



NEWSLETTER

FEBRUARY 2023



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Guiding PIT policy registration of dependant deduction.

Official Dispatch No 137/CTHPH-TTHT dated Jan 13, 2023 of Hai Phong Tax Department.

Accordingly, in case the Company registers family deduction for employees who are mothers, have no income at out of working age or have an average monthly income of the year from all income sources not exceeding 01 (one) million dong, the documents proving dependents shall comply with the guidance in item g.3 point g, Clause 1, Article 9 of Circular No. 111/2013/TT-BTC dated August 15, 2013 of the Ministry of Finance (has been amended and supplemented in Article 1 of Circular No. 79/2022/TT-BTC dated December 30, 2022 of the Ministry of Finance), **there is no requirement to make a declaration on the direct foster person (form 07/XN-NPT-TTCN in Circular No. 80/2021/TT-BTC)**. Taxpayers must commit and responsible for dependents having no income or the average monthly income of the year from all income sources not exceeding 01 (one) million dong.



Guiding the VAT obligations when implementing projects in foreign countries.

Official Dispatch No 4423/CTHN-TTHT dated Feb 09, 2023 of Hanoi Tax Department

In case, provision service activities take place both in Vietnam and outside of Vietnam, but if the service contract is signed between two taxpayers in Vietnam or has a permanent establishment in Vietnam, **the 0% tax rate only applies to the value of services performed outside Vietnam** as prescribed in Clause 1, Article 9 of Circular No. 219/2013/TT-BTC dated December 31, 2013 of the Ministry of Finance.

In case, the contract does not specify the value of services performed in Vietnam separately, the taxable price is **be determined according to the proportion (%) of costs incurred in Vietnam on the total cost**. The company in Vietnam must have documents proving the service performed outside Vietnam.



Guiding the FCT policy for foreign contractors who truly performed tax registration, filing and payment in Vietnam.

Official Dispatch No 4643/CTHN-TTHT dated Feb 10, 2023 of Hanoi Tax Department.

In case Google - an overseas supplier has registered, filed and paid taxes directly in Vietnam according to the provisions of Articles 76, Article 77, Article 78, Article 79 of Circular No. 80/2021/TT -BTC, **the Company is not obliged** to declare, withhold, and pay tax on behalf of the overseas supplier the payable tax amount as prescribed in Circular No. 103/2014/TT-BTC dated 06/08/ 2014 by the Ministry of Finance.

In principle, input VAT on goods and services used for production and trading of goods and services subject to VAT shall be fully deducted if the **conditions for VAT deduction are satisfied** as prescribed in Article 15 of this Circular. No. 219/2013/TT-BTC is amended and supplemented in Clause 10, Article 1 of Circular No. 26/2015/TT-BTC, Article 1 of Circular No. 173/2016/TT-BTC.



Guiding the deductible expenses when calculating CIT for the VAT expense by the deduction method of goods for gifts and donations

Official Dispatch No 447/TCT-DNL dated Feb 16, 2023 of the General Department of Taxation

Accordingly, The General Department of Taxation guides, in case the company has goods and services used for promotion, advertising, donation or internal consumption, the value-added tax expense paid under the deduction method **is not deductible expense** when determining taxable income.



Guiding the implementation Decree No. 49/2022/ND-CP dated Jul 29, 2022 of the Government

Circular 13/2023/TT-BTC dated Feb 28, 2023 of the Ministry of Finance

Article 1. Amending and supplementing a number of Articles of Circular No. 219/2013/TT-BTC dated December 31, 2013 of the Ministry of Finance (amended by Circular No. 26/2015/TT-BTC dated February 27, 2015, Circular No. 130/2016/TT-BTC dated August 12, 2016 of the Ministry of Finance) as follows:

1. Clause 10 Article 7 shall be amended as follows: “10. Regarding real estate transfer activities, the VAT taxable price shall be determined in provision of Clause 1 Article 1 of Government’s Decree No. 49/2022/ND-CP dated July 29, 2022.”
2. Clause 13 Article 7 shall be amended as follows: “13. Taxable prices for electricity production activities by the Vietnam Electricity (EVN) shall comply with provision of Clause 1 Article 1 of Government’s Decree No. 49/2022/ND-CP dated July 29, 2022.”
3. Clauses 2 and 3 of Article 18 shall be replaced by the new Clause 2 below: : “2. Business establishments shall be entitled to value-added tax refund for investment projects according to the provisions of Clause 3, Article 1 of Decree No. 49/2022/ND-CP dated July 29, 2022 of the Government.” (To be continued...)



Guiding the implementation Decree No. 49/2022/ND-CP dated Jul 29, 2022 of the Government (Continued)

Circular 13/2023/TT-BTC dated Feb 28, 2023 of the Ministry of Finance

Article 2. Modification and supplementation Point a.4 Clause 2 Article 28 of Circular No. 80/2021/TT-BTC dated September 29, 2021 of the Ministry of Finance:

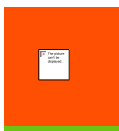
“a.4) For investment projects of business establishments having conditional business lines in the investment stage, according to the provisions of the investment law, specialized law, has been granted a certificate of conditional business lines by a competent state agency as prescribed in Clause 3, Article 1 of Decree No. 49/2022/ND-CP dated July 29, 2022 of the Government: **A copy of one of the forms** of license or certificate or written certification and approval of conditional business lines.”

In addition, the circular concurrently guide adjustment for business establishments subject to adjustment of value added tax, late payment, and tax administrative fines (if any) as prescribed in Clause 2, Article 2 of Decree No. 49/2022/ND-CP.

This Circular takes effect from April 14, 2023.

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



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