

## 1. CORPORATE INCOME TAX

### ❖ CIT incentives for new investment projects in the industrial park

*OL No. 2876/CTBNI-TTHT dated 27 July 2023 issued by the Tax Department of Bac Ninh Province specifics as follows:*

New investment projects and expansion investments implemented in the area, which have troubles, difficulties, or obstacles related to the process order for establishing industrial parks according to regulations, are not eligible to apply CIT incentives by location.

### ❖ CIT incentives for supporting industrial product

*OL No. 2848/CTBNI-TTHT dated 25 July 2023 issued by the Tax Department of Bac Ninh Province stipulates as follows:*

In case the Company has invested project to produce commodities on the List of supporting industry products for prioritized development (Manufacturing Supporting Industry Products - MSIP), income from this project that has enjoyed CIT incentives under other preferential conditions will enjoy CIT incentives under the conditions of Manufacturing Supporting Industry Products ("MSIP") project for the remaining period according to the principle as follows:

- *Preferential tax rates:*
  - The new investment projects are entitled to preferential tax rate of 10% within 15 years;
  - The expansion investment projects are not entitled to preferential rate.
- *Tax exemption and reduction period:*
  - Tax exemption for 4 years and 50% reduction of tax payable for the next 9 years on income generated from MSIP projects.
  - The remaining preferential tax period is the exemption and reduction tax period for MSIP projects minus the tax exemption/reduction period of which incentives have been enjoyed according to other preferential conditions of each new or expansion investment project.

The incomes such as liquidation of scrap and waste of products in the field eligible for

investment incentives, differences are directly related to the revenue, costs of the sectors eligible for incentives, Interest on demand deposit, and other incomes directly related to investment incentive fields also enjoy CIT incentives.

## 2. PERSONAL INCOME TAX

### ❖ PIT on travel expenses and bonus for employees

*OL No. 15904/CTHN-TTH dated 20 July 2023 issued by the Tax Department of Binh Duong Province prescribes as follows:*

In case the Company organizes travel for employees, the expenses are specifically stipulated in the collective labor agreement, and payments of travel are not beneficiaries for specific individuals but the entire employee collective is not included in PIT income according to the provisions of Point đ.3.2, Clause 2, Article 2 of Circular No. 111/2013/TT-BTC;

In case the Company has paid a bonus for some employees, payments that clearly state the name of the beneficiary are determined to be taxable income to PIT. The Company should make a deduction when calculating PIT.

## 3. INVOICE

### ❖ Handling invoices with errors

*OL No. 63648/CTHN-TTHT dated 30 August 2023 issued by the Hanoi Tax Department specifics as follows:*

In case an electronic invoice (e-invoice) with or without a tax authority's code has been sent to the buyer and then the buyer or seller discovers mistakes, the invoice will be handled as follows:

- The seller issues an e-invoice to adjust the error e-invoice. In case the seller and buyer have agreed to make a written agreement before making an adjusted e-invoice to correct the mistakes, the seller and buyer should make a written agreement clearly stating the errors, and then the seller should issue an adjustment e-invoice to correct the error invoice;

- The seller issues a new e-invoice to replace the erroneous e-invoice unless the seller and buyer have agreed to make a written agreement before issuing an invoice to replace the erroneous invoice. The seller and buyer should make a written agreement clearly stating the errors and then the seller issues a new e-invoice to replace the erroneous e-invoice.

❖ **Invoice on selling vouchers and gift certificates via e-commerce platforms**

OL No. 54963/CTHN-TTHT dated 31 July 2023 issued by the Hanoi Tax Department stipulates as follows:

- The Company implements incentive programs for customers (selling discount vouchers) in accordance with the regulations of Commercial Law, the Company should not issue invoices and declare VAT, but prepare receipt/payment documents;
- When customers use vouchers to buy goods and services, the goods and service supplier issues a VAT invoice and declares VAT for the goods sold according to regulations.

❖ **Prepare adjustment and discount invoices for subjects to VAT reduction according to Decree No.15/2022/ND-CP and Decree No.44/2023/ND-CP**

OL No.8999/CTTPHCM-TTHT dated 19 July 2023 issued by the Tax Department of Ho Chi Minh City regulates as follows:

In case the buyer returns the goods due to incorrect specifications and quality:

- In case, goods have been purchased before 1 January 2023 are subject to VAT reduction at a rate of 8% and the buyer returns the goods due to incorrect specifications and quality after 31 December 2022, the seller issues an invoice for returning goods with a VAT rate of 8%.

In case the goods have been sold and invoiced with a tax rate of 8% in 2022, but since 1 January 2023 the seller will issue a commercial discount invoice:

- When the discount amount is established on the last purchase or the next one after 31 December 2022, the discount on sold goods is adjusted to the taxable price content and the applicable tax rate is at the time of issuing the invoice;
- When the discount amount is decided at the end of the discount program (period) after 31 December 2022, the seller should issue

a new invoice to adjust and apply the VAT rate of 8% at the time of sale.

**4. LABOR.**

❖ **Decision to delay the union payment deadline for businesses whose orders are cut or reduced**

*Decision No. 7823/QD-TLD dated 31 August 2023 of the Vietnam General Confederation of Labor stipulates as follows:*

Enterprises who reduced 50% or more of employees participating in SI compared to 1 January 2023 (including employees who resign, temporarily postpone the implementation of labor contracts, and the leave agreements without paying salary) due to orders have been canceled or reduced, union dues will be postponed to 31 December 2023.

The provincial or city Standing Committees of Labor Confederations; Central Industry Union and equivalent; the Trade Union of Corporation under the General Confederations **should consider, determine, and be responsible for deciding** to postpone the union fee payment of the company until 31 December 2023 due to canceled or reduced orders

The Financial Committees of the General Labour Confederation; provincial and city Labor Confederations; Central Industry Unions and equivalent, the Trade Union of Corporation under the General Confederations are responsible for implementing this Decision.

❖ **Modifying and supplementing regulations on foreign workers working in Vietnam**

*Decree No. 70/2023/ND-CP dated 18 September 2023 issued by the Government amends and supplements some articles of Decree No. 152/2020/ND-CP regulating foreign workers working in Vietnam.*

- Decree No. 70/2023/ND-CP has many contents to facilitate foreign workers working in Vietnam, specifically:
  - Foreign experts are identified as graduated from a university or equivalent and have at least 03 years of working experience suitable to the expected position in Vietnam. There is no longer a requirement for a university degree relevant to intended work as previously,
  - Foreign technical workers only need to be trained for 1 year or more and have at least 3 years of experience suitable for the working position in Vietnam

instead of working in professional fields as per previous regulations in Decree No.152/2020/ND-CP.

- **From 1 January 2024**, recruitment notification of Vietnamese workers for positions expected to recruit foreigners must be **at least 15 days** from the estimated reporting date to the MOLISA, or the DOLISA. (Previously at least 30 days from the expected date of employing the foreign worker)
- The declaration is made on the Electronic Information Portal of the MOLISA (Department of Employment) or the Electronic Information Portal of the Employment Service Center decided by the Chairman of the Provincial People's Committee.
- Recruitment content includes position, title, quantity, job description, qualifications, experience requirements, salary, working time, and location.
  - In case a foreigner works for an employer in multiple locations, the work

permit application must fully list the work locations.

- The MOLISA unifyly manages the state recruitment, foreign workers in the nation as well as Vietnamese employees working for foreign organizations and individuals in Vietnam.
- This Decree abolishes the content of "The management board of industrial parks and economic zones shall perform the tasks of issuing, reissuing, extension, revoking work permit and confirming the foreigners who are not subject to work permits for foreigners working in industrial parks, economic zone" in Decree No.35/2022/ND-CP. Accordingly, the DOLISA will unarily manage foreign workers in the area.

Decree No. 70/2023/ND-CP takes effect from 18 September 2023.

### **Abbreviations**

MOLISA	OL
Ministry of Labor, Invalids and Social Affairs	Official Letter
DOLISA	PIT
Department of Labor, Invalids and Social Affairs	Personal Income Tax
MSIP	CIT
Manufacturing Supporting Industry Products	Corporate Income Tax
SI	VAT
Social Insurance	Value Added Tax

### **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*