



# NEWSLETTER

NOVEMBER 2022



1

- [Notice No. 357/TB-DNL dated November 19, 2022 of the Taxation of Large Enterprises Department announcing the list of foreign suppliers which have tax registration in Vietnam](#)

2

- [Official Dispatch No. 53405/CTHN-TTHT dated November 4, 2022 of Hanoi Tax Department on guiding the PIT policy of the oversear incomes and the VAT declaration, deduction for the collect on behalf amounts](#)

3

- [Official Dispatch No. 56701/CTHN-TTHT dated November 21, 2022 of Hanoi Tax Department on VAT declaration at extra-provincial level](#)

4

- [Official Dispatch No. 33629/SLĐTBXH-VLATLĐ dated November 14, 2022 of the Department of Labor, War Invalids and Social Affairs of HCM guiding the implementation of the 2022 labor report](#)

5

- [Official Dispatch No. 53407/CTHN-TTHT dated November 4, 2022 of Hanoi Tax Department instructing some expenses to be deducted when calculating corporate income tax](#)

6

- [Official Dispatch No. 3511/BHXH - TST dated November 18, 2022 of Viet Nam Social Insurance on strengthening measures to reduce the delayed payment of SI, HI, UI](#)



## Announcing the list of foreign suppliers which have tax registration in Vietnam

*Notice No. 357/TB-DNL dated November 19, 2022 of the Taxation of Large Enterprises Department*

The Taxation of Large Enterprises Department publishes a list of **39 foreign suppliers** without permanent establishment in Vietnam that have e-commerce business activities, digital-based business activities and other services with organizations and individuals in Vietnam which **have implemented tax registration in Vietnam.**

According to the provisions of Article 81, Circular 80/2021/TT-BTC, the responsibilities of organizations and individuals in Vietnam concerned in case of purchase of goods and services from overseas suppliers:

Organizations, commercial banks or payment intermediaries will have to declare, deduct, pay taxes on behalf of overseas suppliers **in case such suppliers fail to register taxes, declare taxes, pay taxes** in Vietnam as prescribed in Article 76, Article 77, Article 78, Article 79 of Circular 80/2021/TT-BTC.



## Guiding the PIT policy of the oversea incomes and the VAT declaration, deduction for the collect on behalf amounts

*Official Dispatch No. 53405/CTHN-TTHT dated November 4, 2022 of Hanoi Tax Department*

In case the resident individuals with incomes from wages or salaries paid from abroad; the non-resident individuals with incomes from wages and salaries arising in Vietnam paid from abroad are eligible to directly declare tax with the tax office as prescribed in Article 19 of Circular 80/2021/TT-BTC.

In case the employee **does not meet the conditions for authorization of tax settlement** as prescribed in point d. 2 Clause 6 Article 8 of Decree 126/2020/ND-CP must **directly declare the settlement**. However, the declaration of final settlement is only required if there is additional tax payable or there is an overpaid tax amount that is required to be refunded or offset.

In case the company uses e-invoices according to Decree No. 123/2020/ND-CP of the Government, when selling goods or providing services, the seller must issue an invoice to deliver to the buyer in accordance with the provisions of this Decree. Clause 1, Article 4 of Decree No. 123/2020/ND-CP.

For the collect on behalf amounts are not related to the goods selling and services providing of the Company, they are not required to declare, calculate and pay VAT as prescribed in Point d, Clause 7, Article 5 of Circular No. 219/2013/TT-BTC of The financial. the company prepares receipts and expenditures as prescribed.



## VAT declaration at extra-provincial level

*Official Dispatch No. 56701/CTHN-TTHT dated November 21, 2022 of Hanoi Tax Department*

Accordingly, in case the Company has construction activities (construction activities are determined in accordance with the provisions of the law on the national economic system and the provisions of the specialized law) in another province where the Company has its head office, the Company shall conduct centralized accounting at the head office in accordance with the provisions of Clause 2, Clause 4, Article 11 of Decree No. 126/2020/ND-CP, declare tax returns, calculate taxes and submit tax returns to the direct tax administration department and allocate the tax payable to each province where the business activities are conducted in accordance with the provisions of Clause 1, Article 12 of Circular 80/2021/ND-CP.

In case construction activities take place in a non-tariff zone in another province where the Company is headquartered, **the 0% VAT rate shall be applied** if they meet the provisions of Point b, Clause 2, Article 9 of Circular 219/2013/TT-BTC and do not generate VAT payable on the revenues from construction activities, they **shall not be required to allocate the tax payable** to each province where the business activities are operated. Therefore, the Company is **not** required to make VAT declaration of such works or items with the tax authorities of the place where the construction works are located in accordance with Form 05/VAT (issued together with Appendix II of Circular 80/2021/TT-BTC). *(To be continued...)*



## VAT declaration at extra-provincial level (Continued)

*Official Dispatch No. 56701/CTHN-TTHT dated November 21, 2022 of Hanoi Tax Department*

In case the subcontractor signs a direct contract with the main contractor, **does not** sign a direct contract with the Owner to construct construction works in a province other than the place where the head office is located, the subcontractor **is not** required to declare VAT of such works to the tax authority of the place where the construction works are located according to the instructions in detail c.1, point c, Clause 3, Article 13 of Circular 80/2021/TT-BTC.





## Guiding the implementation of the 2022 labor report

***Official Dispatch No. 33629/SLĐTBXH-VLATLĐ dated November 14, 2022 of the Department of Labor, War Invalids and Social Affairs of HCM***

Pursuant to Decree No. 145/2020/ND-CP dated December 14, 2020 of the Government detailing and guiding the implementation of a number of articles of the Labor Code on labor conditions and labor relations (referred to as Decree No. 145/2020/ND-CP); Department of Labor, War Invalids and Social Affairs of Ho Chi Minh City guides the implementation of the 2022 labor report, as follows:

1. Subjects of the report: Enterprises, agencies and organizations employing laborers and having their head offices and locations in Ho Chi Minh City (referred to as entity).
2. Report content: Report on the use of labor in 2022 according to Form No. 01/PLI Appendix I issued together with Decree No. 145/2020/ND-CP.

(To be continued...)



## Guiding the implementation of the 2022 labor report (Continued)

*Official Dispatch No. 33629/SLĐTBXH-VLATLĐ dated November 14, 2022 of the Department of Labor, War Invalids and Social Affairs of HCM*

3. Form and time of report submission: The entity may choose one of the following two forms:

- Submit at the National Public Service Portal

The entity carries out the "Procedures for continuously registering adjustment of compulsory social insurance, health insurance, unemployment insurance and reporting on the employment situation" at the web portal:

<https://dichvucong.gov.vn/>

- Submit at Department of Labor-War Invalids and Social Affairs

Access the Google Form link: <https://forms.gle/JqHU5UoqVz5rXNc77>

Or scan the QR code in the attached letter to access the link

4. Deadline for submitting reports: complete and submit reports on the National Public Service Portal or online to the Department of Labor, War Invalids and Social Affairs **before December 5, 2022**.





## Guiding some expenses to be deducted when calculating corporate income tax

*Official Dispatch No. 53407/CTHN-TTHT dated November 4, 2022 of Hanoi Tax Department*

In 2020, the Company incurred expenses such as salary, wages and allowances payable to employees; Accrued amounts payable to suppliers but the deadline for submitting the annual tax finalization dossier **has not yet been implemented**, these expenses **are not deducted** when determining the CIT taxable income.

By the tax period of 2021, the Company **has paid** the above accrued amounts, which shall be included in the **deductible expenses** when calculating corporate income tax **of the tax period that the entity actually spends** if meeting the conditions specified in Article 4 of Circular No. 96/2015/TT-BTC dated June 22, 2015 of the Ministry of Finance.

In case the company accrues, appropriates and uses provisions **not** in accordance with the guidance of the Ministry of Finance on provisioning and incurring **losses from exchange rate differences** due to revaluation of monetary items denominated in foreign currencies at the end of the tax period, they shall **not be deducted** when determining the taxable income under the provisions of Article 4 of Circular No. 96/2015/TT-BTC.



## Strengthening measures to reduce the delayed payment of SI, HI, UI

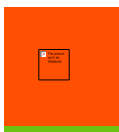
*Official Dispatch No. 3511/BHXX - TST dated November 18, 2022 of Viet Nam Social Insurance*

Social Insurance of Vietnam requires social insurance of provinces and centrally run cities to implement a number of contents to reduce the amount of late payment to the lowest level, notably:

**To strengthen specialized inspection for enterprises that are delayed in closing for 3 months or more**, resolutely sanctioning administrative violations for violations; for company that have already been sanctioned for administrative violations but have not yet done or deliberately fail to do so then issue decisions on forced execution of administrative violation sanctioning decisions under the competence prescribed in Clause 44, Article 1 of the Law on Amending and supplementing a number of articles of the Law on Handling of Administrative Violations. To improve the quality of inspection and examination teams, leaders of provincial social insurance, heads of inspection and examination teams shall be responsible to the General Director for the inspection and examination results and handle violations against the inspected and examined enterprises according to regulations.

## ABBREVIATION

<b>CIT</b>	Corporate Income Tax	<b>JVC</b>	Joint Venture Company
<b>PIT</b>	Personal Income Tax	<b>Ltd.</b>	Limited
<b>VAT</b>	Value Added Tax	<b>PC</b>	People's Committee
<b>FCT</b>	Foreign Contractor Tax	<b>MOF</b>	Ministry of Finance
<b>FA</b>	Fixed Asset	<b>MOIT</b>	Ministry of Industry and Trade
<b>GDT</b>	General Department of Taxation	<b>MOLISA</b>	Ministry of Labor, Invalid and Social affairs
<b>EPE</b>	Export Processing Exporting Company	<b>DPI</b>	Department of Planning and Investment
<b>EPZ</b>	Export Processing Zone	<b>OL</b>	Official Letter
<b>UAL</b>	Usage of Agricultural Land	<b>SBV</b>	The State Bank of Vietnam
<b>IZ</b>	Industrial Zone	<b>FC</b>	Foreign Contractor



# THANK YOU



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