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I. INVOICE

Official Letter No. 812/TCT-DNL dated March 13rd, 2019 of the General Department of Taxation on the date of issuing and signing the electronic invoices under Circular No. 32/2011/TT-BTC

According to the presentation of the Company, for sales activities at Nghi Son Cement Company, the date of issue and the date of signing on the E-Invoices commonly are the same day. However, sales activities for three consecutive day and night shifts were conducted in relation with the performance of the E-Invoice software of VNPT, so there would be a few invoices of which the approval date was after the issue date. The reason for such mismatch was that when issuing the E-Invoices and sending them to the buyer before 24h, the buyer made the electronic signature on the received E-Invoices and sent them to the seller with the electronic signature of both the buyer and the seller through the intermediary organization's system providing E-Invoice solutions after 00:00 in the following day.

Based on the provisions of the law on creating, issuing and using the E-Invoice and models of sales activities of the Company in the process of business operation and tax declaration, the General Department of Taxation agrees with the proposal of the Company that the date of determining the obligation to declare and pay taxes as well as record the transactions as prescribed is based on the date of issuing the E-Invoice.

Official Letter No. 4861/TCT-CS dated December 04th, 2018 of the General Department of Taxation about report on using invoices

According to this Official Letter, if the enterprise submits report on using invoice in the 1st quarter of 2018 but previously, they has registered the time of starting to use the invoice from the 2nd quarter of 2018, it is not required to submit the invoice report for the 1st quarter in this case.

Accordingly, the company is not sanctioned for not submitting the 1st quarter invoice report.

II. VALUE ADDED TAX

Official Letter No. 10350/CT-TTHT dated March 20th, 2019 of Ha Noi Tax Department on VAT rate for transitional processed goods

Transitional processed goods are eligible for 0% VAT as prescribed in Circular 219/2013/TT-BTC if they meet the conditions for transitional processing contracts under the law of foreign trade management and are provided with sufficient documents as the following:

- + Export processing contracts and contract supplements (if any) signed with foreign parties, clearly stating the party receiving goods in Vietnam.
- + The VAT invoices clearly stating the processing price and the quantity of processed goods as well as the name of the receiving party as designated by the foreign party.



+ The transfer form of transitional processed goods shall be fully certified by both the deliverer and recipient of the processed goods and certified by the customs office managing the transitional processing contracts.

Bank payment vouchers.

If one of the above documents is in sufficient, transitional processed goods will be charged VAT as domestic consumption goods.

According to Article 43 of Decree 69/2018/ND-CP, "transitional processing" is considered as:

+ Processed goods of this contract are used as processing materials for other processing contracts in Vietnam.

+ The goods is processed in the previous stage is transferred to the next stages to complete one kind of finished goods.

III. PERSONAL INCOME TAX

Official letter No. 1285/TCT-DNNCN dated April 8th, 2019 of General Department of Taxation on PIT reduction in economic zones in 2018

Different from previous years, from 10/07/2018, employees working in economic zones have to pay 100% of PIT, and are not allowed to reduce 50% of PIT amount as Decree No. 82/2018/ND-CP has abandoned this article.

Therefore, in 2018, employees working in economic zones are only entitled to reduce PIT from 01/01/2018 to 09/07/2018, the reduction is no longer allowed for the period after.

Reduced PIT in 2018 is computed as below:

Reduced PIT = Total PIT payable in year x [(Taxable income in economic zones from 01/01/2018 to 09/07/2018)/(Total taxable income in year)] x 50%

* Total PIT payable in year: is determined on taxable income from wages and remunerations earned in the tax year.

* Total taxable income in year: is taxable income from wages and remunerations including incomes inside and outside economic zones (if any).

Official letter No. 77326/CT-TTHT dated November 21st, 2018 of Hanoi Tax Department about PIT for gifts

If the employees of a Branch received gifts from the Branch and the gifts are stocks, capital contributions, real estates or properties requested to register ownership (cars, motorbikes, ships, etc.), the Branch has to deduct PIT when presenting gifts.

On the contrary, if the gifts are other kinds of goods, the Branch does not need to deduct PIT.



IV. CORPORATE INCOME TAX

Official letter No. 566/TCT-DNL dated February 22nd, 2019 of General Department of Taxation on fixed asset depreciation

In case the Company has tangible fixed assets that are self-built or formed from capital construction by contractor method, it gets ready to use but have not yet been finalized, the enterprises shall record the primary price by the provisional price and adjust after the settlement of completed works.

The depreciation of fixed assets is performed from the date that the Company records the increase of fixed assets under current regulations on the enterprise accounting system.

V. FOREIGN CONTRACTOR TAX

Official Letter No. 9343/CT-TTHT dated Mach 13th, 2019 of Hanoi Tax Department on FCT regarding oversea bank charges.

In case foreign banks associate with Vietnamese Bank to provide bank transfer service to enterprises in Vietnam abroad, the remittance fee received by foreign banks is subject to FCT.

Vietnamese banks are responsible for deducting and paying FCT in this case

Official Letter No. 11232/CT-TTHT dated 25/3/2019 of Hanoi Tax Department on FCT policy for software import activities.

In case the Company signs a contract with a company in Japan (without a permanent establishment in Vietnam) to purchase software copyright with an intermediary containing the software (USB) in accordance with the law, the income from software copyright, transferring USB transfer of Japanese company is subject to FCT in Vietnam. The company is responsible for declaring, deducting and paying FCT for company in Japan as follows:

- VAT: software copyright is not subject to VAT. VAT of USB transfer activities containing software is rated 2%.
 - CIT: In case the contract can separate the value of software copyright and the value of transferring USB containing software, the rate (%) of CIT for USB is 1%, for software copyright value is 10%.
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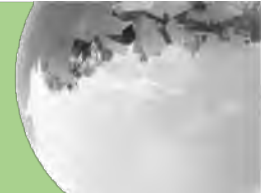


VI. OTHERS

Official Letter No. 1521/NHNN-QLNH dated 13/03/2019 of the State Bank on the payment into accounts of Representative Offices (R.O.) of foreign organizations

According to Article 30 of Decree 07/2016/ND-CP, foreign R.O. are only allowed to communicate, market research, trade promotion and not be permitted to conduct business activities in Vietnam so they do not have legal income from business to transfer into Vietnam dong account of the R.O.

Therefore, overseas companies may not assign Vietnamese companies to pay for goods or service to the R.O.'s account, including accounts in Vietnam Dong or foreign currency accounts.



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

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