



# NEWSLETTER

JANUARY 2023



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## Tax policy for experts' return home airfares upon termination of labor contracts

*Official Dispatch No. 4387/CTHPH-TTHT dated December 9, 2022 of the Hai Phong City Tax Department*

Hai Phong City Tax Department has guided, in case the Company pays the return airfare for foreign experts when terminating the labor contract, not the case of return home once a year:

- **Personal income tax:** this is a non-cash benefit that employees are entitled to, so this expense is **included in the employee's personal income taxable income.**
- **Corporate income tax:** The Company **is included in the deductible expenses when calculating corporate income tax** if the above expenses are specified in the labor contract, collective labor agreement, financial regulations of the Company and meet the conditions of invoices and payment vouchers as prescribed.



## Warns of illegal use of invoices

*Official Dispatch No. 4840/CTHPH-TTHT dated December 30, 2022 of the Hai Phong City Tax Department*

Accordingly, through receiving information from the hotline, the taxpayer reflects when looking up information on purchase invoices for input goods and services on the General Department of Taxation's [hoadondientu.gdt.gov.vn](http://hoadondientu.gdt.gov.vn) with the account issued by the CQT on the first day of registration of electronic invoices ("e-invoices"), detecting the status:

- the seller makes a "false" e-invoice, while the buyer does not know the seller and does not have a transaction to buy goods; and
- in case of online purchase of goods and services, when the seller delivers the goods to the buyer, the electronic contract is enclosed not issued by the seller but by another business.

This is a new form of electronic invoicing of invoicing enterprises.

*(Continued..)*



## Warns of illegal use of invoices (Continued)

*Official Dispatch No. 4840/CTHPH-TTHT dated December 30, 2022 of the Hai Phong City Tax Department*

Therefore, in order to strengthen tax management and help taxpayers avoid being penalized for illegal use of invoices, the Tax Department of Hai Phong City guides the following taxpayers:

1. When buying goods and services directly or online, only receive goods and declare input VAT, calculate deductible expenses when determine CIT for e-invoice made by sellers (with real goods) who have posted full information (headquarters, tax code), matching the information on the order.
2. Regularly visit the website [hoadondientu.gdt.gov.vn](http://hoadondientu.gdt.gov.vn) of the General Department of Taxation to look up and verify invoices for goods and services purchased and sold to check the validity of invoices, timely detect and handle legal invoices and illegal invoices.



## Amending and supplementing the regulation on the dossier of proof of dependents

*Circular No.79/2022/TT-BTC dated December 30, 2022 of the Ministry of Finance*

To amend and supplement Point g Clause 1 Article 9 of Circular No. 111/2013/TT-BTC dated August 15, 2013 related to the regulation on the dossier of proof of dependents, **thereby allowing the submission of a copy of citizen 's identity card** in place of a copy of ID card and **allowing the submission of a copy of the certificate of residence information/Notice of personal identification number** in place of the household registration book when proving dependents.

Notably at Point g7, Article 1, Circular 79/2022/TT-BTC stated that, from the date the tax authority announces the completion of the data connection with the National Population Database, **the taxpayer does not have to submit documents proving dependents if the information in these documents is already in the National Population Database.**

*(Continued...)*



## Amending and supplementing the regulation on the dossier of proof of dependents

*Circular No.79/2022/TT-BTC dated December 30, 2022 of the Ministry of Finance*

This Circular takes effect from **January 1, 2023**. Circulars simultaneously amending and abolishing Circulars include:

1. Amending Circular No.111/2013/TT-BTC regarding the regulations on the dossier of proof of dependents;
2. Abolition of Circular No.20/2014/TT-BTC regulating the import of cars and motorcycles under the property movement regime of overseas Vietnamese who have been settled for permanent residence registration in Vietnam;
3. Amendment to Circular No. 22/2019/TT-BTC related to forms for issuance of Certificates of Customs declaration.



## Guiding the VAT rate for returned goods and the commercial discounts related to revenue generated in 2022

*Official Dispatch No. 313/CTTPHCM-TTHT dated January 11, 2023 of Tax Department of Ho Chi Minh City*

Ho Chi Minh City Tax Department has guided:

**Returned goods:** For goods purchased from February 2022 to December 2022 (goods and services are subjected to VAT reduction, the applicable VAT rate is 8%), by 2023 when returning goods, a return invoice is issued with the VAT rate of 8%.

**Commercial discount:** Regarding the VAT rate related to the trade discount made when the program ended at the end of the period:

If the trade discount is related to the revenue from selling goods and providing services from February 2022 to December 2022 (goods and services are subjected to VAT reduction, the applicable VAT rate is 8%), this trade discount shall be applied by the Company at the corresponding VAT rate of 8%.

If the trade discount is related to the turnover of goods and services sold in 2022 with the applicable VAT rate of 10%, this trade discount shall be applied by the Company with the corresponding VAT rate of 10%.





## Guiding the VAT rate for returned goods

*Official Dispatch No. 168/CTBNI-TTHT dated January 13, 2023 of the Tax Department of Bac Ninh Province*

According to the instructions of the Tax Department of Bac Ninh Province, in case the Company selling goods has issued an invoice to the customer in December 2022, then the customer returns the received goods due to poor quality, the invoice to returned goods is issued with **the value and tax rate corresponding to the invoice made** according to regulations.



## Guiding tax policy for VAT invoices issued in 2023 for services completed in 2022

*Official Dispatch No. 2619/CTHN-TTHT dated January 18, 2023 of the Hanoi City Tax Department*

Accordingly, the Hanoi City Tax Department responded to the concern of determining the VAT rate of 2023 for services completed in 2022 as follows:

When the company signs a construction and installation contract, the time of issuing an invoice is the time of acceptance and handover of the workload, work items, completed construction and installation volume, regardless of whether money has been received or not. In case the Company issues a VAT invoice after December 31, 2022, it is not allowed to apply the VAT reduction policy as prescribed in Article 3 of Decree No. 15/2022/ND-CP dated January 28, 2022 of the Government.

In case the Company issues an invoice when selling goods and services at the wrong time according to the provisions of law, it shall apply penalties for violations of regulations on invoicing when selling goods and services according to the provisions of Article 24 of Decree No. 125/2020/ND-CP dated October 19, 2022 of the Government.

## 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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