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I. CORPORATE INCOME TAX

Official letter No. 4317/CT-TTHT dated 25th February 2020 issued by Binh Duong Tax Department regarding the expense which could not be treated as deductible expenses when finalizing CIT for depreciation of fixed assets without proof of ownership.

According to this Official letter, in case the company incurs depreciation expenses of fixed assets unrelated to its business activities or land, fixed assets without proof of ownership, right to use (except for financial lease assets), the Company can not deduct when determining the taxable income in the tax period.

II. VALUE ADDED TAX

Official letter No. 13544/CT-TTHT dated 12th November 2019 issued by Ho Chi Minh Tax Department regarding not issuing invoice for 3rd Party.

According to this Official letter, in case the Company signs a contract to provide services, the Company is obliged to issue invoices to customers and record revenue according to the true timing and nature of economic operations.

In case the customer requires the Company to bill to a third party to allocate part of the total cost of using the service for group of customers is not allowed.

III. PERSONAL INCOME TAX

Official letter No. 217/TCT-DNNCN dated 17th January 2020 issued by General Department of Customs about conditions to register dependent deduction for Aunts and Uncles.

According to Clause 1, Article 9, Circular No. 111/2013/TT-BTC dated August 15, 2013 of the Ministry of Finance, individuals who have no one to rely on but the taxpayers who are directly nurturing them may register for dependent deduction, include:

- Siblings of taxpayers.
- Grandfather, grandmother, aunts, uncle of taxpayers.
- Taxpayers' grandchildren.
- Persons who must directly nurture other people according to the provisions of relevant law.

In Clause 5, Article 4, Decree No. 31/2013/ND-CP dated March 9, 2013 of the Government defines: "People who live alone and helplessly are those who live alone, with or without relatives. "

Therefore, according to this official dispatch, if the employees working in the Company register their dependent deduction for aunts, uncles who still have other relatives are not considered as a helpless people. Therefore, there is no basis for the registration of dependents in this case.



In addition, according to Clause 1, Article 9, Circular 111/2013/TT-BTC, individuals who have no refuge to be registered as dependents must meet the following conditions:

- For people of working age, they must simultaneously meet the following conditions:
 - + Disabled, incapable of working.
 - + No income or average monthly income from all income sources does not exceed VND 1,000,000.

For non-working-age people, they must have no income or have the average monthly income in a year from all income sources not exceeding VND 1,000,000.

Official Letter No. 6043/CT-TTHT of 18th February 2020 of the Tax Department of Hanoi City guides PIT finalization for 2019.

Regarding the PIT finalization for 2019, the Official Letter noted some following points:

- The taxable income to be finalized in 2019 is the total income from salaries and wages actually received from January 1, 2019 to December 31, 2019.
- Allowances and benefits not included in the taxable income for PIT in 2019 still determined according to the List issued in Official Letter No. 1381/TCT-TNCN dated April 24, 2014.
- For foreigners who are resident individuals, the time for starting to calculate personal income tax will be based on the first date of arrival in Vietnam for the purpose of generating income in Vietnam stated in the contract or document dispatched to Vietnam.
- In case a resident individual is a citizen of a country or territory that has signed an Agreement with Vietnam on the avoidance of double taxation and prevention of tax evasion for taxes on income, the obligation for PIT is calculated from the first month to Vietnam in case the individual first arrives in Vietnam until the end of the labor contract and leaves Vietnam (calculated full month) without having to perform the procedures of certification of to be done without double taxation under the Agreement to avoid double taxation between the two countries.
- Taxpayers must commit and take responsibility for the accuracy of the dependent's income declaration information.
- For dependents who have no one to rely on, they are only entitled to deductions if they register at the latest by December 31, 2019. If they register after December 31, 2019, they shall not be entitled to deductions for 2019.
- The deadline for submission of 2019 PIT finalization dossiers is March 30, 2020. Individuals who request tax refunds may submit it after this time.



Official letter No. 2113/CT-TTHT dated 16th January 2020 issued by Ha Noi Tax Department regarding Personal Income Tax when Non-resident receives overseas income.

Pursuant to Article 2, Circular No. 119/2014/TT-BTC (amending and supplementing Circular 111/2013/TT-BTC), the taxable income of a non-resident is the income generated in Vietnam, regardless of origin of payment.

Therefore, according to this Official Letter, in case a non-resident individual earns income from wages and salaries in Vietnam, but receives abroad, he / she must declare tax quarterly at the rate of 20%.

IV. OTHERS

Decree No. 22/2020/NĐ-CP dated 24th February 2020 issued by the Government edited and added some points of Decree No. 139/2016/ND-CP about Business license fee.

Compared to Decree 139/2016/ND-CP, this Decree supplements some cases of license fee exemption as follows:

- Exemption of license fees in the first year of establishment or production and business activities (from January 1 to December 31) for:
 - + Newly established organizations (granted new tax identification numbers and new enterprise identification numbers).
 - + Households, individuals and groups of individuals that are first engaged in production and business activities.
 - + Branches, representative offices, business locations of these organizations are established during the time these organizations are exempt from licensing fees.
- Small and medium-sized enterprises converted from business households (together with branches, representative offices, business locations of these small and medium-sized enterprises) are exempt from license fees within 03 years from the date of issuing business registration certificate of small and medium-sized enterprises for the first time.
- Exemption of license fees for public general education institutions and public preschool education institutions.

This Decree took effect from February 25, 2020.

**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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