



NEWSLETTER

MARCH AND APRIL 2023



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- [Official Dispatch No. 1014/CTHPH-TTHT dated March 17, 2023 of the Hai Phong Tax Department guiding the CIT policy for invoices and documents in foreign languages](#)

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Guiding on CIT policy for invoices and documents in foreign languages

Official Dispatch No. 1014/CTHPH-TTHT dated March 17, 2023 of the Hai Phong Tax Department

Accordingly, the Tax Department guides that in case a company in Vietnam signs a warehouse lease contract with another company in the US, the cost of warehouse rental will be deductible expenses when determining taxable income if it meets the following requirements: conditions specified in Article 4 of Circular No. 96/2015/TT-BTC.

Specifically, the expense has all legal invoices and documents according to the host country's regulations, related to the Company's production and business activities, and payment documents as prescribed. At the same time, with accounting vouchers in foreign languages, when used to record accounting books in Vietnam, they must be **translated into Vietnamese** according to the instructions in Article 85 of Circular No. 80/2021/TT-BTC and Clause 6, Article 1 of Circular No. 53/2016/TT-BTC.



Guiding the CIT policy for damaged and defective products in the production process

Official Letter No. 796/TCT-CS dated March 20, 2023 of the General Department of Taxation

Pursuant to the regulation of Clause 1, Article 3 of Decree No. 126/2020/ND-CP and Article 4 of Circular No. 96/2015/TT-BTC regulating deductible and non-deductible expenses when determining taxable income.

In case the company has defective or damaged goods in the production process that can not be recycled and must be destroyed **not falling** into the cases prescribed by the CIT law, then the value of the destroyed goods will **not be deductible** when determining taxable income.



Update the citizen's ID with the chip of the legal representative

Official Dispatch No. 43/ĐKKD-GS dated March 21, 2023 of the Business Registration Administration

The Business Registration Administration has received feedback from a number of business registration agencies and enterprises about the receipt of notices from the tax authorities requesting: no later than March 31, 2023, the enterprise must complete the procedure for updating the citizen ID with chip for the legal representative on the Certificate of Business Registration; If the above time limit is exceeded, the enterprise will be sanctioned for administrative violations.

In this regard, the Business Registration Administration has discussed with the General Department of Taxation and the General Department of Taxation to confirm that **there is neither policy, email nor any notice to taxpayers about the above content.**

Regarding the registration of changes, the notice of change of business registration contents has been specified in the Enterprise Law, Decree No. 01/2021/ND-CP dated January 4, 2021 of the Government on registration of Enterprise.



Guiding the implementation of the CIT reduction policy under Decree 92/2021/ND-CP

Official Letter No. 940/TCT-CS dated March 27, 2023 of the General Department of Taxation.

In case an enterprise subject to Decree 92/2021/ND-CP completes the conversion of the financial reporting period from January 1 to December 31 to the reporting period from October 1 to September 30, The tax amount is reduced according to Decree 92/2021/ND-CP **applicable to the CIT period from January 1, 2021 to September 30, 2021.**

The revenue to compare the conditions for CIT reduction in the tax period 2021 is determined according to the guidance at Point B, Clause 2, Article 1 of Decree No. 92/2021/ND-CP.



Proposing a plan to reduce VAT in 2023

Official Letter No. 67/CST-GTGT dated April 7, 2023 of the Tax Policy Department

Accordingly, in order to stimulate consumption demand, recover and develop the economy, if the case is to reduce 2% for goods and services subject to the tax rate of 10% (to 8%) according to the following options:

- **Option 1:** Reducing the VAT rate by 2% for the group of goods and services subject to the 10% tax rate (down to 8%).
- **Option 2:** Reducing the VAT rate by 2% for groups of goods and services currently applying the 10% VAT rate (down to 8%), except for some groups of goods and services as already applied. used in 2022 according to Resolution No. 43/2022/QH15 dated January 11, 2022 of the National Assembly on fiscal and monetary policies to support the Socio-economic recovery and development program.

About the implementation time of the two options: from the date the policy is issued to the end of December 31, 2023 (expected from July 1, 2023 to the end of December 31, 2023).



Extending the deadline for payment of VAT, CIT, PIT and land rent in 2023

Decree 12/2023/ND-CP dated April 14, 2023 of the Government.

This Decree promulgates the extension of tax payment in 2023, including: VAT, CIT, PIT and land rent. Accordingly, enterprises, organizations, households and individuals that have production and business activities in the sectors and fields specified in Clauses 1, 2 and 3, Article 3 of this Decree will be entitled to a tax payment extension of the year 2023.

In which, VAT is entitled to extend tax amounts arising from March to August 2023 (for the case of monthly tax declaration) and the tax amount of the first quarter and second quarter of 2023 (for the case of quarterly tax declaration). The extended period is from 3 to 6 months. For details, please check Clause 1, Article 4.

For CIT, the temporary payment of the first quarter and second quarter of 2023 will be extended period of 3 months from the end of the prescribed payment deadline. For land rent, 50% of the land rent payable in the first period of 2023 will be extended for a period of 6 months (from May 31, 2023 to November 30, 2023). For business households and individuals, the extension is extended for the entire payable VAT and PIT amount of the year 2023 to December 30, 2023.

The Decree takes effect from the date of signing to the end of December 31, 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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