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- Official Letter No. 7443/TXNK-CST dated Aug 14th, 2019 of the General Department of Vietnam Customs on tax policies for goods used at EPEs.



I. INVOICE

Official Letter No. 70834/CT-TTHT dated Sep 10th, 2019 of Ha Noi Tax Department about the notification of e-invoice issuance for branches.

Pursuant to Clause 4, Article 9, Circular 39/2014/TT-BTC, for branches using the same invoice form with the Company, if the branch declares VAT separately, they must submit the notification of invoice issuance. On the contrary, if the branch declares VAT at its head office, it is exempted for the notification of invoice issuance.

In case of the branch submits the notification of e-invoice issuance, it must make sure a principle that not creating the identical invoices in the same serial as the e-invoices issued previously (Clause 3, Article 5 of Circular 39/2014/TT-BTC).

In addition, the branch must change the invoice template number when there is any change in one of the criteria on the invoice form issued previously such as mandatory criteria, invoice size,...

If the branch wants to change e-invoices according to the Group's unified form, they must stop using the current e-invoices and cancel them according to Clause 3, Article 11 of Circular 32/2011/TT-BTC and Article 29 of Circular 39/2014/TT-BTC.

Official Letter No. 8829/CT-TTHT dated Aug 20th, 2019 of Ho Chi Minh Tax Department regarding the date of signing must coincide with the date of issuing e-invoices.

Pursuant to Article 6, Circular 32/2011/TT-BTC, signature is a mandatory information of an e-invoice.

In principle, when issuing e-invoice, the enterprises must write all required information, including signature.

Accordingly, in an e-invoice, there are two criteria "date of issuing" and "date of signing", therefore, when issuing e-invoice, the seller has to sign on it. In other words, the date of signing must coincide with the date of issuing e-invoices.

Official Letter No. 8908/CT-TTHT dated Aug 20th, 2019 of Ho Chi Minh Tax Department regarding the attached list of e-invoices for transport services.

Pursuant to this Official Letter, if the company provides freight forwarding and transport services, the description on e-invoices should be "forwarding and transport services" and attaching with the list of quantity of freight forwarder and transport for comparison.



II. VALUE ADDED TAX

Official Letter No. 3577/TCT-CS dated Sep 10th, 2019 of the General Department of Taxation that VAT incurred before establishing Executive Office of Contractor is non-deductible.

Pursuant to this Official Letter, in case of the foreign contractor receives advance payment of contract before establishing the Executive Office in Vietnam, and the investor has deducted FCT according to the percentage of the advance payment amount, even the Executive Office registered the VAT deduction method, it is not allowed to offset the VAT amount paid on behalf by the investor before the time of issuing the tax registration certificate of Executive Office.

Also, Executive Office is not allowed to deduct other input VAT incurred before the time of tax registration certificate.

Official Letter No. 72943/CT-TTHT dated Sep 18th, 2019 of Ha Noi Tax Department on VAT rates for leasing machines abroad.

Pursuant to Article 9, Circular 219/2013/TT-BTC, export services entitled to 0% VAT must be performed at overseas and must have the service contracts signed directly with the foreign organizations.

Accordingly, if two domestic companies sign a contract with each other to bring machines and equipments abroad for lease, the company that directly signs the lease contract with the foreign party will be entitled to 0% VAT. Another party only signs a contract with a local company, even if those machines and equipments are brought abroad for lease, is not entitled to 0% VAT.

III. CORPORATE INCOME TAX

Official Letter No. 8898/CT-TTHT dated Aug 20th, 2019 of Ho Chi Minh Tax Department regarding charity expenses for CIT purpose.

Pursuant to Clause 2.32, Article 4, Circular 96/2015/TT-BTC, enterprises only record charity expenses as deductible expenses if they are used for sponsoring for education, health care, disaster recovery, building gratitude houses, charity houses; sponsoring for scientific research and especially difficult areas.

Conversely, if the charity for other purposes, it will be non-deductible expense.



IV. OTHERS

Official Letter No. 7443/TXNK-CST dated Aug 14th, 2019 of the General Department of Vietnam Customs on tax policies for goods used at EPEs.

Pursuant to Point c, Clause 4, Article 2 of the Law on Import and Export Tax No. 107/2016/QH13, goods imported from abroad into non-tariff areas are exempt from import tax if it is only used in non-tariff zones.

However, according to the General Department of Vietnam Customs, if EPEs import uniforms for employees, uniforms are used daily, in and out of EPEs frequently, therefore there is not enough evidence to determine whether they are only used in EPEs. Therefore, import tax is not exempted.



Abbreviation

IT	Corporate Income Tax	CTLD	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 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
ALU	Agricultural Land Use	SBV	The State Bank of Viet Nam
IZ	Industrial Zone	FC	Foreign Contractor Tax



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