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I. INVOICE

Official Letter No. 10335/CT-TTHT dated 10th March 2020 issued by Ha Noi Tax Department on preparing invoice for payments on behalf

According to this Official Letter, if the Company comes into agreement with the Parent Company to pay on behalf for the expenses of air tickets and hotels for the parent company's employees assigned working in Vietnam, suppliers must issue invoice with the Parent company's name for those expenses.

The company is not allowed to declare and pay VAT on invoices with the name of the parent company. When collecting those payments on behalf, the Company does not have to issue an invoice, but only need to prepare a detail list.

However, if the supplier has already issued an invoice with the Company's name and tax code, the Company needs to request the supplier withdraw the invoice and re-issue the invoice in the name of the parent company. In case the supplier can not re-issue invoice, the company must issue VAT invoice and calculate VAT when collecting money from the parent company according to regulations.

II. CORPORATE INCOME TAX

Official Letter No. 1366/TCT-KK dated 31st March 2020 issued by the General Department of Taxation for not recognizing reasonable expenses for expense that must be transferred but paid in cash

According to this Official Letter, in 2017 and 2018, the Company paid to the seller in cash for goods acquisition that is required to be paid by non-cash payments, and declared VAT and CIT. By 2019, the Company made the payment to the seller by bank transfer for goods purchased in 2017 and 2018, then the seller refunded this amount by bank transfer.

The General Department of Taxation's views on the above cases are as follows:

- The purchase and payment transactions have been completed at 2017, 2018. The payable accounting the Company in the period of 2017, 2018 no longer has the above-mentioned transactions.
- Transactions made in 2019 above are not considered payment for purchase transactions in 2017 and 2018.

Therefore, the Company is not entitled to deduct the input VAT and is not included in deductible expenses when determining the CIT for the purchased goods mentioned above.

Official Letter No. 13316/CT-TTHT dated 11st November 2019 issued by Ho Chi Minh Tax Department on expenses related to compensation for loss or damage to equipment of suppliers

In case the Company signs a contract to lease equipment to serve the Company's production and business activities; During the leasing period, if there is any damage or loss of equipment due to the fault of the lessee and the lessee must pay compensation to the lessor (as specified in the contract):



- If damaged equipment is returned to the supplier, the company makes a payment slip and the lessor prepare a receipt slip and the minutes signed by both parties clearly determining the value of damaged goods subject to compensation shall be the basis for the Company to record it as reasonable expense.

- If the equipment is lost or not returned to the supplier, the lessor must issue an invoice to the Company. In case equipment is lost, it would not be recorded as reasonable expenses.

III. VALUE ADDED TAX

Official Letter No. 1352/TCT-KK issued by 31st March 2020 issued by the General Department of Taxation on VAT refund for investment projects in branches located in other provinces and cities

If the Company has an investment project in another province and set up a branch to act on behalf of the Company to implement the investment project. To be qualified for tax refund procedures for the investment project, branch should meet the following conditions:

- Having its own seal according to the provisions of law;
- Keep accounting books and documents in accordance with the law on accounting;
- Having its own bank account;
- Registered for tax registration and granted a tax code.

Branches applies for tax refund for investment projects with tax agencies directly managing them.

IV. PERSONAL INCOME TAX

Official Letter No. 14672/CT-TTHT dated 6th December 2019 issued by Ho Chi Minh Tax Department on the requirement to provide information of foreign labor employed by foreign contractors to the Vietnamese tax authorities

According to Article 27, Circulars 111/2013/TT-BTC dated 15th August 2013 issued by Ministry of Finance, if the Vietnam party will bear the obligations to provide information about the foreign employees, including their names, nationalities, passport numbers, working duration, positions, and incomes to relevant Vietnamese tax authority. The Vietnam party shall provide such information for the tax authority at least 07 days before the date foreign employees start to work in Vietnam.



V. OTHERS

Official Letter No. 897/TCT-QLN dated 03rd March 2020 issued by the General Department of Taxation on the extension of tax payment and exemption of late payment due to the impact of Covid-19 epidemic

According to Clause 1, Article 31 of Circular 156/2013/TT-BTC, one of the cases for tax payment extension is material damage that directly affects production and business due to natural disasters, fire, unexpected accident. In particular, the cases that are considered as unexpected accidents include: traffic accidents; labor accident; suffering from dangerous diseases; epidemic diseases at the time and in areas where competent authorities have declared contagious epidemics; other force majeure cases.

Therefore, if an enterprise is affected by Covid-19, it will be extended to pay tax and exempt from late payment.

A dossier of application for the extension of tax payment comprises:

- Written request for extension of tax payment of taxpayers, made according to form No. 01/GHAN enclosed with this Circular;
- A record of inventory and assessment of physical damage prepared by the taxpayer or the legal representative of the taxpayer;
- A written certification of the damage of the taxpayer at the place of the natural disaster, fire or unexpected accident and the time of the occurrence of a natural disaster, fire or unexpected accident by one of the agencies as following: Police office; People's Committees of communes and wards; Management boards of industrial parks, export processing zones, economic zones where natural disasters, fires, unexpected accidents occur or organize rescue or rescue;
- Dossier of compensation accepted by insurance agency (notarized or authenticated copy if any); Dossier defining responsibilities of organizations and individuals to pay compensation (a notarized or authenticated copy if any). For taxpayers being legal entities, the above documents must be the originals or copies bearing the signatures of the legal representative and the enterprise's seals.

The authority to extend tax payment: The head of the tax agency directly managing the company.

A dossier of an application for exemption of late payment interest includes:

- A record determining the extent and value of property damage by a competent agency, such as the valuation council established by the Department of Finance, or professional valuation companies providing contractual valuation services or Department of Finance Valuation Center;
- A written certification of the damage of the taxpayer at the place of a natural disaster, fire, unexpected accident, and the time of a natural disaster, fire, unexpected accident or epidemic by one of the agencies and organizations: commune-level police, ward or commune-level People's Committee, Management Board of Industrial Zones, Export Processing Zones, Economic Zones where natural disasters, fires, unexpected accidents occur or organize rescue salvage and rescue;
- Dossier of compensation accepted by the insurance agency (if any);
- Dossier defining responsibilities of organizations and individuals that must pay compensation (if any).



The authority for exemption from late payment: The head of the tax authority that issued the notice of late payment

The Official Letter also requested the Provincial Tax Departments to proactively guide and promptly settle the policy on tax payment extension, exemption of late payment for businesses damaged by the Covid-19 epidemic.

**Abbreviation**

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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