

CONTENT

I. PERSONAL INCOME TAX

- Official Letter No. 1211/TCT-DNNCN dated April 4th, 2019 of General Department of Taxation regarding tax policies on capital transfer of individuals in the joint stock companies
- Official Letter No. 2500/CT-TTHT dated April 12th, 2019 of the Dong Nai Tax Department regarding Personal income tax of incomes on winning prizes

II. FOREIGN CONTRACTOR TAX

- Official Letter No. 35836/CT-TTHT dated May 20th, 2019 of Ha Noi Tax Department regarding tax policies when purchasing the package tours from foreign contractor
- Official Letter No. 1544/TCT-CS dated April 19th, 2019 of the General Department of Taxation on FCT regarding Hedging insurance services (Risk prevention)

III. OTHERS

- Decree No. 38/2019/NĐ-CP dated May 9th, 2019 of the Government on statutory pay rate for public officials and public employees



I. PERSONAL INCOME TAX

Official Letter No. 1211/TCT-DNNCN dated April 4th, 2019 of General Department of Taxation regarding tax policies on capital transfer of individuals in the joint stock companies

By regulation, individuals transfer their shares in the joint stock company according to the Law on Enterprise and the Law on Securities, which is determined as incomes from transferring securities.

Whereby, if the individual has income from transferring “shares” (as a form of “stocks”), this income shall be declared and paid PIT with 0.1% on the transfer price (Article 16, Circular 92/2015/TT-BTC). Therefore, this regulation does not distinguish between listed or unlisted joint stock company.

Official Letter No. 2500/CT-TTHT dated April 12th, 2019 of the Dong Nai Tax Department regarding Personal income tax of incomes on winning prizes.

If the company has organized sweepstakes for employees and customers, the incomes received are determined as incomes from winning prizes, not incomes from wages and remunerations.

Therefore, the prize provider shall withhold personal income tax before providing prizes to the prizewinner (Point g, Clause 1, Article 25, Decree 111/2013/TT-BTC) and declare on form 06/TNCN (Clause 2, Article 21, Decree 92/2015/TT-BTC) according to current regulations.

If the company declared incomes from winning prizes on the declaration 05/KK-TNCN, it is incorrect. The company should make the adjustment and additional declarations of months and years which are incorrect.

II. FOREIGN CONTRACTOR TAX

Official Letter No. 35836/CT-TTHT dated May 20th, 2019 of Ha Noi Tax Department regarding tax policies when purchasing the package tours from foreign contractor.

If the company purchases package tours of foreign contractor, the contract includes:

1. Package tours (including meals, hotels, transportation abroad...)
2. Round-trip tickets from Viet Nam to aboard and return.

According to this official letter, FCT applies in each case as below:

1. Package tours are provided and consumed outside Vietnam’s territory, thus it is not subject to FCT;
2. Round-trip tickets from Vietnam to the travel country and return, FCT rate is:

+ CIT: Rate 2%

+ VAT: Not subject to VAT with international transport



Official Letter No. 1544/TCT-CS dated April 19th, 2019 of the General Department of Taxation on FCT regarding Hedging insurance services (Risk prevention)

If the overseas company (the third party) signs a contract with the company in Vietnam to provide Hedging insurance services for the purpose of preventing risks of material price fluctuations (traded between Vietnam and suppliers). The company may receive money from the third party (income of company) or pay money to the third party (income of the third party).

Then, the income received by the third party, paid by Vietnamese company is subject to FCT according to Decree No. 103/2014/TT-BTC.

Vietnamese company is responsible for declaring, withholding, paying FCT on behalf of overseas company as services with the rate on revenue:

+ VAT: 5%,

+ CIT: 5%

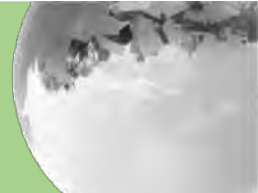
III. OTHERS

Decree No. 38/2019/NĐ-CP dated May 9th, 2019 of the Government on statutory pay rate for public officials and public employees

From July 1st, 2019, the statutory pay rate for public officials and public employees will be adjusted increasingly from 1.390.000 to 1.490.000 dong/month.

Whereby, the maximum of social and health insurance premiums (equal to 20 times of the statutory pay rate) will increase from 27.8 million to 29.8 million/month. Maternity allowance (2 times of the statutory pay rate) will also increase from 2.78 million to 2.98 million.

Decree takes effect from July 1st, 2019, replaces to Decree No. 72/2018/NĐ-CP dated May 15th, 2018.



Abbreviation

CIT	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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