:

In case the Company's investment project is entitled to CIT incentives as it meets the conditions for the incentives of field investment, the income from the incentives field investment and income such as liquidation scrap and discarded products of the incentive field investment, the exchange rate difference directly related to the revenue and expenses of the preferential sector, interest on deposits from banks, other revenues directly related income are also entitled to corporate income tax incentives as prescribed in Clause 2, Article 10 of Circular No. 96/2015/TT-BTC.

2. PERSONAL INCOME TAX

❖ PIT on gifts and reward for employees

OL No. 3469/CTHN-TTHT dated 01 February 2023 issued by Hanoi Tax Department regulates PIT for gifts and rewards to employees as follows:

- In case the Company pays on behalf for the employee training support to improve qualifications and suitable skills for the employee's professional work, the training support is not included in the employee's taxable income.
- In case the Company organizes contests for employees and their relatives, the Company shall deduct the PIT of the individual who won the prize value exceeding 10 million VND according to the instructions in section g. Clause 1, Article 25 of Circular No. 111/2013/TT-BTC.
- In case the Company pays monetary or non-cash benefits other than salary and wages to employees, the Company is responsible for withholding PIT according to the guidance in

Item b, Clause 1, Article 25 of Circular No. 111/2013/TT-BTC.

- In case the Company gives a gift to the employee which is a "Purchase card (voucher, gift card) or in kind (confectionery gift basket, mug, shirt,...) but not of a salary, wage nature and are not specified in Clause 10, Article 2 of Circular No. 111/2013/TT-BTC dated 15 August 2013 of the Ministry of Finance, the individuals received the above-mentioned gifts are not required to declare and pay PIT.

3. VALUE ADDED TAX

❖ The VAT rate for a letter of credit (L/C)

OL No. 3868/CTHN-TTHT dated 06 February 2023 guides on VAT rates for the L/C as follows:

Letter of Credit ("L/C") is a form of payment service provider thus it will be subject to VAT.

Credit institutions providing the letter of credit (L/C) services shall declare and pay VAT in accordance with regulations.

❖ VAT policy on the factory leasing activities for export processing enterprises

OL No. 4127/CTBNI-TTHT issued by the Tax Department of Bac Ninh on 16 December 2022 stipulates the VAT rate for the operation of leasing factories to export processing enterprises as follows:

- In case the Company signs a factory leasing contract with an export processing enterprise ("EPE"), the Company shall issue a VAT invoice at the rate of 0% if the location of the factory is stated in the "project implementation location" section of IRC issued by a competent state agency to an EPE in accordance with the provisions and must meet the conditions specified in Clause 2, Article 9 of Circular No. 219/2013/TT-BTC dated 31 December 2013 of the MOF.
- In case the Company leases houses, halls, offices, hotels, and warehouses to EPE, the VAT rate of 0% as prescribed is not applicable.

4. E-INVOICE

❖ Create VAT Invoice

OL No. 3372/CTHN-TTHT dated 31 January 2023 issued by Hanoi Tax Department regulates on issuance of VAT invoices as follows:

- In case the business establishment has exported goods and services in the month (for monthly declaration), or quarter (for quarterly declaration) will be entitled to a VAT refund on a monthly or quarterly basis if the input VAT has not been deducted from 300 million VND or more;
- In case the input VAT has not yet been deducted is less than 300 million VND is entitled to be deducted in the next month or quarter according to the provisions of Clause 2, Article 1 of Decree No.49/2022/ND-CP dated 29 July 2022 of the Government.

Exported goods and services eligible for deducting or refunding VAT must satisfy the conditions and procedures prescribed in Article 16 of Circular No. 219/2013/TT-BTC dated 31 December 2013 of The MOF.

❖ Deploying e-invoices created from cash register (POS)

OL No. 607/CCTQ1-TTHT dated 18 January 2023 guidance on the implementation of e-invoices initiated from cash registers as follows:

Subjects of application:

There are four groups:

- Group 1: Food and beverage businesses, restaurants and hotels;
- Group 2: Consumption retails (commercial centers; supermarkets; retail of consumer goods);
- Group 3: Retail of medicines and modern drugs;
- Group 4: Other services (entertainment services, road and bridge tickets, bus tickets, sightseeing tickets, tourism...).

Conditions for applying electronic invoices generated from cash registers:

- Transactions can be performed with the tax authority by electronic means (such as having a digital signature and registering to

be granted an electronic tax transaction account by the tax authority);

- Having information technology infrastructure (such as computers or electronic devices with internet connection, email);
- Using e-invoice making software which can make e-invoices and transmit e-invoice data to buyers and tax authorities;

In case the taxpayer chooses an e-invoice with the tax authority's code generated from the cash register, other than the above basic conditions, the taxpayer only needs to change the e-invoice software to meet the standards of invoice data format as prescribed in Decision No. 1510/QĐ-TCT dated 21 September 2022 of the GDT.

Register to use the e-invoices generated from the cash registers:

- Taxpayers register to use E-Invoices created from cash registers according to form No. 01/ĐKTD-HĐĐT Appendix IA issued together with Decree No.123/2020/ND-CP dated 19 October 2020 of the Government.
- In case taxpayers use e-invoices for the first time and are subject to the application of e-invoices with the tax authority's code generated from a computer, they must register through an e-invoice service provider.
- In case the taxpayer has successfully registered to use the e-invoice and wants to register for the use of the e-invoice with the tax authority's code generated from the cash register, he/she can change the registration information through the service providers or on the website <https://hoadondientu.gdt.gov.vn>.

Implementation itinerary:

District 1 Tax Department will carry out the implementation of the e-invoice with the tax authority's code generated from the cash register in phase I which is expected to start from 15 December 2022 to the end of March 2023.

5. LABOR - INVESTMENT

❖ Adjustment of salary and monthly income had been paid to SI premiums

Circular No. 01/2023/TT-BLĐTBXH dated 03 January 2023 issued by MOLISA promulgating the adjustment of salary and monthly income had been paid SI premiums as follows:

Subjects of salary adjustment had been paid SI premiums according to the provisions of Clauses 1 and 2, Article 10 of Decree No. 115/2015/ND-CP include:

- Employees who are subject to the salary regime prescribed by the State start participating in SI from 01 January 2016 onward, enjoy lump-sum SI, or their relatives are entitled to SI benefits after their death for the period from 01 January 2023 to 31 December 2023.
- Employees pay SI premiums according to the salary regime decided by the employer, enjoy pensions, lump-sum benefits upon retirement, lump-sum SI or their relatives are entitled to benefits after their death for the period from 01 January 2023 to 31 December 2023.
- Subjects of monthly adjustment income paid SI premiums according to the provisions of Clause 2, Article 4, Decree No. 134/2015/ND-CP are voluntary SI participants enjoying pensions or lump-sum allowances upon retirement, lump-sum SI or relatives are entitled to a lump-sum allowance after their death for the period from 01 January 2023 to 31 December 2023.

This Circular takes effect from 20 February 2023; the application of this Circular is from 01 January 2023.

❖ Provisions on occupational diseases enjoy SI

Pursuant to Circular No: 02/2023/TT-BYT issued by the Ministry of Health ("MOH") on 09 February

2023 to amend and supplement some articles of Circular No. 15/2016/TT-BYT dated 15 May 2016 of MOH regulating on occupational diseases entitled to SI as follows:

- Add Clause 35 to the first Article 3 as follows: "35. Occupational COVID-19 disease and guidance on diagnosis and assessment are specified in Appendix 35 issued with this Circular.
- Amend the second Article 3 to Article 3a.
- Supplement Appendix 35 to guide the diagnosis and assessment of occupational COVID-19 disease together with this Circular.
- Supplement Appendix 36 to the Minutes of determining occupational exposure to SARS-CoV-2 virus together with this Circular.

Legal force:

- This Circular takes effect from 01 April 2023.
- Employees who work in February 2020 and before the effective date of this Circular may compile dossiers of occupational diseases and jobs specified in Section 3, Appendix 35 issued with this Circular and are diagnosed with occupational diseases. COVID-19 disease caused by contact during work from the 1st of the month for medical examination and to be entitled to the occupational disease regime according to current regulations.

Abbreviations

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

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