

1. CORPORATE INCOME TAX

❖ Policies on CIT incentives for expansion investment projects

OL No. 30027/CTHN-TTHT dated 4 May 2023 issued by the Tax Department of Ha Noi guides:

- In case the Company has an expansion investment project that meets one of the criteria specified in Clause 4, Article 10 of Circular No. 96/2015/TT-BTC, the Company may choose to enjoy CIT incentives for the project in operation for the remaining time including the tax rate, the period of exemption and reduction (if any); or the application of the tax exemption or reduction period for the additional income generated from the expansion investment (not entitled to the preferential tax rate) equal to the period of tax exemption or reduction for new investment projects in the same fields or areas eligible for CIT incentives.
- In case the Company chooses to enjoy CIT incentives under an operating project for the remaining time, the expansion investment project must be in the field or geographical area eligible for CIT incentives in accordance with Decree No. 218/ 2013/ND-CP as well as the field or area as the operating project.
- In case the Company invests in upgrading, replacing, or renovating technology of a project operating in the field or geographical area eligible for tax incentives under the provisions of Decree No. 218/2013/ND-CP but fails to satisfy one of the three criteria specified in Clause 4, Article 10 of Circular No. 96/2015/TT-BTC, tax incentives shall be applied to the operating project for the remaining time (if any).

Cases of CIT reduction:

- In case the Company operates in the field of manufacturing, construction, and transportation employs from 10 to 100 female employees which occurred more than 50% of the total existing laborers or usually employs over 100 female employees which occurred more than 30% of the total regular laborers, the payable CIT will be reduced in proportion to the actual extra money paid to minority ethnic employees as prescribed in Clause 1 and Clause 2, Article 21 of Circular No. 78/2014/TT-BTC dated 18 June 2014 of the Ministry of Finance.

- Additional expenses for female and minority ethnic employees mentioned above are determined according to the guidance at Point 2.10 Clause 2 Article 4 Circular 96/2015/TT-BTC dated 22 June 2015 of the Ministry of Finance.

2. VALUE ADDED TAX

❖ Issuing VAT Invoices for goods temporarily imported for re-export

OL No. 27085/CTHN-TTHT dated 25 April 2023 issued by the Tax Department of Ha Noi guides:

In case the Company generates goods that are temporarily exported or re-imported, they are not subject to tax as prescribed in Clause 20, Article 4 of Circular No. 219/2013/TT-BTC dated 31 December 2013 of the Ministry of Finance.

3. PERSONAL INCOME TAX

❖ PIT policy on gifts for employees when resigning

OL No. 33037/CTHN-TTHT dated 15 May 2023 issued by the Tax Department of Ha Noi guides:

In case, the Company gives gifts to employees after the termination of the labour contract is income not specified in Clause 10, Article 2 of Circular 111/2013/TT-BTC dated 15 August 2013 of the MOF, the income is not subject to PIT from receiving gifts.

❖ PIT from winning prize for employees

OL No. 24601/CTHN-TTHT dated 19 April 2023 issued by the Tax Department of Ha Noi guides:

In case employees receives a reward in kind from participating in prize-winning contests or other winning forms of the organization, it is determined as income from winning according to the regulations in Clause 6, Article 2. Circular No. 111/2013/TT-BTC dated 15 August 2013 of the MOF, the enterprise shall deduct PIT before paying the prize for individual winners if the value exceeds 10 million VND. The withholding tax amount is determined according to the guidance in Article 15 of Circular No. 111/2013/TT-BTC dated 15 August 2013.

❖ PIT on rewards for employees

OL No. 20479/CT-TTHT dated 10 April 2023 issued by the Tax Department of Ha Noi guides:

In case employees earn an income from commendation when making excellent achievements, the monetary or non-monetary benefits *other* than salary and wages paid by the employer is subject to personal income tax under the guidance in Clause 2, Article 2 of Circular 111/2013/TT-BTC dated 15 August 2013 of the Ministry of Finance. Income-paying organizations shall deduct tax before paying income to employees and declare tax with tax authorities as prescribed.

4. OTHER TAXES

❖ Import and Export tax

OL No.1732/TCHQ-TXNK dated 13 April 2023 issued by General Department of Customs guides:

- In the case of re-importing exported goods for repair, recycling and then re-exporting to foreign customers (original buyers) who are exempted from tax (this subject is specified at Point c, Clause 9 of this Article 16 Law on Export and Import Tax No. 107/2016/QH13).
- In the case of re-importing exported goods for repair, recycling and then re-exporting to foreign customers (not the original buyer) are not exempt from tax.

5. INVOICE

❖ Transfer of assets that are prize-winning video game machines to the company's branch

OL No. 30380/CTHN-TTHT dated 05 May 2023 issued by the Tax Department of Ha Noi guides:

In case assets are transferred between *independent* accounting units or member facilities with full legal status in the same organization, the organization transferred assets must issue an electronic invoice same as the sale of the property.

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
Ministry of Labour, War invalids and Social Affairs	Social insurance
OL	HI
Official Letter	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