

Update on new regulations and important tax policies

February 2021

A close-up photograph of a hand holding a dark blue and gold fountain pen, writing on a document. The document features several circular charts and lines of text. The background is softly blurred, showing what appears to be a window with natural light.

Content

- 1** Resolution No. 01/NQ-CP on major tasks and solutions to carry out the socio-economic development plan and estimated State budget in 2021
- 2** Decree No. 145/2020/ND-CP on the implementation of some articles in the Labor Code
- 3** Circular No. 105/2020/TT-BTC on tax registration
- 4** Official Letters summarizing notable points of some new and important Decrees issued at the end of 2020

1. Resolution No. 01/NQ-CP on major tasks and solutions to carry out the socio-economic development plan and estimated State budget in 2021

On 1 January 2021, the Government issued Resolution No. 01/NQ-CP on major tasks and solutions to carry out the socio-economic development plan and estimated State budget in 2021. Some highlight contents of Resolution 01, as stated by the Government, are the enhancement of financial discipline to prevent budget deficit and tax evasion; reducing the rate of tax debts; with special attention on the prevention of transfer pricing issue.



Although 2020 has been a relatively successful year, however in complicated situation of the pandemic around the world, the Government will continue to drastically implement policies to improve the legal document system, minimize administrative procedures and strengthen measures to ensure a stable budget revenue. The enterprises community should be aware of these upcoming important changes in policy and law enforcement in order to improve compliance and minimize financial, accounting, and especially tax risks on their business.

2. Decree No. 145/2020/ND-CP on the implementation of some articles in the Labor Code

On 14 December 2020, the Government issued Decree No. 145/2020/ND-CP on the implementation of some articles in the Labor Code related to working conditions and labor relations. Notable points include regulations on the submission of labor change reports to the Department of Labor, War Invalids and Social Affairs; determination of working time for salary entitlement and added regulations for cases in which overtime work could be organized up to 300 hours per year such as:

“Production and business operation at enterprises where normal working hours do not exceed 44 hours per week.”

**Decree No. 145/2020/ND-CP
takes effect from 1 February 2021**



3. Circular No. 105/2020/TT-BTC on tax registration

On 3 December 2020, the Ministry of Finance issued Circular No. 105/2020/TT-BTC on tax registration, detailing the subjects of direct tax registration, tax code structure as well as tax registration dossiers, procedures and forms. Some of the main contents in this Circular are on tax code termination dossiers; initial tax registration dossiers for dependents through company; or regulations on taxpayers who are subject to tax registration directly with tax authorities.

This Circular takes effect from 17 January 2021 and replaces Circular No. 95/2016 / TT-BTC dated 28 June 2016 on tax registration issued by the Ministry of Finance.



4. Official Letters summarizing notable points of some new and important Decrees issued at the end of 2020

On 5 November 2020, the Government issued Decree No. 132/2020/ND-CP on tax administration for enterprises engaging in related party transactions (replacing Decree No. 20/2017/ND-CP dated 24 February 2017 and Decree No. 68/2020/ND-CP providing amendments to Clause 3 Article 8 of Decree No. 20/2017/ND-CP), taking effect from 20 December 2020 and applying from Corporate Income Tax year of 2020.

In Official Letter 271/TCT-TTKT to provincial and municipal Tax Departments, the General Department of Taxation summarized and introduced new points in Decree No. 132/2020/ND-CP, providing Tax Departments with basis for future implementation.

Regarding this point, Grant Thornton also had a Newsletter in 2020 summarizing the critical points of Decree 132. We recommend the enterprises to refer to this Newsletter before implementation of new regulations in order to minimize tax risks.

On 16 November 2020, the General Department of Taxation issued Official Letter No. 4868/TCT-CS guiding some critical points of Decree 123/2020/ND-CP on invoices and documents. Decree 123 issued in the context of there are different regulations regarding invoices are effective at the same time without the consistence, especially the regulations on electronic invoices as well as the deadline to compulsory application of electronic invoices.

On 7 December 2020, the General Department of Customs issued Official Letter No. 7692/TCHQ-TXNK on the implementation of Tax Administration Law in 2019 and Decree No 126/2020/ND-CP. This Official Letter clarifies the legal base and reason behind the changes in Tax Administration Law 2019 compared to previous regulations; as well as detailing the corresponding content in Decree 126 guiding Tax Administration Law 2019.

Contact

Please contact our professional advisors at Grant Thornton Vietnam for assistance with taxation, accounting, transfer pricing, labour, investment and customs as well as other legal issues you may have during your business operation.

Please visit our [Tax Hub](#) to view more information

Head Office in Hanoi

18th Floor, Hoa Binh International Office Building
106 Hoang Quoc Viet Street, Cau Giay District, Hanoi, Vietnam
T + 84 24 3850 1686
F + 84 24 3850 1688

Hoang Khoi

National Head of Tax Services
D +84 24 3850 1618
E khoi.hoang@vn.gt.com

Vishwa Sharan

Director – Transfer Pricing
D +84 327 345 053
E Vishwa.Sharan@vn.gt.com

Hoang Viet Dung

Director - Tax and Transfer Pricing Services
D +84 24 3850 1687
E dung.hoang@vn.gt.com

Nguyen Dinh Du

Tax Partner
D +84 24 3850 1620
E du.nguyen@vn.gt.com

Bui Kim Ngan

Tax Director
D +84 24 3850 1716
E ngan.bui@vn.gt.com

Ho Chi Minh City Office

14th Floor, Pearl Plaza, 561A Dien Bien Phu Street
Binh Thanh District, Ho Chi Minh City, Vietnam
T + 84 28 3910 9100
F + 84 28 3910 9101

Nguyen Hung Du

Tax Partner
D +84 28 3910 9231
E hungdu.nguyen@vn.gt.com

Tran Nguyen Mong Van

Tax Director
D +84 28 3910 9233
E mongvan.tran@vn.gt.com

Lac Boi Tho

Tax Director
D +84 28 3910 9240
E tho.lac@vn.gt.com

Valerie – Teo Liang Tuan

Tax Partner
D +84 28 3910 9235
E valerie.teo@vn.gt.com

Nguyen Thu Phuong

Tax Director
D +84 28 3910 9237
E thuphuong.nguyen@vn.gt.com

