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I. PERSONAL INCOME TAX

Official Letter No. 2220/CT-TTHT dated 06th July 2020 issued by Bac Ninh Tax Department about the policy of CIT and PIT on hotel expenses for isolation of experts due to Covid-19 epidemic.

Official Letter No. 2220/CT-TTHT dated 06th July 2020 issued by Bac Ninh Tax Department about the policy of CIT and PIT on hotel expenses for isolation of experts due to the Covid-19 epidemic.

According to this Official Letter, foreign experts who come to work in Vietnam must conduct concentrated isolation according to Directive No. 15/CT-TTG dated 27th March 2020, and Directive No. 16/CT-TTG dated 31st March 2020 issued by the Prime Minister on the implementation of the peak phase of Covid-19 epidemic prevention.

In case the Company has paid isolation expenses (hotel) to isolation organizations (hotel) during the time centralized isolation of expert at the hotel:

Regarding CIT:

Documents proved for deductible expenses include:

- Documents proving that experts have completed the required isolated time
- Invoice
- Payment vouchers according to current regulations.

Regarding PIT:

The isolated time of experts is carried out by the request of the competent state authority on the prevention of the Covid-19 epidemic.

Therefore, the expenses of isolation (hotel) paid directly by the Company to isolation organization (hotel) during the stay of experts is not calculated in taxable incomes.

Official Letter No. 65283/CT-TTHT dated 14th July 2020 issued by Ha Noi Tax Department about withholding PIT in case of signing two labour contracts at the same time with employees who are residents.

According to this Official Letter, in case of the company signs two labor contracts at the same time with employees who are residents: labor contract for three months or longer and service freelance contract, if the contracts comply with regulations, the company shall withhold PIT according to the progressive tax table before making payment to employees, according to Point b.1, Clause 1, Article 25 Circular 111/2013/TT-BTC dated 15th Aug 2020 issued by Ministry of Finance, included income from two above contracts and other incomes from wages and remunerations arising in tax period.



II. CORPORATE INCOME TAX

Resolution No. 116/2020/QH14 dated 19th June 2020 issued by National Assembly about reduction in CIT payable in 2020

According to this Resolution, in case of the enterprise whose total revenue in 2020 does not exceed 200 billion VND shall be reduced by 30% CIT payable in 2020.

The enterprises shall calculate the reduction themselves when paying CIT quarterly and CIT finalization in 2020

This Resolution takes effect on 3rd August 2020.

The tax payment deadlines for quarterly under The Law on Tax administration in 2019 comes into force officially from 1st July 2020

Article 55, The Law on Tax Administration No. 38/2019/QH14 shall stipulate for the tax payment deadlines as follows:

"In case tax is calculated by the taxpayer, the tax payment deadline is the deadline for submission of the tax declaration dossier. In case of submission of supplementary tax documents, the tax payment deadline is the deadline for submission of the erroneous tax declaration dossier.

The deadline for paying CIT, which is paid quarterly, is the 30th of the first month of the next quarter."

Thus, in case the enterprise declares quarterly, the deadline for payment of PIT and VAT on quarter 03/2020 is 31st October 2020, instead of the previous regulation of 30th October 2020.

Particularly for the provisional CIT paid on quarter 03/2020, the deadline for payment is still 30th October 2020.

III. OTHERS

Tutorial No. 05/HD-LDLD dated 31st March 2020 issued by Confederation of Labour of Ho Chi Minh city about trade-union fee of expatriates

According to Article 5, Decree 191/2013/ND-CP and Clause 1, Article 2, Decree 143/2018/ND-CP, Confederation of Labour of Ho Chi Minh city guides the trade-union fee payment for employees who are expatriates as below:

- If employers employ expatriates who are subject to compulsory insurance according to regulations, the employers are responsible for remitting trade-union fee.
- The remittance level shall be 2% of salary fund which are used as the basis for social insurance payment for employees.
- The time of remitting trade-union fee: from 1st Dec 2018, every month at the same time of compulsory social insurance payment for employees.

Besides, this Tutorial also provides some guidance about extension of payment time or exemption, reduction (if any) the trade-union fee for enterprises affected by Covid-19 epidemic.



Circular 13/2020/TT-BTTTT dated 3rd July 2020 issued by the Ministry of Information and Communications determining procedural compliance of software product manufacturing operations.

Accordingly, Software product manufacturing operations of an organization or enterprises shall be considered to be procedurally compliant software product manufacturing operations when the organization/enterprise performs at least any of the two stages: Requirement determination, Analysis and design.

The Circular also stipulates the types of documents corresponding to each operation in the stages that organizations and businesses have implemented.

Organizations and enterprises engaged in the production of software products specified in this Circular shall:

- Be responsible for the authenticity of the information in the tax incentive proposal dossier for software production activities and self-determination of software production activities that meet the process.
- Send, update information about software products, stages in Software product manufacturing operations to meet the process, the deductible tax rate to the Ministry of Information and Communications (Department of Information Technology) for consolidation.
- Ensure that the Software product manufacturing operations and software products does not violate intellectual property laws and other relevant law provisions.

This Circular takes effect from 19th August 2020 and replaces the Circular No.16/2014/TT-BTTTT dated 18th November 2014 issued by the Ministry of Information and Communications determining procedural compliance of software product manufacturing operations.

Software product manufacturing operations have been determined to meet the process prescribed before the effective date of this Circular continue to be considered as meeting the software production process until the expiry of the project. The investment has been approved.

Circular 65/2020/TT-BTC dated 09th July 2020 issued by the Ministry of Finance guidelines for license fee

This Circular supplement regulations about subjects which are exempted from license fees as follows:

- Exemption of license fees in the first year of establishment or production and business activities (from 1st January to 31st December) for:
 - + Newly established organizations (granted new tax code 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 license fees.
- Small and medium-sized enterprises transferred from business households (together with branches, representative offices, business locations of these small and medium-sized enterprises) are exempted business from license fees within 03 years from the date of issuing business registration certificate of small and medium-sized enterprises for the first time.



- Exempted license fees for public general education institutions and public preschool education institutions

In case of new establishment, households, individuals, groups of individuals first start production and business activities before 25th February 2020 and establish branches, representative offices and business locations from 25th February 2020 (if any), organizations, households, individuals, groups of individuals, branches, representative offices and business locations shall pay license fees as prescribed in the Decree No. 139/2016/ND-CP dated 4th October 2016 issued by the Government regulating license fees.

Deadline for submission license fees declaration for new production, business or newly established operations; small and medium-sized enterprises transforming from business households: 30th January next year of the new year of production or business activities or newly established ones.

(Previous regulation is within 30 days from the date of being granted business registration certificate or the date of issuing of investment registration certificate and tax registration.)

The deadline for paying license fees is 30th January annually.

This Circular comes into force from 23rd August 2020.

**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



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