

Global mobility services

Personal Income Tax finalization for tax residents in 2016

December 2016

According to provisions of Law on Personal Income Tax, individuals who are identified as tax residents in Vietnam in 2016 and deriving employment income are required to file PIT finalization return and pay the tax liabilities by the deadline of 31 March 2017.



In the tax inspection process, the Tax Authority often makes tax adjustments related to typical situations as follows:

- Incorrect determination of tax period leading to incorrect declaration of taxable income period and submit tax finalization return later than specified deadline.
- Failure to fully declare sources of income from wages, salaries or declare income received in domestic lower than actually received when filling the finalization return for residents having worldwide income.
- Determination of formula calculating the rate of rent in taxable income is not in line with the guidance of General Department of Taxation.
- Incorrect determination of income subjected to PIT for benefits in cash and benefits in-kinds as well as insufficient supporting documents.
- Applying family relief prior to appropriate registration without supporting documents or unqualified dependents.
- Failure to declare PIT liabilities of foreign experts working short term at the organizations.
- Violating administrative procedures relating to tax returns and informing tax obligations of foreign contractor's staff working at the organizations.
- Crediting the PIT paid in foreign countries against the tax payable amount in Vietnam without sufficient supporting documents as prescribed by the law.

- Applying for tax exemption under the Agreements on avoidance of double taxation without submitting notification of tax exemption or submitting the notification of tax exemption after the prescribed time frame.

Grant Thornton Vietnam would be pleased to assist individuals and organizations in preparing or reviewing the 2016 PIT finalization returns to ensure the accuracy of PIT liability calculation or to apply favorable regulations appropriately according to provisions of Agreements on avoidance of double taxation which are signed between Vietnam and other countries in specific cases.

Finding more information about Global mobility services at:

<http://www.grantthornton.com.vn/en/services/tax/global-mobility-services/>

Please contact to Grant Thornton Vietnam's professional tax advisors for specific support.



Contacts

This news letter is for reference purposes only. Grant Thornton Vietnam holds no responsibility for mistakes therein, as well as damages caused by the use of information from this newsletter without official advisory opinions from Grant Thornton Vietnam before practice.

Should you need to us information from this newsletter or support from Grant Thornton Vietnam, please contact our professional consultants.

Hanoi Office

106 Hoang Quoc Viet Street,
Cau Giay District, Ha Noi,
Vietnam

T + 84 4 3850 1686

F + 84 4 3850 1688



Hoang Khoi

Tax Partner

D +84 4 3850 1618

E Khoi.Hoang@vn.gt.com



Nguyen Dinh Du

Tax Partner

D +84 4 3850 1620

E Du.Nguyen@vn.gt.com



Kaoru Okata

Director – Japanese Desk

ĐT +84 4 3850 1680

E Kaoru.Okata@vn.gt.com



Phạm Ngọc Long

Tax Director

D +84 4 3850 1684

E Long.Pham@vn.gt.com

For downloads

Please visit our website:

www.grantthornton.com.vn

Ho Chi Minh Office

14th Floor. Pearl Plaza
561A Dien Bien Phu, Binh Thanh District
Ho Chi Minh City,
Vietnam

D + 84 8 3910 9100

F + 84 8 3914 9101



Nguyen Hung Du

Tax Partner

D +84 8 3910 9231

E HungDu.Nguyen@vn.gt.com



Valerie – Teo Liang Tuan

Tax Director

D +84 8 3910 9235

E Valerie.Teo@vn.gt.com



Tran Hong My

Tax Director

D +84 8 3910 9275

E HMy.Tran@vn.gt.com



Tomohiro Norioka

Director – Japanese Desk

D +84 8 3910 9205

E Tomohiro.Norioka@vn.gt.com



Tran Nguyen Mong Van

Tax Director

D +84 8 3910 9233

E MongVan.Tran@vn.gt.com