

Content

I. VALUE ADDED TAX

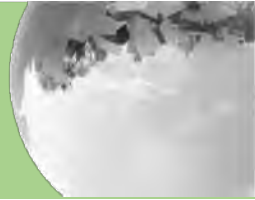
- Official Letter No. 2301/TCT-CS of General Department of Taxation dated June 11th, 2018 on the payment via bank for export goods.
- Official Letter No. 37317/CT-TTHT dated June 04th, 2018 of Ha Noi Tax Department on tax policy for online sales activities in foreign countries.

II. CORPORATE INCOME TAX

- Official Letter No. 48083/CT-TTHT dated July 10th, 2018 of Hanoi Tax Department on FCT arisen from loan interest of Company which has related parties' transactions.

III. INVOICES

- Official letter No. 1678 dated July 02nd, 2018 of Bac Ninh Tax Department on e-invoices.
- Official letter No. 2731/CT-TTHT dated April 10th, 2018 of Ho Chi Minh Tax Department on invoice and declaring VAT regarding supporting amount.



I. VALUE ADDED TAX

Official Letter No. 2301/TCT-CS of General Department of Taxation dated June 11th, 2018 on the payment via bank for export goods.

Currently, the regulation only allows the foreign party (importer) to authorize a third party that is a foreign organization or individual to make payment for exported goods in order to deduct, refund VAT for export goods and services. (Article 16, Circular No. 219/2013/TT-BTC of Ministry of Finance dated December 31st, 2013)

In case the foreign party wants to request a third party - an organization in Vietnam - to make payment for export goods, it shall be considered as payment via-bank and shall be entitled to deduct or refund VAT if: The foreign party and the third party must have trade payables and make off-set AR-AP

According to this Official Letter, in case Company A in Korea purchases goods from Company B in Vietnam, Company A authorizes Organization C in Vietnam to make payment to Company B, between Company A and Organization C there is not any receivables or payables, although this term of payment is mentioned in Appendix of contract, it is not eligible to be deducted, refunded the input VAT.

Official Letter No. 37317/CT-TTHT dated June 04th, 2018 of Ha Noi Tax Department on tax policy for online sales activities in foreign countries.

In cases the Company specializes in trading goods in foreign markets through the e-commercial website of foreign countries (Amazon), not imported to Vietnam:

- About VAT: VAT is 0%, if the conditions in Clause 2, Article 9 of Circular 219/2013/TT-BTC are met.
- About invoices: The Company uses commercial invoices to make and give to customers in accordance with international practice and Clause 1, Article 5 of Circular 119/2014/TT-BTC.
- About CIT: The Company still has to declare and pay CIT for revenue from online sales in foreign countries in accordance with Circular 78/2014/TT-BTC.

II. CORPORATE INCOME TAX

Official Letter No. 48083/CT-TTHT dated July 10th, 2018 of Hanoi Tax Department on FCT arisen from loan interest of Company which has related parties' transactions

Under the provisions of Clause 3, Article 8 of Decree No. 20/2017/NĐ-CP, if the Company has transactions with related parties, total loan interest cost arising within a specified tax period qualified as a deduction from income subject to corporate income tax shall not exceed 20% of EBITDA.

Regarding the FCT that the Company paid on behalf of the foreign party, under this Official Letter, if the loan contract has agreements that the revenue received by the foreigner contractor is exclusive of tax (CIT), the Company can deduct such tax, including the tax amount corresponding the loan interest excess of the limit of 20% EBITDA if the conditions of Article 4, Circular 96/2015/TT-BTC are met.



III. INVOICES

Official letter No. 1678 dated July 02nd, 2018 of Bac Ninh Tax Department on e-invoices.

1. Signature of buyer on e-invoices

In case the buyer is not an accounting unit, or an accounting unit and there are enough documents proving the supply of goods and services between seller and buyer as commercial contracts, stock issue notes, delivery notes, payment receipts, receipt vouchers,... the e-signature of buyer is no need on the e-invoices which issued by the seller.

2. Exemption of the signature of the legal representative and company's seal on converted invoices

In case the legal representative has authorized the person who directly sell the goods to sign on the invoices, Bac Ninh Tax Department agrees that the signature on the converted invoices may be of the person directly selling or the person converting e-invoices. The company is fully responsible for this conversion.

3. Handling of wrong e-invoices

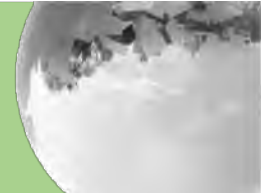
In cases there are errors in e-invoices, the Company must make a minute of errors with the signature of both seller and buyer. The minute of errors is allowed to be a paper document with the signature of the seller and the buyer. The company prepare revised e-invoices as stipulated in Article 9, Circular No. 32/2011/TT-BTC.

Official letter No. 2731/CT-TTHT dated April 10th, 2018 of Ho Chi Minh Tax Department on invoice and VAT regarding supporting amount.

Pursuant to Clause 1, Article 5, Circular No. 219/2013/TT-BTC, the allowance without any conditions shall be exempted from declaring and paying VAT.

Accordingly, in case changing business strategy, the Company sells all transport vehicles to another company (Company A) and the results is that many employees have to leave their jobs. According to the agreement, Company A agrees to support a part of the severance allowance that Company A has responsibility to pay for their employee, this support amount is exempted from both issuing invoices and declaring VAT.

When receiving this amount, the Company just make a receipt voucher for accounting record purpose.



Abbreviation

CIT	Corporate Income Tax	JVC	Joint Venture Company
PIT	Personal Income Tax	Ltd.	Limited
VAT	Value Added Tax	PC	People's Committee
FCT	Foreign Contractor Tax	MOF	Ministry of Finance
FA	Fixed Asset	MOIT	Ministry of Industry and Trade
GDT	General Department of Taxation	MOLISA	Ministry of Labor, Invalid and Social affairs
EPE	Export Processing Exporting Company	DPI	Department of Planning and Investment
EPZ	Export Processing Zone	OL	Official Letter
UAL	Usage of Agricultural Land	SBV	The State Bank of Vietnam
IZ	Industrial Zone	FC	Foreign Contractor
SB	State Budget	SI	Social Insurance
SI	Social Insurance	UI	Unemployed Insurance

Vietnamese

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