



Update on New Regulations and Important Tax and Customs Policies

April 2022

In this newsletter, Grant Thornton Vietnam would like to update our valued customers on important legal tax and customs policies that have just been issued recently.





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1. Draft Decree amending Decree 15/2022/ND-CP on VAT reduction

Based on receiving comments during the implementation of Decree 15/2022/ND-CP (“Decree 15”) on VAT reduction policy in 2022, the Ministry of Finance is currently submitting to the Government the Draft Decree, amending Decree 15. Accordingly, it is expected to adjust the content of issuing separate VAT invoices in which enterprises apply the VAT reduction policy will still be able to issue a combined invoice if the corresponding tax rate is clearly stated. Correspondingly, this provision may also be applied retroactively for the previous period before the amended Decree takes effect.



2. Circular 02/2022/TT-BKHĐT of The Minister of Planning and Investment guiding on supervision and assessment of foreign investments in Vietnam

Up to now, licensing activities in Vietnam are frequently strict at the "licensing" stage, but not aggressively at the "Post-licensing" stage of the license, leading to the fact that the implementation investment projects still not closely follow prevailing regulation such as investment expansion, change in project goals or failure to report the status of investment capital usage, many errors in labor and foreign exchange management policies, related-parties transactions, etc.

These above contents are currently stated in Circular 22 and accordingly expected to be the basis for the authorities to increase inspection, examination and supervision activities for the implementation of foreign direct investment projects in Vietnam.



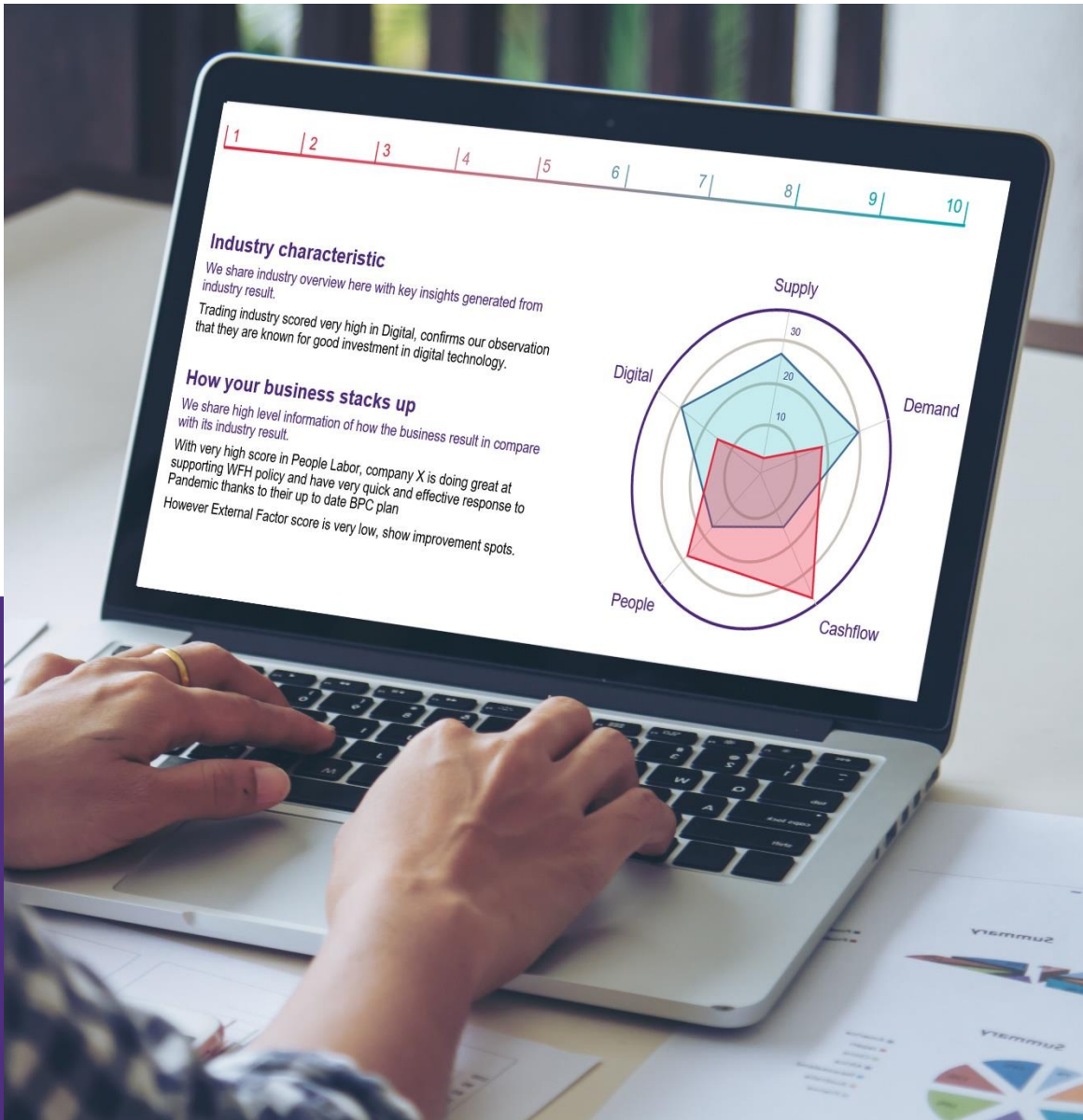
3. Circular 24/2022/TT-BTC amending and supplementing Circular 48/2019/TT-BTC guiding the making and settlement of provisions at enterprises

On 7 May 2022, the Ministry of Finance issued Circular 24/2022/TT-BTC, accordingly excluding entities such as government bonds, government-guaranteed bonds and municipal bonds from the list that are allowed to make provision for loss of investments at enterprise.

The provision balance of the above-mentioned entities that has been made before the effective date of this Circular 24 (if any) shall be reverted and recorded as decrease of expense at the time of making the 2022 financial statement.

Circular 24 takes effect from 25 May 2022.






4. Official Telegram No. 290/CD-TTg of Prime Minister on urging a number of contents to implement the program of socio-economic development recovery, including tax payment extension in 2022.

Pursuant to Public Electricity No. 290/CD-TTg on urging a number of contents to implement the socio-economic recovery program, the Prime Minister assigned the Ministry of Finance to urgently develop a draft Decree on extension of CIT, PIT, VAT, SCT, and land rent payment in 2022 to report to the Government before 15 April 2022.

5. Official Letter No. 2688/BTC-TCT and 9262/CTHN guiding on the implementation of VAT reduction in 2022

In the recent documents guiding on the implementation of the VAT reduction policy in 2022, the tax authorities have issued detailed instructions on determining the subjects to be applied, method to calculate tax as well as time to issue invoice. The content of the tax authority's guidance is based on the basic principles of VAT and is consistent with current regulations (Circular 219/2013/TT-BTC guiding VAT).





6. Official Letter No. 8875/CTHN-TTHT guiding on handling old invoices with errors after switching to using new electronic invoices

On 17 March 2022, the Tax Department of Hanoi has issued Official Letter No. 8875/CTHN-TTHT guiding how to handle old invoices with errors after switching to using new electronic invoices (e-invoice). Specifically, if the enterprise has switched to using new e-invoices according to Decree 123/2020/ND-CP and the old invoices with errors will be issued according to the provisions of Decree No. 51/2010/ND-CP dated 14 May 2010, Decree No. 04/2014/ND-CP dated 17 January 2014 of the Government, enterprises must handle it according to the guidance in Clause 6, Article 12, Circular 78/2021/ TT-BTC. Accordingly, the parties (buying and selling) must make an agreement, clearly stating the error. Correspondingly, the seller must notify the tax agency according to Form No. 04/SS-HDDT issued together with Decree 123/2020/ ND-CP and issue a new e-invoice replace for the incorrect invoice.

7. Official Letter No. 4384/TCT-CS introducing the new points of Circular 80/2021/TT-BTC dated September 29 2021 of Ministry of Finance

Currently, Circular 80/2021/TT-BTC takes effect 2022 onwards, hence, please kindly be note some notable points as follows: (according to Official Letter 4384/TCT-CS dated 12 November 2021 of the General Department of Taxation):

Distribution of tax obligations of taxpayers doing centralized accounting and having dependent units or business locations in multiple provinces:

Circular 80/2021/TT-BTC has officially supplemented the general principles of tax distribution, principles of tax declaration, tax calculation and finalization allocated to taxpayers who those have activities and businesses in many provincial-level areas compared with their headquarters and centralized accounting at the head office.

PIT declaration, calculation, distribution:

New regulations require the allocation of PIT payable for PIT from salary, wages and PIT from winning of lottery winners.

Period for calculation of interest on late payment:

Late payment period begins on the day succeeding the day on which late payment interest is charged and ends on the day preceding the day on which tax arrears are paid to state budget. Compared with the previous period, time for late tax payment is less than 2 days.

8. Official Letter No. 370/TCHQ-TXNK on the implementation of Decree 15/2022/ND-CP

On 28 January 2022, the General Department of Customs issued Official Letter No. 370/TCHQ-TXNK guiding the implementation of Decree 15/2022/ND-CP. The letter propose some key requirements as follows:

- Grasping the regulation of Resolution No. 43/2022/QH15, in which the value-added tax (VAT) reduction policy excepting for some groups of goods, and the list of goods not allowed reduce VAT.
- Guiding on declaring on the VNACCS/VCIS system with the correct code and tax rate of 8%.





On December 23, 2021, the General Department of Taxation issued an Official letter in response to the Real Estate Association's recommendations to support real estate businesses and customers to overcome difficulties caused by Covid-19 pandemic, specifically:

9. Official Letter No. 5083/TCT-DNNCN in response to recommendations on supporting real estate businesses and customers to overcome difficulties caused by the Covid-19 pandemic

- **Recommendations to extend land use levy payment:** The land use levy collection policy has extended the payment deadline compared to the past. The commercial housing project which is in the stage of paying financial obligations is not under construction. Therefore, the project is not affected by the Covid-19 epidemic, not considering an extension.
- **Recommendations not to collect rental tax from individuals in 2021:** Residents who have property rental activities in areas affected by the Covid-19 in 2021 have been exempted taxes arising from production and business activities in the third and fourth quarters of 2021.

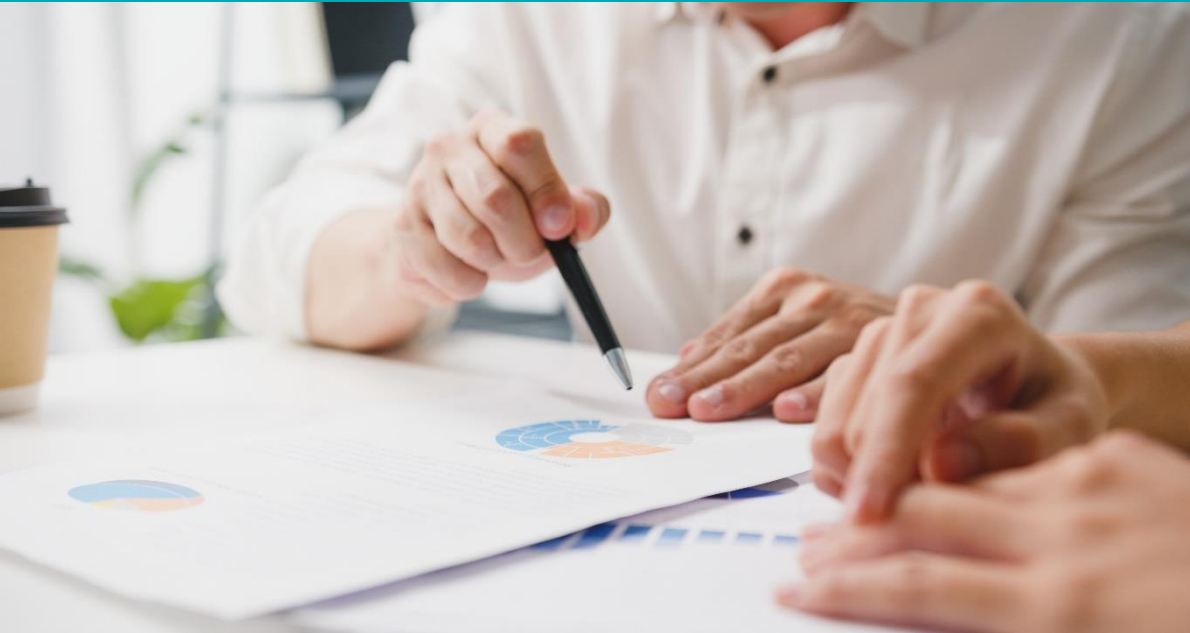
10. Official Letter No. 3925/CTHN -TTHT guiding CIT on payment for unused annual leaves

On 27 January 2022, Hanoi Tax Department issued Official Letter 3925/CTHN-TTHT on recording payment for unused annual leaves as deductible expenses. Specifically, if the Company pays salaries to its employees for unused annual leaves in accordance with regulations of the Labor Code and its guiding documents, it may record these amounts as deductible expenses. Please noted that the conditions specified in Clause 1 Article 4 are fully satisfied and not included in Clause 2 Article 4 of Circular No. 96/2015/TT-BTC dated 22 June 2015 of the Ministry of Finance and its amending documents (if any).



11. Official Letter No. 185/TCHQ-TXNK on the refund of import tax

On 17 January 2022, the General Department of Customs issued Official Letter 185/TCHQ-TXNK guiding the import tax refund for imported goods which are under the A12 form outsourced by other enterprises, specifically:



- In case the taxpayer paid import tax on imported goods for production and business but put them into production and exported or exported to a non-tariff zone , the import tax will be refunded.
- In case the taxpayer paid import tax on imported goods for production and business but does not directly manufacture the products which delivers all imported goods to another enterprise for processing and receives the products in return to export. This case do not satisfy the basis for determining tax refunded goods as prescribed in Clause 3, Article 36 of Decree No. 134/2016/ND-CP, hence import tax will not be refunded for imported goods that are outsourced for processing.

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 issue 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
grantthornton.com.vn

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

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

Lac Boi Tho

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



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