



November 2024

Newsletter

KMC CONSULTING COMPANY LIMITED

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1 Instructions on VAT declaration and refund for investment projects in other provinces and cities

OL No. 4566/TCT-KK dated 14 October 2024 issued by the GDT regarding VAT declaration and refund for investment projects in other provinces and cities:

In case the Company has headquarters in Binh Duong province and immerses a new investment project in Binh Dinh province and comes into operation in February 2021. The Company does not apply for a VAT refund on the investment project but transfers the VAT of the project that has not been refunded into the declaration Form No.01/GTGT of production and business activities. If the input VAT amount of exported goods (including the input VAT of investment, construction, and fixed asset formation activities **that meet the legalistic regulations on investing and conducting the production and business activities** of exported goods) after offsetting the VAT payable of domestically consumed goods and services is **VND 300 million or more is refundable**. The refundable VAT of exported goods and services **should not exceed** the **revenue** of exported goods and services multiplied (x) by 10%.

2 Instructions for declaring VAT on tax assessments by Customs Authorities

OL No. 27613/CTBDU-TTHT dated 21 October 2024 issued by Binh Duong Provincial Tax Department regarding VAT declaration on tax assessment of Customs authorities:

In case the Company incurs tax payable according to the Tax assessment decision of the Customs authority, except the cases of penalties for tax fraud or evasion by the Customs authority, then:

The Company is allowed to declare and deduct all paid input VAT by the Tax Assessment Decision of the Customs Authority when meeting the regulations on conditions of VAT deduction specified in Clause 10, Article 1 of Circular No.26/2015/TT-BTC.

3 Guidance the local tax authorities on VAT refund procedures

OL No. 4922/TCT-CS dated 31 October 2024 issued by the GDT guiding the local tax departments on VAT refund procedures as:

During the process of processing tax refund dossiers, the GDT guides the local Tax Department: in case the Tax Department determines tax amount is eligible for refund, the clarified tax amount will be refunded to the taxpayer without waiting for the verification results of the entire tax in refund dossier. For tax amounts that need to be verified or require explanation by the taxpayer or supplement dossier, the tax amount will be processed for refund when satisfying the conditions by regulations.

4

Instructions on declaring VAT and CIT for construction works that have not been granted a construction permit

OL No. 4781/TCT-CS dated 24 October 2024 issued by the GDT regarding VAT and CIT declaration for construction works without construction permits:

In case the construction work has not obtained a construction permit by a competent State agency and is also not exempt from a permit as prescribed in Article 89 of the Construction Law 2014, and an ownership certificate of assets attached to land has not yet been granted by a competent State agency, the fixed assets formed on the Company's leased land are not eligible for input VAT deduction neither depreciation expenses when calculating CIT

5

VAT refund for projects of business that convert into export processing enterprises

OL No. 3813/TCT-CS dated 28 August 2024 issued by the GDT guidance on VAT refund for projects of enterprises that converted into EPEs:

In case the taxpayer was previously an enterprise paying VAT under the deduction method, has a new investment project and incurs input VAT of the investment project before converting to the EPE, the taxpayer is enabled to apply for VAT refund on the investment project in the period before the conversion according to regulations.

6

PIT policy on family deductions for biological children of the taxpayer when implementing tax finalization

OL No. 4761/TCT-DNNCN dated 23 October 2024 issued by the GDT guidance on the dependent deductions for biological children when finalizing PIT:

In case the taxpayer had not claimed dependent deductions for a biological child during the tax year 2023, the dependent deduction shall be applied from the month arising the fostering obligation when finalizing PIT and registering the dependent deduction.

In case the taxpayer additionally declares but does not change the tax obligation, the taxpayer is only required to submit a supplementary explanation report and relevant documents as stipulated in point a, Clause 4, Article 7 of Decree No. 126/2020/ND-CP

7 Guidance on handling cases of taxpayers authorize PIT finalization noncompliance with regulations

OL No. 4917/TCT-DNNCN dated 30 October 2024 issued by the GDT guidance on resolving the cases of taxpayers authorizing PIT finalization noncompliance with regulations:

In case the taxpayers have authorized the Company to prepare PIT finalization on their behalf but discover that the taxpayers are subject to direct finalizing tax with the tax authority:

- The Company does NOT adjust PIT finalization.
- The Company should provide tax deduction documents for taxpayers to prepare PIT finalization following the regulations.

8 PIT policy on share transfer by foreign individuals

OL No. 21336/CTBDU-TTHT dated 30 July 2024 issued by Binh Duong Provincial Tax Department regulates PIT policy on share transfer by foreign individuals:

In case the Company has capital contribution transfer activities between foreign individuals not present in Vietnam, the Company is responsible for deducting, declaring and paying PIT on behalf of foreign individuals not present in Vietnam according to the instructions in Article 11, Article 20 of Circular No. 111/2013/TT-BTC dated 15 August 2013 of the MOF.

9 PIT policy on vouchers or gifts benefits under the Company's welfare policy

OL No. 40757/CTHNTTHT dated 12 July 2024 issued by the Hanoi Tax Department stipulates expenses from vouchers or gifts according to the Company's welfare policy as:

Expenses from vouchers or gifts under the Company's welfare policy will be considered as benefits other than salary and wages and included in PIT. The time to determine taxable income is when paying income to the employee.

In case the Company discovers errors in the submitted tax declaration, the Company should prepare the supplement declaration according to the provisions of the Law on Tax Administration and related guidance in Decrees, including preparing additional monthly and quarterly declarations for ones with corresponding errors.

10 Guidance on declaring CIT for tax assessments by customs authorities

OL No. 27613/CTBDU-TTHT dated 21 October 2024 issued by Binh Duong Provincial Tax Department regarding CIT declaration on tax assessment by Customs Authorities:

In case the Company incurs tax payable under the Tax Assessment Decision of the Customs Authority, except the cases of penalties for tax fraud or evasion by the Customs Authority, then:

The Company is eligible to deduct the paid import tax under the Tax Determination Decision of the Customs Authority when determining taxable income if satisfying the provisions of Article 4 of Circular No.96/2015/TT-BTC of the MOF.

11 CIT policy on warranty costs of product

OL No. 15962/CTBDU-TTHT dated 17 June 2024 issued by Binh Duong Provincial Tax Department regulates the CIT policy on warranty costs of products:

The costs of free product warranty for customers through agents and distributors (with the warranty conditions clearly stated on the guarantee card for each product), including products with manufacturer defects, are identified as deductible expenses when determining CIT taxable income if meeting all the conditions specified in Article 4 of Circular No. 96/2015/TT-BTC dated 22 June 2015 of the MOF.

12 Issue invoices for sales and trade discounts

OL No. 4991/TCT-CS dated 5 November 2024 issued by the GDT guidance on the issuance of sales and trade discounts invoices:

By the principle of trade discounts based on the quantity and turnover of goods and services, the discount amount of sold goods is modified in the invoice of the last purchase or the subsequent period. In case, the discount amount is determined at the end of the sales discount program (period), it is essential to **create an adjustment invoice along with the comprehensive list of the adjusted invoices**, the associated turnover value and the tax amount. Based on the adjustment invoice, the seller and the buyer declaratively revise the revenue and tax amount accordingly.

Therefore, in case the Company incurs discounts on sales and trade as agreed in the Principle Contract, Contract Appendix and Goods Purchase Contracts signed between the Company and the customer, the Company has full documents and ensures the legality and accuracy of the documents proving the implementation of sales and trade discounts, the

12 Issue invoices for sales and trade discounts

Company shall issue an adjustment invoice by the law on sales invoices. Based on the issued adjustment invoice, the Company shall declare and adjust sales revenue under the regulations.

13 Commercial discount invoice and send form 04/SS-HĐĐT to tax authority

OL No. 27609/CTBDU-TTHT dated 21 October 2024 issued by Binh Duong Provincial Tax Department regarding commercial discount invoices and sending form 04/SS-HDDT to the tax authority:

In the event that goods are returned due to discrepancies in specifications or quality concerns, the seller should issue return to adjust or replace the previously issued invoice along with a formal agreement that clearly specifies the details of the returned goods.

- For the case of commercial discount invoices:

In case the Company applies a commercial discount to customers according to the provisions of law, the discount should be clearly shown on the invoice.

In case the commercial discount is based on the quantity and turnover of goods and services and will be adjusted in the invoice of the last purchase or subsequent period. It is essential to create an adjustment invoice along with the comprehensive list of the adjusted invoices, the associated turnover value and the tax amount. The Company should not

13 Commercial discount invoice and send form 04/SS-HĐĐT to tax authority

record a negative number on the adjustment invoice as this is not a case of an incorrect invoice.

- Case of processing error invoices:

In case of handling the error invoices as prescribed in Clause 1 or Point a, Clause 2, Article 19 of Decree No. 123/2020/ND-CP, the Company should send Form No. 04/SS-HDDT, Appendix IA issued with this Decree to the tax authority.

In case of handling error invoices as prescribed in Point b, Clause 2, Article 19 of Decree No.123/2020/ND-CP, the Company should not send a notice of errors (Form No. 04/SS-HDDT) to the tax authority.

14

Issue return invoices for purchased goods that do not meet specifications or quality

OL No. 15340/CTBDU-TTHT dated 7 June 2024 issued by Binh Duong Provincial Tax Department restipulates the issuance of invoices for returned goods that purchased but do not meet specifications or quality:

In the event that goods are returned due to discrepancies in specifications or quality concerns, the seller should issue return to adjust or replace the previously issued invoice along with a formal agreement that clearly specifies the details of the returned goods.

15 Deadline for submitting labor utilization status report

OL No. 28690/SLĐTBXH-VLATLĐ dated 14 November 2024 issued by the DOLISA of Ho Chi Minh City specifies submitting reports on labor utilization status before 5 December 2024.

According to Decree No. 145/2020/ND-CP dated 14 December 2020 granted by the Government detailing and guiding the implementation of several Labor Code articles on working conditions and labor relations (hereafter as Decree No. 145/2020/ND-CP)

1. Reporting subjects:

Enterprises, agencies and organizations that employ workers, operate and have headquarters in Ho Chi Minh City (hereinafter as units).

2. Report content:

Report on labor utilization status in 2024 according to Form No. 01/PLI Appendix I issued with Decree No. 145/2020/ND-CP (sample attached).

15 Deadline for submitting labor utilization status report

3. Form and time of submission of report:

3.1. Form and time of report submission:

The units can choose one of the following two forms:

a) Submit at the National Public Service Portal:

The units implement the "Interconnected procedure for registration of adjusting compulsory SI, HI, UI and reporting on labour utilization status" at the Electronic Information Portal:

<https://dichvucong.gov.vn>

b) Submit to the DOLISA:

The units send reports to the online DOLISA online via:

Access the Google Form link: **<https://forms.gle/oqUdAUkzCrDpdY1J9>**

Or scan the QR code (attached file) to access the link

15 Deadline for submitting labor utilization status report

*The online report includes general information, the copy of report with signature and red stamp (in *.pdf format) and a soft copy (in Excel format: *.xls, *.xlsx) for convenience in monitoring and summarizing work.*

3.2. Deadline for submission: before 5 December 2024

After the above deadline, the DOLISA will no longer accept reports and at the same time synthesize to assess an enterprise's compliance with legal regulations.

Adjusting the payment schedule for pensions and SI benefits from December 2024 onwards

OL No. 8126/BHXH-KHTC dated 30 October 2024 issued by the SI Department concerning the pension and SI allowance payments via personal accounts to beneficiaries by the SI agency from December 2024 as:

Disbursing at the SI Department of Ho Chi Minh City starts on the 1st of the month for non-cash payments; organizing payment at all payment points from the 2nd to the 10th of the month and continues disbursing from the 11th to the 25th of the month at payment points that are post office by cash payments.

Pension and SI benefits payment schedule:

- Via ATM account: City and Provincial SI directly transfers payment into the beneficiary's account from the 1st of the month.

Adjusting the payment schedule for pensions and SI benefits from December 2024 onwards

- Cash payment: Ho Chi Minh City Post Office organizes disbursement at payment points from the 4th to the 10th of each month; continues to pay at the Post Offices of the Central/District Post Offices from the 11th to the 25th of each month.

Note: In case the payment date falls on a Saturday, Sunday or holiday, the payment date will be the next working day.

Abbreviations

VAT	Value Added Tax	MOF	Ministry of Finance
PIT	Personal Income Tax	GDT	General Department of Taxation
CIT	Corporate Income Tax	MOIT	Ministry of Industry and Trade
FCT	Foreign Contractor Tax	MOLISA	Ministry of Labor, War Invalids and Social Affairs
SCT	Special Consumption Tax	DPI	Department of Planning and Investment
IET	Import and Export Tax	SBV	The State Bank of Vietnam
OTH	Other	EPE	Export processing enterprises
OL	Official Letter	EPZ	Export Processing Zone
ACC	Accounting	IZ	Industrial Zone
LAB	Labor	INV	Invoice



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KMC's 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.





Connect with us.

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