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- In November 2019, taxpayers nationwide will use The Electronic Tax Service system (eTax) to replace the iHTKK system and the electronic tax payment system.



I. INVOICE

Circular No. 68/2019/TT-BTC dated Sep 30th, 2019 providing guidance on the usage registration and issuance of e-invoices in compliance with Decree No. 119/2018/ND-CP.

The Circular provides guidance on the usage registration and issuance of e-invoices, including: e-invoice content, issuance date, format of e-invoice, application of e-invoice, error handling ...

Accordingly, the name of goods and services on e-invoice must be written in Vietnamese language and be detail enough to show the different categories and product brands, such as Samsung telephone, Nokia telephone... (Point d, Clause 1, Article 3).

If selling goods that have to register for ownership, the e-invoice must show all of featured characteristics of goods such as chassis number of vehicle; address, dimension and number of levels of building... (Point d, Clause 1, Article 3).

Regarding buyer's address, in case the goods sold or services provided for a foreign individual, the address information could be substituted with the information of her/his nationality and passport/immigration documents (Point c.2, Clause 1, Article 3).

Besides, it is not compulsory for seller to obtain e-signature of buyer, including buyers who are enterprises and foreign customers. However, the seller can discuss with enterprise buyers about signing on e-invoice. (Clause 3, Article 3)

Those enterprises posing high tax risk are required to use authenticated e-invoice. They are those with equity below VND 15 million and have one of the following characteristics: Possess no ownership right of factory, warehouse, store or other facilities; have suspicious bank transactions in accordance with Anti Money Laundering Law; failure to sufficiently and timely declare tax obligations; change registered business address 2 times or more within 12 months without notice or fail to declare and pay tax at the new location (Clause 3, Article 6).

The Circular comes into effect from Nov 14th, 2019.

Official Letter No. 4030/TCT-CS dated Oct 04th, 2019 of the General Department of Taxation on issuing invoice for transferring assets.

Pursuant to Article 5 Circular No. 219/2013/TT-BTC, the requirement of issuing invoice when transferring assets is stipulated as below:

1. If the asset has already been depreciated and transferred between related parties (ie. Between parent and its subsidiaries, or between subsidiaries themselves).
 - If the asset is transferred with the same value as the net book value appeared on transferor's balance sheet, the transferor is exempted from issuing invoice.
 - If the asset has been revalued before transferring, the transferor is required to issue invoice and bear VAT.



2. In case the fixed asset is transferred between dependent branches of an enterprise (including the transferring due to spin-off, split-off, divestiture, merger, ect.), the transferor is only required to prepare a transferring directive attached with asset original document.

3. In case the fixed asset is transferred between independent branches or subsidiaries with full legal status, the transferor must issue invoice and declare VAT.

II. CORPORATE INCOME TAX

Official Letter No. 75582/CT-TTHT dated Oct 01st, 2019 of Ha Noi Tax Department on loss offsetting between tax-incentive and non-incentive projects.

Pursuant to Clause 9, Article 18 Circular No. 78/2014/TT-BTC, losses incurred from business activities that are eligible for tax incentive shall be offset with profits from business activities that are not eligible for tax incentive.

Accordingly, if the Company has both incentive and non-incentive projects, it is allowed to transfer losses from incentive projects to profits of normal projects, except for profits arising from real-estate activities, the project transferring, the project's participation right transferring or the mineral exploitation right transferring.

III. PERSONAL INCOME TAX

Official Letter No. 4184/TCT-DNNCN dated Oct 15th, 2019 of General Department of Taxation about documents for PIT deduction of charitable contribution.

Pursuant to Clause 3, Article 9, Circular No. 111/2013/TT-BTC, charitable donation is only allowed for PIT deduction if the tax-payer could obtains the receipt issued by charitable organizations, which, according to the General Department of Taxation, must fulfill the requirements of accounting document in Accounting Law No. 88/2015/QH13.

Pursuant to Article 16, Accounting Law 88/2015/QH13, accounting document has to contain the following information:

- Name and serial number of accounting document;
- The issuance date of accounting document;
- The name, address of individual, entity or organization preparing accounting documents;
- The nature of economic or financial transaction occurred;
- The quantity, unit price and monetary amount of the transaction;
- Signature and name of preparer, approver and related people.



IV. FOREIGN CONTRACTOR TAX.

Official Letter No. 66973/CT-TTHT dated Aug 26th, 2019 Ha Noi Tax Department regarding foreign contractor tax policy for royalty, deployment and maintenance fee.

If the Company purchases software from overseas and pays for royalty, deployment and maintenance fee, and the seller does not have a permanent establishment in Vietnam, the buyer has an obligation to withhold FCT as the rate specified below:

- Royalty fee: VAT exempt, 10% for CIT.
- Software maintenance fee: VAT exempt, 5% for CIT.
- Other service (not software service): 5% for VAT, 5% for CIT.

V. OTHERS

In November 2019, taxpayers nationwide will use The Electronic Tax Service (eTax) system to replace the iHTKK system and the electronic tax payment system.

According to the General Department of Taxation, electronic tax service system (eTax) was put into operation in 45 provinces and cities.

In November 2019, General Department of Taxation will perform eTax in remaining 18 provinces and cities, including Ho Chi Minh City, Binh Phuoc, Binh Duong, Can Tho, Tay Ninh, Ba Ria Vung Tau, Long An, Dong Thap and Tien. Giang, An Giang, Ben Tre, Vinh Long, Tra Vinh, Hau Giang, Kien Giang, Soc Trang, Bac Lieu and Ca Mau.

From November 25th, 2019, taxpayers in above 18 localities will stop using the electronic tax declaration system (nhantokhai.gdt.gov.vn) and the electronic tax payment system (nophthue.gdt.gov.vn) to switch to eTax (thuedientu.gdt.gov.vn).

The new system will have several key advantages as follows:

- eTax adds more functions than the electronic tax declaration system and the Electronic tax payment system.
- Taxpayers can access and manage all electronic tax services on a single system instead of having to log into many different system.
- eTax allows taxpayers to manage their login accounts.

For businesses that dealt with Tax Department in the electronic tax declaration system and the electronic tax payment systems, all information about the accounts and records will be transferred to eTax for continuing using without having to register again.

Vietnamese

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For large-scale companies, in addition to 01 main account of each taxcode, the Company can create other accounts for different position in the business such as director, chief accountant, accountant, which helps to control the responsibilities of company's members.

**Abbreviation**

CIT	Corporate Income Tax	CTLD	Joint Venture Company
PIT	Personal Income Tax	Ltd.	Limited
VAT	Value-added Tax	PC	People' Committee
FCT	Foreign Contractor Tax	MOF	Ministry of Finance
FA	Fixed Asset	MOT	Ministry of Trade
GTD	General Department of Taxation	MOLISA	Ministry of Labor, Invalid and Social Affairs
EPE	Export Processing Enterprise	DPI	Department of Planning and Investment
EPZ	Export Processing Zone	OL	Official Letter
ALU	Agricultural Land Use	SBV	State Bank of Vietnam
IZ	Industrial Zone	FC	Foreign Contract



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