



NEWSLETTER

AUGUST 2022



1

- [Official Dispatch No. 2250/CTHPH-TTHT dated 05/08/2022 of the Tax Department of Hai Phong City guiding VAT tax policy for manufacturing enterprises carrying out processing and repair activities for domestic enterprises](#)

2

- [Official Dispatch No. 2594/TCT-CS dated 21/07/2022 of the General Department of Taxation guiding tax policy to reduce CIT according to Decree No 92/2021/ND-CP](#)

3

- [Official Dispatch No. 4267/CCTKVQ7NB-TTHT dated 15/07/2022 of the Regional Tax Department of District 7 – Nha Be District guiding tax policy when purchasing services from foreign suppliers registered for tax declaration, tax payment in Vietnam](#)

4

- [Official Dispatch No. 1546/CTBNI-TTHT dated 16/05/2022 of the Tax Department of Bac Ninh province guiding the invoicing of trade discount according to Decree No. 123/2020/ND-CP](#)

5

- [Official Dispatch No. 2455/TCT-DNNCN dated 12/07/2022 of the General Department of Taxation guiding the use of electronic invoices and documents](#)

6

- [Official Dispatch No. 8042/BTC-TCHQ dated 12/08/2022 of the Ministry of Finance guiding the use of invoices for on-spot exported and imported goods](#)

7

- [Official Dispatch No. 2448/CTBNI-TTHT dated 12/08/2022 of the Tax Department of Bac Ninh Province guiding family deduction for dependents who are aunts, uncles, sisters-in-law](#)

Tax policy for export-processing enterprise carrying out processing of goods, repairing for domestic enterprises



Official Dispatch No. 2250/CTHPH-TTHT dated 05/08/2022 of the Tax Department of Hai Phong City

In case the Company (being a EPE) carrying out processing of goods, repairing molds for domestic enterprises:

1. VAT and invoices for processing activities:

In case domestic enterprises supply main materials for processing, but these processing activities are not related to goods trading activities and activities directly related to goods trading in Vietnam, when receiving processed goods, **domestic enterprises shall carry out customs procedures** according to regulations on ordering goods processing abroad, **declaring and paying VAT** at customs stages.

The Company **does not have to** declare and pay VAT on processed goods for domestic enterprises. The Company makes sales invoices (invoices for businesses in the non-tariff area) to declare corporate income tax (CIT) revenue according to regulations.

(to be continued...)

Tax policy for export-processing enterprise carrying out processing of goods, repairing for domestic enterprises (*Continuing*)



Official Letter No. 2250/CTHPH-TTHT dated August 5, 2022 of the Tax Department of Hai Phong City

2. VAT and invoices for repair activities:

Case 1: Domestic enterprises carrying out customs procedures, having declared and paid VAT on mold repair services at customs stage, the Company **does not have to** declare and pay VAT, the company makes sales invoices (invoices for enterprises in the non-tariff area) to declare corporate income tax.

Case 2: Domestic enterprises do not carry out customs procedures, do not declare VAT payment for mold repair services at customs stage, the Company **must declare and pay** VAT to the tax authority:

- If the Company applies VAT according to **tax credit method**, the Company uses a VAT invoice, applying a VAT rate of 10%;
- If the Company registers to apply VAT by **direct method**, the Company uses sales invoices (invoices for businesses in the non-tariff area) to issue and send to customers and prepare VAT declaration and payment by direct method in VAT declaration form No. 04/VAT; in which the % rate for calculating VAT on repair services revenue is 5%.



Tax policy for reduction of 30% CIT according to Decree No 92/2021/ND-CP

Official Dispatch No. 2594/TCT-CS dated July 21, 2022 of the General Department of Taxation

Pursuant to the provisions of Clause 2, Article 1 of Decree No. 92/2021/ND-CP. The Company has reduced 30% CIT in 2021 when they satisfied condition as follow: Revenue in 2021 is no greater than 200 billion VND and lower than revenue in 2019

The general department of Taxation informs that **in case the Company has activities in 2019 but doesn't have revenue in 2019. Therefore, the Company doesn't satisfy the condition for CIT reduction in 2021** (No revenue in 2019 to compare with revenue in 2021)

In case, the operating time in 2019 is shorter than 3 months, but if revenue is generated, determine the revenue in 2019 (To compare with revenue in 2021) based on the provision of point b, clause 2, article 1 of Decree No 92/2021/ND-CP dated 27/10/2021

Tax policy for buying services from foreign suppliers who have registered for tax declaration and tax payment in Vietnam



Official Dispatch No. 4267/CCTKVQ7NB-TTHT dated 15/07/2022 of the Regional Tax Department of District 7 – Nha Be

In case the Company purchases services of Meta Platforms Ireland Limited (foreign supplier) which has carried out tax registration, tax declaration, tax payment in Vietnam (tax code: 9000000327), it is **not required to declare, deduct and pay tax on behalf of** Meta Platforms Ireland Limited in accordance with the provisions of Circular No. 103/2014/TT-BTC.

The invoices for the purchase of services issued by Meta Platforms Ireland Limited, provided to the Company are of **the sales invoice type**, therefore, the Company **is not entitled to deduct** VAT.



Guiding for issuing trade discount invoices according to Decree No. 123/2020/ND-CP

Official Dispatch No.1546/CTBNI-TTHT dated 16/05/2022 of the Tax Department of Bac Ninh province

In case the Company is using e-invoicing under Decree No. 123/2020/ND-CP of the Government applying **commercial discount** at the end of the program (period) of discounting goods sold to customers in accordance with the law, it must clearly show the commercial discount on the e-invoice, specifically as follows:

- The Company makes an adjusted electronic invoice, on the invoice stating: Adjustment for reduction due to commercial discount (with list of invoices to be adjusted); amount, adjusted tax (on the adjusted invoice, the Company does **not record negative marks** because this is **not** the case of adjusting **the invoice incorrectly**).
- After the Company sends the adjusted electronic invoice to the tax authority to issue the invoice code and receive the invoice with the return code, the Company must immediately send the invoice to the buyer. Based on the adjusted invoice, the Company declares the adjustment of sales revenue, output tax and customers declare, adjust the sales revenue, input tax (if any).



Guiding the use of electronic invoices and documents

Official Dispatch No. 2455/TCT-DNNCN dated 12/7/2022 of the General Department of Taxation

Pursuant to the provisions of Article 33 of Decree No. 123/2020/ND-CP dated 19/10/2020 The company when using electronic tax withholding certification is **not compulsory** to register, notice of issuance and transfer this data to the tax departments.

The company builds its own software system using electronic documents to ensure the required content according to regulations.

During the time when the electronic PIT withholding certification program has not yet been implemented, company (including tax authorities) can use the self-issued PIT withholding certification.

The General Department of Taxation also noted that, from 01/07/2022, tax department will stop selling PIT withholding certification printed by tax department; **for the case the company still have PIT withholding certification (purchased from tax department), they will continue to be used.**



Tax policy for the use of invoices for on-spot exported and imported goods

Official Dispatch No.8042/BTC-TCHQ dated 12/8/2022 of the Ministry of Finance

Accordingly, the Ministry of Finance instructed on invoices for on-spot export and import procedures for domestic enterprises that declare and pay VAT with VAT tax credit method for export – processing enterprises (EPE) and enterprises in the non-tariff area (including export goods processing enterprises) as follows:

- When carrying out on-spot export procedures: Customs declarants may submit **internal warehousing and transportation certificates** (copies) instead of VAT invoices as prescribed at Point c, Clause 3, Article 13 of Decree No. 123/2020/ND-CP.
- When carrying out on-spot import procedures: Customs declarants must submit **VAT invoices** (copies) enclosed with customs dossiers through the electronic customs system.

Regarding the details of customs procedures for on-spot exported and imported goods, customs declarants shall comply with Clause 58, Article 1 of Circular No. 39/2018/TT-BTC dated 20/04/2018.



Guiding family deduction for dependents who are aunts, uncles, and sisters-in-law

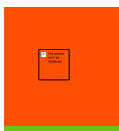
Official Dispatch No. 2448/CTBN-THHT dated 12/08/2022 of the Tax Department of Bac Ninh Province

In case the Company has an individual taxpayer who earns income from wages and salaries registered for family deduction for his/her dependents who are his/her uncles, aunts and sisters-in-law, as follows:

- Taxpayer who register family deduction for disabled aunts and uncles out of working age must have no income or have average monthly income in the year from all sources of income not exceeding VND 1,000,000 and no longer has relatives who are grandparents, parents, children, siblings or has relatives who are grandparents, parents, children, siblings but cannot afford to raise according to the provisions of the law, the taxpayer is entitled to register for family deduction for his/her dependents.
- Taxpayer is the sister-in-law who registers for family deduction for her husband or sister-in-law who is a dependent person who is still of working age with disabilities, if he/she is incapable of working, has no income or has average monthly income in the year from all sources of income not exceeding VND 1,000,000 and no longer has relatives who are grandparents, parents, children, siblings, grandchildren or has relatives who are grandparents, parents, children, siblings, grandchildren but cannot afford to raise according to the provisions of the law, the taxpayer is entitled to register for family deduction for her dependents.

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



THANK YOU



HO CHI MINH OFFICE (HEAD OFFICE)



Floor 14, TNR Tower, 180 Nguyen Cong Tru Street, Nguyen Thai Binh Ward, District 1, Ho Chi Minh City



(028)3821 0375



(028)3821 0376



info@vinabookkeeping.com



www.vinabookkeeping.com/



Ha Noi office (Branch)



Floor 12, Indochina Plaza Hanoi Tower, 214 Xuan Thuy Street, Dich Vong Hau Ward, Cau Giay District, Ha Noi



(024)3795 4295
hoặc (024)3795 4296



(024)3795 4293



info@vinabookkeeping.com



www.vinabookkeeping.com/

- **VINA BOOKKEEPING CO., LTD. (VINA BOOKKEEPING)** is a mid-level consulting firm in Vietnam, specializing in providing accounting, tax, advisory and personnel services. We are committed to implementing our mission of Quality First (Quality First) and the spirit of Dedicated Service (Omotenashi) throughout.
- In 2018, 2019 **VINA BOOKKEEPING** is honored to be ranked by the Ministry of Finance of Vietnam in the top 10 largest accounting firms in Vietnam.
- Currently, we have an office in Ho Chi Minh City, Hanoi with a total staff of more than 45 people (of which 9 have a certificate of practicing accountancy (CPA) issued by the Ministry of Finance and 13 have a certificate of Tax agent (CTA) granted by the General Department of Taxation.)
- Our main clients are Japanese Companies and other FDI Companies in Vietnam, including those whose parent companies are listed in Japan.
- **VINA BOOKKEEPING** is a member of **I-GLOCAL GROUP**.
- © Copyright by **VINA BOOKKEEPING CO., LTD.**
- All rights reserved
- This publication contains general information only and is not intended to provide specific advice or advice on accounting, taxation or other professional content. Readers need to consult consultants for any particular issue.