



NEWSLETTER

February 2021



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Deductible expense for unpaid leave payment

Official Letter No. 5169 / CTHN-TTHT dated February 9th 2021 issued by the Tax Department of Hanoi City in terms of deductible expenses from the payment for employees' unpaid leave

According to Hanoi Tax Department, in case the enterprise pays salary for the annual unpaid days in accordance with the provisions of the Labor Law and the guiding documents, the expense shall be considered as deductible expense if it satisfies the conditions specified in Clause 1, Article 4 and does not belong to cases under Clause 2, Article 4 of Circular No. 96/2015 / TT-BTC dated June 22nd 2015 of the Ministry of Finance and other supplement documents (if any).

The dispatch is based on Clause 3, Article 113 of the Labor Law No. 45/2019 / QH14, according to which current regulations require that the payment for the unpaid annual leave applies in case the employees leave or lost a job only.



PIT Tax policy for enterprise from total division, partial division, corporate amalgamation, acquisition, conversion, dissolution or bankruptcy

Official Letter No. 1652/CT-TTHT dated February 19th 2021 issued by Tax Department of Dong Nai Province in terms of PIT Tax policy for enterprise from total division, partial division, corporate amalgamation, acquisition, conversion, dissolution or bankruptcy

In case the enterprise carry out total division, partial division, corporate amalgamation, acquisition, conversion, dissolution or bankruptcy comply with the provisions of Law on enterprises, withhold PIT amount must be finalized no later than 45th day from the total division, partial division, corporate amalgamation, acquisition, conversion, dissolution or bankruptcy dated and issued tax withhold voucher for employees as a basis for taxpayers to finalize PIT in according with regulation stated as point a.3 Clause1, Article 21 of Circular 92/2015/TT-BTC dated June 15th 2015 of the Ministry of Finance.

FCT policy for freight forwarding service and logistics



Official Letter No. 5335/CTHN-TTHT dated February 19th 2021 issued by the Tax Department of Hanoi City in terms of FCT policy for freight forwarding service and logistics

In case the company B (bases in Hong Kong) arises income from international freight forwarding service and logistics from overseas to Vietnam is not objected to VAT and neither is CIT according to regulation at point b Clause 1, Article 12, point b clause 1 Article 13 Circular 103/2014/TT-BTC

In case the company B (bases in Hong Kong) arises income from international freight forwarding service and logistics from Vietnam to overseas is objected to FCT according to regulation at Article 1 Circular 103/2014/TT-BTC. VAT and CIT taxable revenue is total revenue received by the Foreign Contractor excluding international freight payable to the carrier (air, sea). Specifically:

1. Per CIT: CIT tax rate is 2% will be applied on over taxable revenue
2. Per VAT:
 - VAT tax rate 0% will be applied if international transportation is satisfied as prescribed in Article 9 of Circular No. 219/2013/TT-BTC.
 - VAT tax rate 3% will be applied if not satisfy above condition.



VAT policy for assets is capital contribution

Official Letter No. 2626/CTBDU-TTHT dated February 09th 2021 issued by the Tax Department of Binh Duong Province in terms of tax policy for assets is capital contribution

In case the company has members contribute capital by asset, the capital contributed asset must satisfy following conditions in order to deduct input VAT:

1. Assets serving for business activities;
2. Assets is newly purchased that has not been used;
3. Accepted by contributed capital council;
4. Having legal invoice and documents;
5. Having fully procedure of minutes of capital contribution certification, minutes of asset delivery and receipt;
6. Assets are managed and monitored on accounting books;
7. Capital contribution by assets must be clearly stated in the company's charter, business registration certificate and other legal documents.



Tax policy of asset amortization, renovation and repair of rented office expense

Official Letter No. 5178/CTHN-TTHT dated February 09th 2021 issued by the Tax Department of Hanoi City guidance on Tax policy of asset amortization, renovation and repair of rented office expense

In case the Company leases an office to serve business activities, on the lease contract stated that the lessee is responsible for repairing the property during the lease period then the cost of repairing the leased fixed asset will be recorded as expense or allocated into expense but the maximum allocated period will not exceed 03 years if it satisfy the provisions of Article 4 of Circular No. 96/TT-BTC.

In case the Company equips fixed assets (for business activities) that meet the criteria as fixed assets as stated in Circular No. 45/2013/TT-BTC of the Ministry of Finance, This fixed asset amortization expense is considered as deductible expense when calculating CIT if it satisfy the provisions of Article 4 of Circular No. 96/2015/TT-BTC of the Ministry of Finance.



THANK YOU



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