



CONTENT**I. INVOICE**

- Official Letter No.114/CT-TTHT dated 07th January 2020 issued by Ho Chi Minh Tax Department on handling procedures of copy two – invoice is blurred with some digits.
- Official Letter No. 3522/CT-TTHT dated 07th April 2020 issued by Ho Chi Minh Tax Department on allowing to issue an invoice for all gifts at the end of day.

II. CORPORATE INCOME TAX

- Official Letter No. 3531/CT-TTHT dated 07th April 2020 issued by Ho Chi Minh Tax Department on recognizing reasonable expenses for welfare expenses.
- Official Letter No. 26515/CT-TTHT dated 23th April 2020 issued by Ha Noi Tax Department on expenses for foreign workers expenses without granted work permit.

III. VALUE ADDED TAX

- Official Letter No. 28547/CT-TTHT dated 29th April 2020 issued by Ha Noi Tax Department on guiding the conditions for application of 0% VAT rate for goods delivered and received outside Vietnam.

IV. OTHERS

- Decree No. 41/2020/ND-CP on extension of tax payment, land rental fee.
- Government draft on tasks, solutions to relieve difficulties for business amid the Covid-19 pandemic.



I. INVOICE

Official Letter No.114/CT-TTHT dated 07th January 2020 issued by Ho Chi Minh Tax Department on handling procedures of copy two – invoice is blurred with some digits.

According to this Official Letter, if the Company (the seller) issues VAT invoice with some blurred digits, the treatment will be applied as same as the case of flawed invoice, specifically as follows:

- The company and the buyer make a written record of the incident, identifying the party that damaged the invoice.
- The company (seller) copy the copy one – invoices attached with the copy two – invoice and the written record to make accounting and tax declaration.
- The invoice damage party must report to Tax Department by using the form BC21/AC as regulation.

Official Letter No. 3522/CT-TTHT dated 07th April 2020 issued by Ho Chi Minh Tax Department on allowing to issue an invoice for all gifts at the end of day.

According to this Official Letter, if the company incurs a gift giving to clients, employees for production and business activities, and client does not need the VAT invoice, at the end of day, the company makes an invoice, which noted the type of gift, the total amount, together with a list of details of the names of client who receive the gift.

However, the practice is not applicable to companies using e- invoices.

II. CORPORATE INCOME TAX

Official Letter No. 3531/CT-TTHT dated 07th April 2020 issued by Ho Chi Minh Tax Department on recognizing reasonable expenses for welfare expenses.

According to this Official Letter, if the Company incurs welfare expenses for employees (buying food, year-end party, Christmas party ...) if it meets the conditions specified in:

- Clause 10, Article 1, Circular 26/2015/TT-BTC
- Article 4, Circular 96/2015/TT-BTC

and the total amount of welfare expenses must not exceed the practical average 01 month's salary in the tax year, the Company is allowed to deduct the input VAT and those expenses are included in deductible expenses when determining the CIT for the purchased goods/ services mentioned above.



Official Letter No. 26515/CT-TTHT dated 23th April 2020 issued by Ha Noi Tax Department on expenses for foreign workers expenses without granted work permit.

According to this Official Letter, if the Company assign foreign workers to work in Vietnam, it is required to have a work permit issued by the authority in Vietnam in accordance with the Labor Code, if a work permit has not been issued as prescribed, it is not deductible expenses when determining taxable income and input VAT.

However, if the employee is intra-corporate transfer within the scope of 11 service sectors in Vietnam's service commitments to WTO, including: business, information, construction, distribution and education, education, environment, finance, health care, tourism, cultural entertainment and transportation (i.e. not subject to a work permit), the enterprise expenses paid to employees if meeting all conditions prescribed in Circulars 96/2015/TT-BTC, 219/2013/TT-BTC, 25/2015/TT-BTC, 173/2016/TT-BTC are deductible expenses when determining taxable CIT income and deducted VAT input.

III. VALUE-ADDED TAX

Official Letter No. 28547/CT-TTHT dated 29th April 2020 issued by Ha Noi Tax Department on guiding the conditions for application of 0% VAT rate for goods delivered and received outside Vietnam.

According the Official Letter 219/2013/TT-BTC and Decree 209/2013/ND-CP, if the Company sells goods that are delivered to the recipients outside Vietnam, the Company must provide documents proving the delivery of goods outside Vietnam as below in order to apply 0% tax:

- Contract to buy goods signed with an overseas buyer
- A contract to sell goods signed with the buyer
- Documents proving that goods are received outside Vietnam such as commercial invoices, bills of lading, packaging notes, Certificates of Origin, etc....
- Bank receipt for the payment to the overseas seller by the taxpayer, bank receipt for the payment to the taxpayer by the buyer.

IV. OTHERS

Decree No. 41/2020/ND-CP on extension of tax payment, land rental fee.

The Government promulgates a Decree on tax payment and land rent deferral.

This Decree applies to enterprises affected by the Covid-19 epidemic, specifically as follows:

- The Company engaged in the production of agricultural, forestry and fishery products, garments, electronic products, computers, construction ...



- The Company that operate in the fields of warehousing, accommodation, catering, education, health care, real estate, employment, tourism, arts and entertainment, etc.

- The Company that are manufacturers of prioritized ancillary industry products or key mechanical products.

- Small enterprises and microenterprise

- Credit institutions and foreign bank branches (FBB) shall provide assistance for enterprises, organizations and individuals affected by Covid-19

(Detailed in Article 3 of this Decree)

The above subjects are deferral Tax as follow:

- VAT incurred during March, April, May, June of 2020 (for taxpayers declaring tax monthly), first and second quarter of 2020 (for taxpayers declaring tax quarterly).

Time deferral: **Five month**

- CIT declared in the 2019's annual statement and CIT declared in the first and second quarters of 2020

Time deferral: **Five month**

A taxpayer shall submit an application for tax and land rent deferral (electronically or another method) for Tax department no later than 30 July 2020.

Taxpayers shall be responsible for their eligibility for deferral as prescribed in this Decree.

Government draft on tasks, solutions to relieve difficulties for business amid the Covid-19 pandemic.

In order to relieve the difficulties faced by people and the business community and help minimize the impact of the Covid-19 epidemic, ensuring the safety of life and health of the people, preserving security and order, socio-economic development tasks, the Government drafted a resolution on solutions to remove difficulties for production and business as follows:

- Adjust of family circumstance deductions of personal income tax

- Reduce 50% of corporate income tax for small and medium enterprises in 2020

- Exempt and reduce 50% VAT rate (currently 10%) for goods and services in difficulty to reduce input costs for production of businesses.

- Temporarily reduce and exempt CIT and PIT for enterprises and individual business households to apply for the tax period 2020

- Consider refunding VAT in 2020 for a number of industries heavily and directly affected by the Covid-19 epidemic such as aviation and tourism.

- Increasing the extension of payment CIT in 2019, VAT, PIT, land lease from 5 months (according to Decree No. 41/2020/ND-CP) to 1 year.

Vietnamese

Business&Law

月刊 ベトナム法令・ビジネス情報



- Consider allowing a delay of partial export tax payment for a period of about 5 months (until the end of Quarter 2 2020); reviewing import and export tariffs issued by the Government to promptly adjust tax rates for a number of sectors.

- Complete the draft Decree amending and supplementing Clause 3 Article 8 of Decree No. 20/2017/ND-CP to allow retroactive handling for 2017, 2018, and the repayment period is 5 years.

**Các từ viết tắt**

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

Vietnamese

Business & Law

月刊 ベトナム法令・ビジネス情報



I-GLOCAL CO., LTD.

VINA BOOKKEEPING CO., LTD

Ho Chi Minh City Office

14th Floor, TNR Tower, 180-192 Nguyen Cong Tru, District 1, HCMC, Vietnam

Tel: +84 28 3827 8096 Fax: +84 28 3827 8097

Takayuki Jitsuhara (真原): takayuki.jitsuhara@i-glocal.com

Vo Tan Huu: vo.tan.huu@i-glocal.com

Tran Nguyen Trung: tran.nguyen.trung@i-glocal.com

Cao Hoang Vuong: cao.hoang.vuong@i-glocal.com

Tran Cong Hung: tran.cong.hung@i-glocal.com

Hanoi Office

R.1206, 12th Floor, Indochina Plaza Hanoi Tower, 241 Xuan Thuy, Cau Giay Dist., Hanoi, Vietnam

Tel: +84 4 2220 0334 Fax: +84 4 2220 0335

Naoki Fukumoto (福本): naoki.fukumoto@i-glocal.com

Ta Huong Ly: ta.huong.ly@i-glocal.com

Nguyen Thi Dung: nguyen.thi.dung@vinabookkeeping.com

Website: <http://www.i-glocal.com>

<http://www.vinabookkeeping.com>