

# Vietnam Tax Update 2021

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**Managing Partner | NNC**

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**Ho Chi Minh City, 2 July 2021**





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2. Tax incentives for supporting industries
3. Taxation of e-commerce
4. Transfer pricing update
5. Tax administration reform
6. Tax invoices & documents
7. Risk-based approach to tax administration
8. Online tax administration
9. Further proposed changes in tax administration
10. Others (investment/business registration & immigration matters)

# New Covid-19 Tax Relief

Deferral of tax payments  
Decree 52/2021/ND-CP  
Effective 19 April 2021



# Decree 52/2021/ND-CP – Deferral of tax payments

## Eligible businesses:

- Manufacturers
- Service providers
- Manufacturers in supporting industries
- Manufacturers of key mechanical engineering products
- Medium & small enterprises
- Banks and financial institutions supporting businesses affected by the Covid-19 pandemic



# Decree 52/2021/ND-CP – Deferral of tax payments

## Eligible manufacturers:

- Agriculture, forestry and aquaculture
- Food production and processing; textile & garments, including production of leather products; wood product processing and manufacturing; production of paper, rubber, plastic, non-metallic minerals; metal production and coating; mechanical processing; manufacturing of electronic components, computers, optical products, automobiles and motor vehicles.
- Construction

## *Extended coverage, in comparison to last year relief (under Decree 41/2020/ND-CP):*

- Publishing, movie, television, music production;
- Exploitation of crude oil and natural gas;
- Manufacturing of drinks & beverages, chemicals, prefabricated products (except for machinery and equipment), motors/motorbikes;
- installation/maintenance of machinery and equipment;
- Coal production, petroleum refinement;
- Operation of drainage and wastewater treatment systems.

# Decree 52/2021/ND-CP – Deferral of tax payments

## Eligible service providers:

- Logistics, accommodation and catering;
- Education, training, healthcare;
- Social distancing activities;
- Real estate
- HR, tourism and travel services
- Creative, artistic and entertainment services;
- Library, archival/museum and cultural services;
- Sport and entertainment, including cinemas

## *Additional coverages in comparison to last year's Decree 41/2020/ND-CP:*

- Radio/television, consultancy and IT services;
- Services supporting the mineral mining industry;

Eligibility is determined per Prime Minister's Decision 27/2018/TTg dated 6 July 2018 which defines the system of classification of Vietnam's economic sectors.

## Decree 52/2021/ND-CP – Deferral of tax payments

### Eligible SMEs:

Business sector	Size of business	No. of employees paying social insurance (A)	Annual revenue VND (B)	Paid-up capital VND (C)
Agriculture, forestry, aquaculture, industry, or construction	Medium	$\leq 100/\text{year}$	$\leq 50$ billion	$\leq 20$ billion
	Small	$\leq 10/\text{year}$	$\leq 3$ billion	$\leq 3$ billion
Trading or services	Medium	$\leq 50/\text{year}$	$\leq 100$ billion	$\leq 50$ billion
	Small	$\leq 10/\text{year}$	$\leq 10$ billion	$\leq 3$ billion

Eligibility condition = (A) and (B) or (C)

## Decree 52/2021/ND-CP – Deferral of tax payments

5-month deferral of VAT payments (except for import VAT)

Mode of VAT filing	Period of filing	Regular deadline	Extended deadline
Monthly	March/2021	20/04/2021	20/09/2021
	April/2021	20/05/2021	20/10/2021
	May/2021	20/06/2021	20/11/2021
	June/2021	20/07/2021	20/12/2021
	July/2021	20/08/2021	20/12/2021
	August/2021	20/09/2021	20/12/2021
Quarterly	Q1/2020	30/04/2021	30/09/2021
	Q2/2020	30/07/2021	30/12/2021



## Decree 52/2021/ND-CP – Deferral of tax payments

### 3-month deferral of CIT payments

Type of CIT payment	Regular deadline	Extended deadline
Interim CIT for Q1/2021	30/04/2021	30/07/2021
Interim CIT for Q2/2021	30/07/2021	30/10/2021

## Decree 52/2021/ND-CP – Deferral of tax payments

Rules for claiming tax deferrals:

- Tax debts (including those deferred last year) & late payment penalties (if any) must be fully paid by 30 July 2021.
- A formal tax deferral request must be lodged by 30 July 2021 (online submission is acceptable);
- Taxpayers are required to self-access their eligibility and tax offices are not required to inform taxpayers of their approval;



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# Corporate Income Tax Incentives

For supporting industries  
Decree 57/2021/ND-CP  
Effective 4 June 2021



## Decree 57/2021 – Tax incentive for supporting industries

- Corporate income tax (CIT) incentives for businesses in the supporting industries include: 4-years of tax holiday, 9-years of 50% reduction, and 10% reduced tax rate for 15 years.
- Other incentives include import duty for imported fixed assets, quarterly VAT filing (instead of monthly filing), land rental exemption etc.
- Previously, only businesses that commenced operation on or after 1 January 2015 enjoyed these incentives.
- Now, a manufacturing business in the supporting industries that was established as a new business or an expansion of a pre-existed business prior to 1 January 2015 will enjoy these incentives if:
  - It has not been allowed any CIT incentive since the date of its eligibility being certified by the licensing authority; or
  - It had enjoyed CIT incentives under other criteria but they were less generous than the above incentives. So, the business may claim the differences if it still remains in tax incentive period, which is reckoned from the date of its eligibility being certified by relevant authority.
- Eligible products include products in hi-tech, garment, footwear, electronics etc. which are not currently made in Vietnam or which helps Vietnamese products meet European quality standards.

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# Taxation of e-commerce

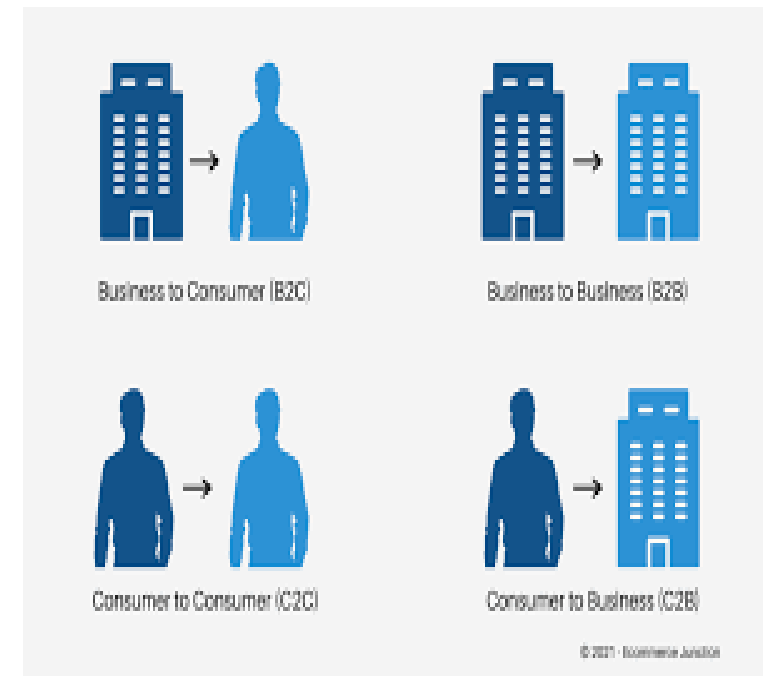


# E-commerce in Vietnam - Overview

## FACTS:

- 13.2USD billion in 2020; expected USD52 billion in 2025;
- ~3.5 million transactions/day
- Average annual growth - 30%.
- Sector growth in 2020: Retail sales-46%; Ride-hailing/food delivery 34%; Marketing & entertainment -18%.
- In 2020, parcel volume increased by 47%; Sales in leading logistics providers increased by 30%-60%.
- 103 million banking cards: 5 million international cards & over 88 domestic cards.
- In 1<sup>st</sup> half of 2020: over 10 million new cards issued by banks; domestic payments increased by 81%, international payments increased by 16%.
- In 2020, payments thru NAPSS grew 185% in volume and 200% in value; E-wallet transaction volume reached 403 million (350% increase), with 23 million new e-wallet accounts (or 200% increase), 70% in HCMC & Hanoi.
- However, cash payments (CoD) still remain high at 80%.

[Source: VECOM's 2021 report]



## Tax legislation dealing with e-commerce

- Tax Administration Law No. 38/2019/QH14 (Art. 42.4)
- Decree No. 126/2020/NĐ-CP (Art. 30.3)
- Circular No. 105/2020/TT-BTC
- The draft Circular on tax administration



# Taxation of e-commerce – Who will be targeted/affected?

## E-commerce suppliers:

- Local suppliers - Corporates or individuals
- Foreign suppliers - Corporates or individuals

## E-commerce buyers:

- Local buyers - Corporates or individuals
- Foreign buyers – Not affected

## E-flatform providers:

- Local s-flatform providers - Corporates or individuals
- Foreign e-flatform providers - Corporates or Individuals

## Local intermediaries:

- Banks, payment service providers
- Logistics providers – Currently not affected

Those underlined will be targeted/affected. Others are either irrelevant or not affected or maybe affected but currently not regulated.





# Taxation of e-commerce – Who will be targeted/affected?

## 1. Local suppliers/e-platform providers:

- 1.1 Corporates are not affected, as they continue to be governed by conventional tax rules.
- 1.2 Individuals earning more than VND100 million/year pays taxes at flat rates, 0%-5% VAT and 0.5%-5% PIT, depending the types of goods/services. For example, 1%VAT and 0.5% PIT for trading; 5%VAT and 2% PIT for services; 3% VAT and 1.5% PIT for logistics and catering services etc. – **Targeted**



## 2. Foreign suppliers/e-platform providers – **Targeted (see next slides)**

### 3. Local buyers:

- 3.1 Corporates/individuals buying from a local supplier – **Not affected.**
- 3.2 Corporates/individuals buying from a foreign supplier – **Affected (see next slides)**



## 4. Foreign buyers – **Not affected.**

## 5. Local e-commerce intermediaries:

- 5.1 Banks, payment service providers – **Affected (see next sides)**
- 5.2 Logistics providers: corporates & individuals – **May be affected**



# E-commerce tax compliance requirements

Foreign e-suppliers and e-platform providers are “foreign contractors”, in the ordinary context of Vietnam’s tax legislation. They are now “foreign suppliers”, in the context of taxation of e-commerce.

Foreign suppliers who do not have a PE in Vietnam are required to register for taxation, file tax returns and pay taxes directly or through an authorised agent in Vietnam as regulated by the Ministry of Finance (Art.42.4, Law No. 38/2019/QH14).

## Obligations of banks, payment intermediaries (Art. 30.3, Decree 126):

- Banks and payment intermediaries are required to withhold taxes, file tax returns and pay the taxes withheld on behalf of the foreign suppliers.
- General Department of Taxation (GDT) identifies the (delinquent) foreign suppliers, discloses publicly their name and website, and informs the banks and payment intermediaries to identify the bank accounts for tax withholding.
- Where the banks or payment intermediaries cannot withhold taxes, the buyers making the payments by bank cards or other facilities are required to trace the payments and provide the information to the GDT on a monthly basis.

# E-commerce tax compliance requirements

## Who is required to register for e-commerce taxation

(Arts.4.2.e&g, & 5.3.d&e, Cir 105)

- Foreign suppliers carrying on e-commerce or other business transactions thru an e-platform with any organisation or individual in Vietnam – They will be granted (a 10-digit) tax code for their direct tax filing, or to be provided to their tax withholding agents, banks or payment intermediaries; or
- Banks, payment intermediaries, organisations or individuals (including tax agents) authorised by the foreign suppliers to file tax returns and pay taxes on its behalf.



# E-commerce tax compliance requirements – Draft guidance

## Tax registration, filing and payment:

A foreign supplier may:

- register for taxation, change of tax registration details through GDT's website;
- Use the electronic verification code for lodgment e-returns at the local tax office;
- Pay taxes through the bank account registered with the tax office in VND or foreign currency;

## Local buyer's obligations when a foreign supplier fails to register for taxation:

- Corporate buyers will be required to withhold taxes, file tax returns and pay the taxes withheld.
- Banks or payment intermediaries will be required to do so, if the buyer is an individual.



# E-commerce taxation – Ambiguities & potential issues

1. What are the rules for cash-on-delivery (CoD) transactions? Will the logistics providers or the buyers be responsible/pernalised for the supplier's non-compliance?
2. Who must issue a tax invoice if a payment is made by cards/e-wallets to the e-flatform providers who collect the payment on behalf of the suppliers (e.g. hotel bookings)
3. Are e-flatform providers' services = "services" or "IT services"?
4. E-flatform providers = "service providers" or "commissioned sales agents"?
5. Digital services of a foreign supplier = services performed/consumed Vietnam?
6. Digital services of a local supplier to foreign buyers = export services?
7. Foreign e-flatform providers' services to foreign/local suppliers in Vietnam = services performed/consumed outside of Vietnam?
8. Are foreign e-flatform providers' services that assist a local suppliers' export sales considered as "trade promotion/export brokering" or "online-advertising/marketing"?
9. Are foreign suppliers' sales to Vietnam = "trading-in Vietnam" or "trading-with Vietnam"?
10. Does in-the-cloud mean on-the-ground? i.e.. digital presence = physical presence?
11. Local e-flatform/logistics providers = PEs in Vietnam?
12. Tax treaty interactions

# E-commerce taxation – things to check before buying

1. Is your supplier in Vietnam or overseas?
2. Is the e-platform provider in Vietnam or overseas?
3. Are you paying directly to the supplier or thru the e-platform provider?
4. Has the foreign supplier/e-platform provider registered for taxation?
5. If not, has their bank/payment intermediary registered to withhold their Vietnam's taxes?
6. If not, are you required/allowed to withhold their Vietnam's taxes?
7. Who is going to issue a tax invoice to you?
8. If you are buying for your company, does your company have a written policy/instruction in place authorising you to do so?



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# Transfer Pricing Update

Decree 132/2020/ND-CP

Effective 20 December 2020



## Transfer Pricing Decree 132/2020

Changes	Decree 132/2020/ND-CP Effective 20 December 2020	Formerly
Guiding Circular	There will be no guiding Circular (per GDT's OL 217).	There was the guiding Circular 41/2017/TT-BTC
New terminologies (Art 4.2,3,10)	"agreement of competent authority", "international tax treaties" and "reporting agent" etc. are defined.	These terms were not defined.
Tax authorities' database (Art 7.4)	A broader definition - including information/data collected, developed, or managed by the tax authorities, from different sources, including those exchanged with overseas tax and other competent authorities.	Narrower definition which basically included only tax authorities' internal database.
Standard arm's length value range (Art 4.9)	<ul style="list-style-type: none"> <li>• 35% - 75%;</li> <li>• Median = 50%</li> </ul>	<ul style="list-style-type: none"> <li>• 1st quartile - 3rd quartile.</li> <li>• Median = 2<sup>nd</sup> quartile</li> </ul>



## Transfer Pricing Decree 132/2020

Changes	Decree 132/2020/ND-CP Effective 20 December 2020	Former rules/practices
Related party relationships (Art 5.2)	The definition includes extended family relationships (e.g. extended relatives, in-laws).	The definition primarily included immediate family relationships (e.g. immediate relatives or next-of-kins).
New related party definition (Art. 5.2.1)	A business transferring/receiving at least 25% of its owner's capital, or lending/borrowing at least 10% its owner's capital whereby its operator/controller and the counterpart has a related party relationship.	This was not included.
Tax deductibility of interest expenses of related party loans (Art.16.3)	Tax deductions of net interest expenses (after deduction of interest income) is capped at 30% of EBIDA. The undeducted balances may be carried forward up to 5 years. Banks, credit institutions and insurance companies are exempt from this rule.	The cap was 20% until amended by Decree 68/2020.

# Transfer Pricing Decree 132/2020

Changes	Decree 132/2020/ND-CP Effective 20 December 2020
Lodgement of Country-by-Country (CbC) reports (Art.18.5.a&b)	<p>An ultimate parent company in Vietnam with annual global consolidated revenue of VND18,000 billion (~USD782million) or more must lodge a CbC report within 12 months following the group's financial year-end.</p> <p>If the ultimate parent company is overseas where CbC report lodgement is required, it will also be required in Vietnam if:</p> <ul style="list-style-type: none"> <li>• An effective tax treaty exists but no Competent Authority Agreement ("CAA") exists as at the due date of the CbC report in Vietnam; or</li> <li>• A CAA exists but the exchange of information concerning CbC reports is suspended;</li> <li>• There are more than one subsidiaries in Vietnam and the taxpayer is responsible for lodgement of CbC reports in Vietnam.</li> </ul>
CbC report exemption (Art 18.5.c)	<p>Lodgement of CbC reports is exempt if the overseas ultimate parent company has appointed one of its subsidiaries to lodge such report on its behalf by the due date for lodgement of the same in Vietnam, subject to ALL following conditions:</p> <ul style="list-style-type: none"> <li>• The country of residence of the parent company and the appointed subsidiary also requires lodgement of the same report;</li> <li>• An effective CAA exists at the due date for lodgement;</li> <li>• The exchange of information is not suspended;</li> <li>• The appointed subsidiary has provided the appointment letter the tax authority in the relevant country by the last day of the group's financial year;</li> <li>• The taxpayer has provided the tax authorities in Vietnam a copy such appointment letter, and the name, tax filing number of the parent company or the appointed subsidiary by the last day of the group's financial year.</li> </ul>

# Tax administration

Decree 126/2020/ND-CP

Effective 5 December 2020



## Decree 126/2020 - Tax Administration

Changes	New Decree 126/2020/ND-CP Effective 5 December 2020	Former rules/practices
Suspension/early resumption of business (Art 4.1)	<ul style="list-style-type: none"> <li>All registered businesses must lodge their notices of suspension/resumption with the business registration office, not the tax office.</li> <li>Unregistered businesses may continue to lodge these notices with the tax office. The deadline is one working day before the proposed date of business suspension/early resumption.</li> </ul>	<ul style="list-style-type: none"> <li>These were handled by the tax office.</li> <li>The former deadlines were 15 days for organisations and 1 working day for household businesses and individuals earning business income.</li> </ul>
Tax filing during business suspension (Art.4.2a)	Suspended businesses are not required to file tax returns for the periods (i.e.. months, quarters, and calendar years) that they are completely out of business. However, they must file tax returns for the periods that are in business.	Suspended businesses were not required to file tax returns unless they have taxable transactions. If the business was suspended for only part of a financial/calendar year, then the relevant annual tax returns must be filed.

## Decree 126/2020 - Tax Administration

Changes	Decree 126/2020/ND-CP Effective 5 December 2020	Former rules/practices
Business suspension (Art. 4.4)	A business already registered with the tax office may not suspend the business when the tax office has notified that it is not doing business at its registered business address.	This was unregulated.
Change of registered details (Art. 6.2)	Individual taxpayers must notify the tax office of any change in their ID cards or passports within 20 days (or 30 days in remote areas).	The deadline was 10 days.
Amendment of tax returns (Art 7.4)	When an employer/employee amends an annual PIT return, they must also amend the relevant monthly/quarterly tax return(s) which have/caused the errors/omissions.	Amendment of the monthly/quarterly tax return(s) were not required.
Amendment of VAT returns to increase a VAT refund claim (Art. 7.4)	A taxpayer may amend its VAT returns to increase the VAT refund only if it has not lodged a VAT return for the subsequent period or a VAT refund claim.	Such amendment was allowed, as long as (i) the VAT credits had not been offset in any subsequent VAT return(s) and (ii) a VAT refund claim had not been lodged.

## Decree 126/2020 - Tax Administration

Changes	Decree 126/2020/ND-CP Effective 5 December 2020	Former rules/practices
Separate VAT returns for BCCs (Art. 7.2.d)	A taxpayer must file a separate VAT return for any revenue that they collect on behalf of the government or a Business Co-operation Contract (BCC)	This was unregulated.
Tax filing exemptions (Art. 7.3.a&c)	A taxpayer is not required to file a tax return for the tax(es) which they enjoy full tax exemption.  Export Processing Enterprises are not required to file VAT returns if their only revenue is export revenue.	Generally, taxpayers earning only VAT-exempt revenue were not required to file VAT returns. If they earned taxable revenue (e.g. sale of fixed assets), they would be required to file a VAT return.
Centralised tax filing and allocation of tax payments (Art. 11.2)	A business that has dependent units in different cities/provinces and its accounting functions are centralised at the tax office may centralise all tax filings at the head office. However, they must prorate and allocate tax payments to the cities/provinces where the dependent units are located.	Centralised tax filing was only allowed to taxpayers who had manufacturing units in other cities/provinces. No local tax filing was required if the units did not directly sell products or earn any revenue, and all accounting functions are centralised at the head office.

## Decree 126/2020 - Tax Administration

Changes	Decree 126/2020/ND-CP Effective 5 December 2020	Former rules/practices
Filing VAT returns for real estate transactions (Art.11.b)	A taxpayer who has real estate transactions a city/province other the city/province of its head office must file the relevant tax returns in such other city/province.	The requirement only applied if the taxpayer had a business unit (e.g. branch or project office) in other cities/provinces.
Corporate Income Tax (CIT) tax returns for real estate transactions (Art.8.4.e)	Transaction-based tax returns are required only if the taxpayer pays CIT based on a flat rate on the revenue (instead of 20% on the net profit).	Transaction-based tax returns applied to all taxpayers whose licensed scope of business did not include real estate, or included only certain real estate activities.
Interim CIT payments (Art. 8.6.b)	From 2021, the sum of all interim CIT payments of a taxpayer in the first 3 quarters of a tax year may not less than 75% of its annual CIT liability in the annual CIT return. Taxpayers must self-assess and pay interest penalties on the shortfall for the period reckoned from the due date of the 3 <sup>rd</sup> quarterly CIT payment to the date of payment of the shortfall.	If the sum of four quarterly interim CIT payments was less than the annual CIT liability by 20% or more, the interest penalties on the shortfall will be reckoned from the date following the due date for the 4th quarterly CIT payment to the date of payment of the shortfall.

## Decree 126/2020 - Tax Administration

Changes	Decree 126/2020/ND-CP Effective 5 December 2020	Former rules/practices
Interim CIT payments for off-the-plan property sales or finance-leases (Arti.6.8)	Taxpayers who collect pre-payments for off-the-plan sales or finance-leases of infrastructure or real estates pay interim CIT at 1% of the pre-payments.	Interim CIT payments were based on: <ul style="list-style-type: none"> <li>• 20% of gross profit (i.e.. pre-payments deducted by the matching expenses); or</li> <li>• 1% of pre-payments, if the matching expenses could not be determined.</li> </ul>
Profit after-tax-and-reserves (PATR) (Art. 8.6.c)	From 2021, the PATR of the first 3 quarters of a tax year must not be below 75% of the PATR in the annual CIT return.	The PATR of a financial year must not be less than 80% of the same in the annual CIT return.
Property buyer's tax filing obligations (Art.7.5.g)	If a property sales contract specifies that the buyer is responsible for paying taxes then the buyer must file the relevant tax return(s) on behalf of the seller's unless the seller is exempt from taxes.	The same rule applied, except that buyer was required to file tax returns on behalf of the seller, even if there was no tax payable.
Employers' PIT filing & payment for their employees (Arts 8.1.a & 9.1.b)	By default, employers are required to file PIT returns and pay PIT for their employees monthly. If they are eligible for quarterly VAT filing then they may elect to file PIT returns and pay PIT quarterly.	Employers who were eligible for quarterly VAT filing were allowed to file PIT returns and pay PIT for their employees quarterly. However, they must change to monthly filing when the total PIT payable in any monthly PIT return reached or exceeded VND50 million.



## Decree 126/2020 - Tax Administration

Changes	Decree 126/2020/ND-CP Effective 5 December 2020	Former rules/practices
PIT withholding returns (Art.7.3.b)	All businesses are required to lodge a PIT withholding return even if there is no PIT withheld in a particular month/quarter.	No PIT withheld, no PIT return.
Filing PIT returns for individual distributors (Art.7.5.d)	A business is required to file a PIT return and pay PIT when it pays a bonus, reward for achievement of sales targets, promotion, commercial/payment discount, or any other supports in the form of cash or benefits to an individual distributor, or a distributor being a member of a business household.	No rule other than the guidance that such businesses were not required to do so when they paid commercial discounts to their individual distributors.
Custodian PIT filings (Art. 7.5.d)	<p>A custodian is required to file PIT returns and pay PIT in respect of:</p> <ul style="list-style-type: none"> <li>• the dividends, bonuses, profits in the form of shares received by an individual shareholders; or</li> <li>• the capital contributions in the form of properties, shares or securities by an individual shareholder.</li> </ul> <p>The timing for filing tax returns and tax payment is when the shareholder transfers the shares/capital or withdraw the capital.</p>	The shareholders were required to file PIT returns and pay PIT by themselves.

## Decree 126/2020 - Tax Administration

Changes	Decree 126/2020/ND-CP Effective 5 December 2020	Former rules/practices
Direct PIT filing & payment (Arts 8.1.a & 9.1.b)	Individuals who file PIT returns and pay PIT by themselves may elect to do so monthly or quarterly.	Only residents earning employment income were allowed to file PIT returns and pay PIT quarterly.
Surrendering of PIT withholding certificate (Art 8.6.d1)	When an employee is transferred within a group, the receiving company is responsible for filing the employee's annual PIT returns (unless the employee opts otherwise), which covers the income paid by former company. The employee must surrender the PIT withholding certificate issued by the former company (if any) to the receiving company.	The same rule applied but no surrendering of the PIT withholding certificate was required.
Place of filing PIT returns for foreign property rental income (Art.11.6)	A resident earning overseas property rental income files PIT returns for such rental income at the tax office in the location where he/she resides.	This was unregulated.
Place of filing PIT returns for income from different sources (Art. 11.7.b1)	An individual earning income from different sources files annual PIT returns in the place where he/she earns the highest income.	The place of filing annual PIT returns was where he/she claimed the personal deductions, or where he/she resided if no personal deduction was claimed.

# Tax invoices & documents

Decree 123/2020/ND-CP  
Effective 1 July 2020

**HÓA ĐƠN**  
**GIÁ TRỊ GIA TĂNG**

Mã số: 0102KTM01  
Ký hiệu: PL/11P  
Số: **0000000**  
Mức

Ngày: / / năm 20

Đơn vị bán hàng: CÔNG TY CỔ PHẦN THƯƠNG MẠI VÀ GIÁO DỤC PHẠ LÊ XÃNH  
Mã số thuế: 0104999500  
Địa chỉ: Số 52, phố Hàng Bùn, P. Quận Thái, Q. Ba Đình, TP Hà Nội  
Điện thoại: 04.6657.6007 Fax:  
Số tài khoản: Tài N/A

Họ tên người mua hàng:  
Tên đơn vị:   
Mã số thuế:   
Địa chỉ:

Hình thức thanh toán: Số tài khoản

STT	Tên hàng hóa, dịch vụ	Đơn vị tính	Số lượng	Đơn giá	Thành tiền
1	2	3	4	5	6=2x4x5

Tổng cộng hàng:   
Số tiền thuế GTGT: S. Thuế suất GTGT:   
Tổng cộng tiền thanh toán:

Số tiền viết bằng chữ:

Người mua hàng (Ký, ghi rõ họ tên)      Người bán hàng (Ký, ghi rõ họ tên)      Thủ trưởng đơn vị (Ký, đóng dấu, ghi rõ họ tên)

Chữ in màu, chỉ được sử dụng khi có mặt chữ in màu

**HÓA ĐƠN**  
**GIÁ TRỊ GIA TĂNG**

Mã số: 0102KTM01  
Ký hiệu: PL/11P  
Số: **0000000**  
Mức

Ngày: / / năm 20

Đơn vị bán hàng: CÔNG TY CỔ PHẦN THƯƠNG MẠI VÀ GIÁO DỤC PHẠ LÊ XÃNH  
Mã số thuế: 0104999500  
Địa chỉ: Số 52, phố Hàng Bùn, P. Quận Thái, Q. Ba Đình, TP Hà Nội  
Điện thoại: 04.6657.6007 Fax:  
Số tài khoản: Tài N/A

Họ tên người mua hàng:  
Tên đơn vị:   
Mã số thuế:   
Địa chỉ:

Hình thức thanh toán: Số tài khoản

STT	Tên hàng hóa, dịch vụ	Đơn vị tính	Số lượng	Đơn giá	Thành tiền
1	2	3	4	5	6=2x4x5

Tổng cộng hàng:   
Số tiền thuế GTGT: S. Thuế suất GTGT:   
Tổng cộng tiền thanh toán:

Số tiền viết bằng chữ:

Người mua hàng (Ký, ghi rõ họ tên)      Người bán hàng (Ký, ghi rõ họ tên)      Thủ trưởng đơn vị (Ký, đóng dấu, ghi rõ họ tên)

Chữ in màu, chỉ được sử dụng khi có mặt chữ in màu

## Decree 123/2020 – Tax invoices & documents

Changes	Decree 123/2020 Effective 1 July 2022
Scope (Art. 2)	Scope of application is expanded to include: <ul style="list-style-type: none"> <li>• Organisations collecting taxes, fees and other charges;</li> <li>• Organisations responsible for withholding PIT;</li> <li>• Printers of invoices/vouchers and suppliers of invoice printing software</li> </ul>
Invoice design and usage (Art 4.3)	Additional rules on the form/format of electronic certificates of PIT withholding, certificates of payment of taxes, fees and other charges etc. are introduced.
Prohibitions (Art 5)	<ul style="list-style-type: none"> <li>• Tax officers are prohibited from (amongst other things) creating difficulties to taxpayers in relation to their requests for tax invoices.</li> <li>• Unauthorized access to e-invoice verification IT systems is prohibited.</li> </ul>
Illegal invoices & illegal use of invoices (Art 3.9)	Specific definitions of illegal invoices and illegal use of invoices are provided.
Third-party invoices (Art 3.9)	Rules are introduced for third-party invoices when a seller wishes a third-party to invoice the buyer on its behalf. Currently, there are no such rules.

## Decree 123/2020 – Tax invoices & documents

Changes	Decree 123/2020 Effective 1 July 2022
Timing for issuing invoices (Art 9.4)	Specific timing is set for 14 different cases.
Required details in an invoice (Art 10.9)	Most of required details in an invoice remain unchanged, except for a new rule that if the date of e-signature of an e-invoice is different from the date the e-invoice was created, the later date is taken as the date of tax reporting.
E-invoices that need not contain all compulsory details (Art 10.14(k))	Certain compulsory details including unit/volume, unit price, name of goods/services may be excluded from an e-invoice, if a reference to the sale contract/ agreement is made in the goods/service description column of the e-invoice. This rule is applicable to businesses that carry on: construction/installation; manufacturing; or services.
Invoice requisition/replenishment (Art 24.1)	New rules including required documents and procedures for invoice requisition or requests of invoice replenishment are introduced.
Permissible quantity of invoice requisition (Art 24.2)	For businesses that must acquire tax invoices from the tax office (instead of being allowed to create their own invoices), must acquire invoices from the tax office on a monthly basis. The quantity of invoices of the 1st invoice acquisition must not exceed 50 invoices per each type of invoice.

# Decree 123/2020 – Tax invoices & documents

Changes	Decree 123/2020 Effective 1 July 2022
Seller/Buyer's obligations (Arts 55.2 & 56)	<p><b>Seller's obligations:</b></p> <ul style="list-style-type: none"> <li>• Register e-invoices</li> <li>• Publicly disclose the ways their e-invoices may be retrieved and verified;</li> <li>• Prepare and issue an invoice upon delivery of goods/services;</li> <li>• Submit invoice usage reports and invoicing data to the tax office, if the invoices are acquired from the tax office;</li> </ul> <p><b>Buyer's obligations:</b></p> <ul style="list-style-type: none"> <li>• Provide accurate invoicing details to the seller;</li> <li>• Sign all copies of the invoice and do so only when all required invoicing details are filled in;</li> <li>• Use invoices only for the right purpose;</li> <li>• Provide invoicing details to the tax office upon request.</li> </ul>
Invoice requirements for a new business (Art 60.2)	<ul style="list-style-type: none"> <li>• All new businesses established during the period from 19 October 2020 (the date of release of Decree 123) to 30 June 2022 that meet the IT requirements for e-invoices must adopt e-invoice if they receive a tax office's request to do so.</li> <li>• All new businesses that do not meet the IT requirements for e-invoices may use paper-based invoices but they must submit the invoicing data to the tax office together with their VAT returns.</li> </ul>

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# Risk-based Tax Administration

(Circular 31/2021/TT-BTC effective 2 July 2021  
replacing Circular 204/2015/TT-BTC)



## Circular 31/2021 – Risk-based tax administration

New risk rating system:

1. Taxpayer's compliance ratings:

- Rating 1 – High
- Rating 2 – Moderate
- Rating 3 – Low
- Rating 4 – Non-compliance

*The current regulation (Circular 205/2015) only for the first 3 ratings.*

2. Taxpayer's risk profile rating:

A taxpayer's risk profile is rated as "high", "moderate" or "low" (Arts 11 & 12).



The current rules provide for 6 ratings for corporate taxpayers, including a risk rating for a new company which has commenced business form less than 12 months (Art. 17.1, Cir 204/2015). However, this has been abolished by the new rule (Art. 11.1, Cir. 31).



## Circular 31/2021 – Risk-based tax administration

### What the tax authorities may do with tax compliance ratings:

A tax office may apply the following “tax compliance improvement measures” to a taxpayer (per Art. 14):

- For taxpayers with a **“high compliance”** rating – Including the taxpayer in the list of taxpayers to be commended; or
- For taxpayers with an **“improvement required”** rating – Co-ordinating with the relevant authorities and tax agents to provide the taxpayers with the necessary compliance support, such as including the taxpayer to “get-to-know-taxpayers” programs, inviting the taxpayer to tax seminars/dialogues/training etc.



## Circular 31/2021 – Risk-based tax administration

Risk-based tax administration approach (Art. 15) will be extended to individual taxpayers (currently applicable to corporate taxpayers), including:

- Individuals earning business income and individual members of a household business;
- Individuals earning taxable income other than business income (e.g. royalty income or other windfall income);
- Individuals earning real estate income.

A risk rating will also be applied to tax registration when (Art. 16):

- A taxpayer requests for change of its registered details which triggers a change of tax filing location;
- A taxpayer files a notice of business suspension; or
- A taxpayer files a notice of discontinuation of the use of its tax code.



# Circular 31/2021- Risk-based tax administration

## 1. Risk rating of a taxpayer's tax returns (Art 17):

- Where a taxpayer's tax returns are rated with **"high risk"**, the tax office must conduct an off-site review of the taxpayer's documents;
- Where a taxpayer's tax returns are rated with **"moderate/low risk"**, the tax office may defer such a review.

## 2. Risk rating of a taxpayer's tax refund claims:

Currently, a taxpayer's refund claim under goes the following (Art 18.1, Cir 31):

- Audit-before-refund, where a tax refund claim is rated with **high risk**;
- Refund-before-audit, where a tax refund claim is rated with **moderate/low risk**;

## 3. Timing of post-refund audits:

The new rules set the following timing for a post-refund audit (per Art. 18.2) (giving opportunity for taxpayers to change or correct its tax returns/tax fund claims and avoid a 20% tax penalties for incorrect tax reporting):

- Within 1 year if rated as **high risk**;
- Within 3 year if rated as **moderate risk**;
- Within 5 year if rated as **low risk**.

The timing is reckoned from the date of the refund decision by the tax office.



# Online Tax Administration

Circular 19/2021/TT-BTC

Effective 3 May 2021



## Circular 19/2021/TT-BTC – Online tax administration

Changes	New Circular 19/2021/TT-BTC <i>effective 3 May 2021</i>
New online procedures <i>(Art. 1.1.a)</i>	Various online procedures are introduced, including requests for a certificate of tax payment; validation of tax account information, tax credits, tax offsets, late payment penalties, deferral of tax payments etc. Previously, only few procedures were available online (e.g. tax registration and tax filing).
Online tax notices/ assessments and correspondences <i>(Art. 5.2)</i>	Tax notices, assessments and correspondences will be delivered to taxpayers via the method they have registered with the tax office, and those documents will be made available online for taxpayer's retrieval. Previously, these documents were only available on GDT's website and the website of T-VAN (GDT's service provider)
E-documents <i>(Art 6.1a)</i>	Various new e-documents are introduced such as tax certificates, documents relating tax exemption/reduction, tax credits/debts/penalties etc.
E-signatures <i>(Art.4.d)</i>	Withholding agents including corporates or individuals that file tax returns and pay taxes on behalf of their foreign contractors may now apply their e-signatures in their tax submissions. Previously, only registered tax agents were permitted to do so.

## Circular 19/2021/TT-BTC – Online tax administration

Changes	New Circular 19/2021/TT-BTC <i>effective 3 May 2021</i>
Date of e-lodgment (Arts 8.1.2 & 8.2)	<p>The date of an e-lodgment is the same date it is made successfully within the hours from 00:00:00 to 23:59:59. Similar rules apply to the dates of receipt of electronic tax notices/assessments and other correspondences from the tax office. These were previously not regulated.</p> <p>For e-lodgments that also require lodgments of hard copies of documents in person or through post services, the date of lodgment is the date in which all required hard copies of documents (including supporting documents) are lodged.</p>
System's downtime (Art 9.3.c)	<p>If the GDT's system is down in the hours after the standard office hours of the due date of a tax lodgment, then the lodgment of a physical (paper-based) documents on the next working day will not be considered as a late lodgment. This was previously unregulated.</p>
Accounts at intermediary service providers. (Art 12)	<p>In addition to online accounts at GDT and T-VAN, taxpayers now may hold online accounts at intermediary service providers for online tax payments.</p>

# Circular 19/2021/TT-BTC – Online administration

Changes	New Circular 19/2021/TT-BTC <i>effective 3 May 2021</i>
Discontinuation of online interactions <i>(Art 12)</i>	Previously, a taxpayer was allowed a discretion to discontinue its electronic interactions with the tax office (and switch to paper-based interactions). This discretion has been abolished i.e. Now, discontinuation may require pre-approval by the tax office.
Initial tax registration <i>(Art 11.b)</i>	Now, a new taxpayer is: <ul style="list-style-type: none"> <li>• no longer required to lodge paper-based documents for initial tax registration if its e-applications have been lodged successfully; and</li> <li>• allowed to lodge such documents through T-VAN.</li> </ul>
Subsequent registrations <i>(Para 11,1, OL 1194)</i>	<p>Previously, there were specific procedures for certain subsequent registrations, including: change of tax registration details, business suspension and termination of a tax code.</p> <p>Now, additional procedures have been prescribed for withholding tax codes, tax codes for individuals earning business income, resumption/earlier commencement of business, reactivation of a tax code etc.</p>

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# Further proposed changes in tax administration

(Draft Circular to replace Circular 156)





## Further proposed changes in tax administration

Issues	Current rules/practices	Proposed changes
Tax currency	Reporting and payment of taxes in foreign currency is now allowable to petroleum taxes, import/export duties, overseas	To add the following entities: <ul style="list-style-type: none"> <li>• Government agencies or NGOs that are permitted to collect fees/charges (e.g. AmCham) in foreign currency; and</li> <li>• Foreign contractors who provide e-commerce platforms (e.g. Google, Facebook, Amazon etc)</li> </ul>
Exchange rate for tax reporting	The buying/selling rate quoted by the taxpayer's bank, for revenue/expense, respectively.	<ul style="list-style-type: none"> <li>• For CIT – the rate used in the financial statements.</li> <li>• For PIT &amp; FCWT – the rate quoted by Vietcombank on the last day of the tax reporting period.</li> <li>• Other taxes – the rate stated on the invoices.</li> </ul>
Tax forms	Too many tax forms and they are difficult to complete.	To remove or simplify various tax reporting forms for VAT, SST, natural resource tax, environment tax, CIT and PIT, including new CIT forms for reporting real estate, transfer of technology, e-commerce transactions;  New forms for election of tax payment method, tax registration for non-employment income earners, tax resident/non-residents filing tax returns directly with the tax office, PIT withholding forms for employers etc.

## Further proposed changes in tax administration

Issues	Current rules/practices	Proposed changes
Provincial tax allocations	Some taxpayers are required to report and pay interim taxes (e.g. VAT) in other cities/provinces where they earn income and reconcile at the head office at year-end.	<p>To abolish such requirements. Instead, all tax reporting may be done at the head office. However, the provincial allocation of tax payments will continue to operate.</p> <p>This change will ensure that taxpayers' overall tax payments will not exceed their overall tax liabilities.</p>
VAT centralisation and provincial VAT payment allocations	Some businesses with operations in different provinces are allowed to centralise their VAT filings at the head office but are still required to pay provincial VAT based on the actual revenue generated by their provincial business units.	<p>The VAT centralised reporting rules will continue to operate. However, the VAT payments will be allocated based on revenue of the prior year, and if the prior's year revenue is not available then based on revenue projections. Payments will then be reconciled at year-end.</p> <p>This new rule will apply to taxpayers with business units that engage in manufacturing, digital lotteries, real estate trading and construction.</p>

## Further proposed changes in tax administration

Issues	Current rules/practices	Proposed changes
Specific rules on provincial VAT payments	Provincial real estate trading construction, manufacturing units pay 2% at the relevant province.	The rate to be reduced to 1% for trading and construction. Manufacturers with intercompany movements of inventories must allocate VAT payments based on the actual intercompany's price of the inventories.
Allocation of provincial CIT payments	Applicable to business units engaging in manufacturing, real estate trading and digital lotteries.	The rules remain largely unchanged, except that the expenses which form the basis for allocation of CIT payment will exclude intercompany expenses and expenses attributable to income that enjoy tax incentives.
Tax offsets	Automatic tax offsets are permitted only in specified cases.	The same rules will continue to apply. In addition, where the tax debts/credits are under the same local State Treasury account, the taxpayer may request the tax office to make the offsetting without referring it to the State Treasury Office.  In other cases, the taxpayer may seek a refund/offset at the same time.

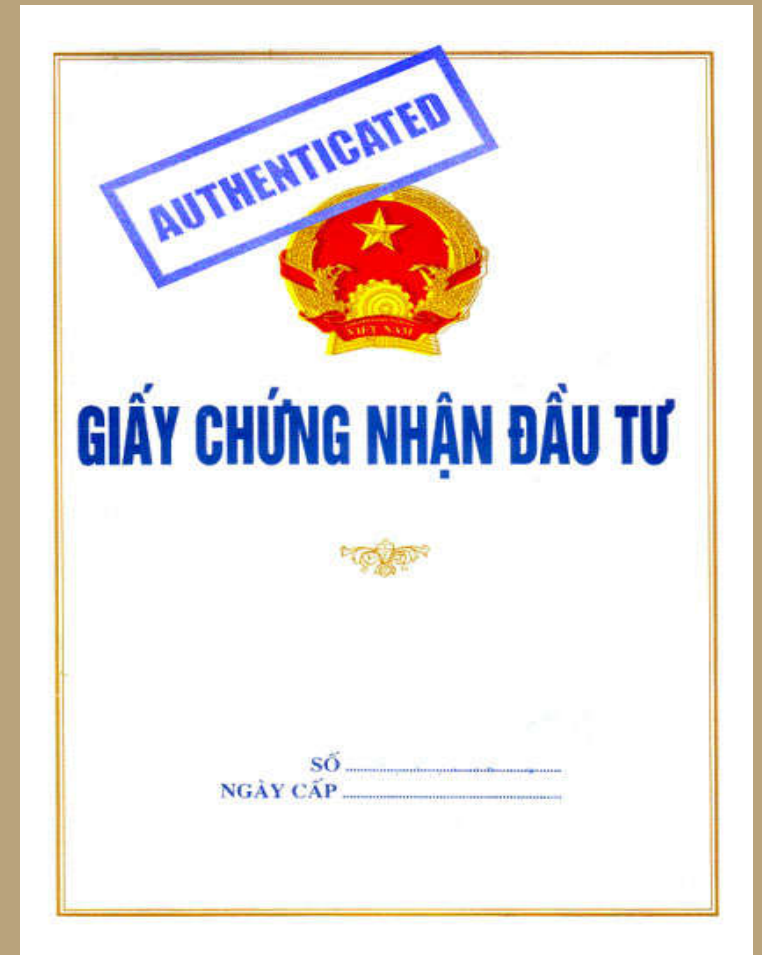
## Further proposed changes in tax administration

Issues	Current rules/practices	Proposed changes
Tax refund under a tax treaty	Not specifically regulated.	Specific standard forms and supporting documents are prescribed and taxpayers must explain in writing (using a standard form) if it is unable to provide any required document.
Tax refund upon cessation of business	A separate refund application is required.	No separate refund application will be required. The tax office will process the refund based on the taxpayer's notice of discontinuation of tax code, the Minutes of the final tax audit (in which the taxpayer must specify its request for tax refund).
Tax refund applications	Refund applications must be lodged in person at the tax office.	Refund applications may lodged by emails, via postal services or in person at the tax office. The tax office must inform the taxpayer of its receipt/return of the refund application within 3 working days. A tax refund will be updated in the taxpayer's online account within the same day of the tax refund decision.
Timing for tax refunds/offsets	Not specifically regulated.	No tax refund or tax offset will be accepted if they are not claimed by a taxpayer within 10 years.
Certification of tax payment	The tax office is required to process a taxpayer's request within 5 working days.	To increase to 10 working days.

# New investment registration rules

Decree 31/2021/NĐ-CP

Effective 26 March 2021



## Decree 01/2021 – Change in business registration rules

Changes	Decree 31/2021/NĐ-CP Effective 26 March 2021	Previously
New restricted businesses to FDI	<p>A list consisting of 25 types of business where FDI is restricted was announced in Appendix 1A of Decree 31.</p> <p>In addition, a list of 59 types of business where FDI may be permitted subject to conditions is released in Appendix 1B of the same Decree.</p>	These lists were not available.
Project performance guarantee	For projects that are required to have a performance guarantee, the investor may guarantee by a deposit by a bank guarantee.	The investor could only guarantee by a deposit.
Online investment registration	An investor may apply for new registration or change in registered details online thru the National Investment Web Portal, create an online account, and digital signature, in respect of projects that do not require investment appraisal.	Not regulated.

## Decree 01/2021 – Change in business registration rules

Changes	Decree 31/2021/NĐ-CP Effective 26 March 2021	Previously
Acquisition of a domestic investor's interest in restricted areas by a foreign investor	The acquisition of a domestic investor's interest in a project situated in restricted geographical areas including islands, costal areas, or areas of national security interest is subject to clearances by the Ministry of Defence and Ministry of Police	Not regulated.
Project suspension	A project may be suspended up to 12 months.	Not regulated.
Project termination	Where the legality of an project or part of it is based on fictitious civil arrangement, the licensing authorities may seek a court order to void such civil arrangement and terminate the entire project or part of it.	Not regulated.
Employment of disabled persons	A project that employs disabled persons equivalent to 30% of its annual average workforce or more will be eligible for investment incentives.	Not regulated.

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# New business registration rules

Decree 01/2021/NĐ-CP

Effective 1 January 2021





## Decree 01/2021 – Change in business registration rules

Changes	Decree 01/2021/ND-CP Effective 34 January 2021	Former rules under Decree 78/2015/ND-CP
Business registration number	Business registration number is now as the same as the number for registration for employees' social insurance.	The business registration number was as the same as the tax code.
Incorporation announcement fee	Refundable if the application for business registration is rejected.	Unregulated.
Change of business registration details	Changes of business registration details on the business registration electronic portal must be completed with 60 days following the date of receipt of a notice by the business registration office.	30 days, previously.
Registration of business name	An applicant may bring a business registration office to an administrative court, it rejects the applicant's proposed business name.	Unregulated.
Date of business commencement	A business may commence business any time after the date it is granted the business registration certificate, except where specific conditions apply.	A business may commence on the date it is granted the business registration certificate, except where conditions apply.
Suspension or early resumption of business	A business must notify the business registration office of its suspension or early resumption of business at least 3 working days in advance. Each period of suspension must not exceed 1 year.	At least 15 days and the period of suspension must not exceed 2 years.

# Immigration Update



## Immigration Update - Work permit exemption

A foreigner is exempt from work permit in the following cases (amongst others):

- (i) The person is the investor/shareholder of a LLC with minimum capital of VND3 billion(\*)
- (ii) The person is the chairperson or a member of the Management Council of a **joint-stock company** with minimum capital of VND3 billion;
- (iii) The person is an internal assignee of a foreign enterprise which falls within the 11 business sectors specified in Vietnam's Schedule of WTO commitments (e.g. construction, transportation etc.);
- (iv) The person enters Vietnam to work in the capacity of a director, executive director, technical specialists/worker for less than 30 days/visit and not more than 3 visits/year; or
- (v) The person enters Vietnam to perform the duties of establishing commercial presence in Vietnam;

A work permit exemption is valid up to 2 years and renewable. Exemption is not automatic and not valid until the person seeking the exemption has notified the labor authority of his/her eligibility in writing and such notice is accepted/acknowledged.

(\*) The legislation is unclear whether the VND3 billion requirement is applicable to each company or each individual. Under current practice, it applies to each individual, who must be named in the Investment Registration Certificate or the Enterprise Registration Certificate as an individual investor/shareholder, rather than as a representative of a corporate investor/shareholder.



## Immigration Update - Types of visa

Type of visa	Who is eligible	Validity
DT1-Visa	A foreign investor or a representative of a foreign entity: <ul style="list-style-type: none"> <li>Investing in Vietnam with a capital of VND100 billion or more; or</li> <li>Investing in a <u>promoted</u> business sector or geographical location</li> </ul>	Up to 5 years
DT2-Visa	The same persons as above who: <ul style="list-style-type: none"> <li>Invest in Vietnam with a capital from VND50 billion or above but less than VND100 billion;</li> <li>Invest in an <u>encouraged</u> business sector</li> </ul>	As above.
DT3-Visa	A foreign investor or a representative of a foreign entity investing in Vietnam with a capital from VND3 billion or above but less than VND50 billion	Up to 3 years.
DT4-Visa	The same persons above who invest in Vietnam with a capital less than VND3 billion.	Up to 12 months.
LD1-Visa & LD2-Visa	Foreigners who are either exempted from, or required to have, a work permit, respectively.	Up to 2 years.
All above visas are multiple entry visas and renewable. A visa holder may apply for change of type of visa if he/she becomes eligible for another type of visa.		



# Immigration Update - Temporary Residence Cards (TRC)

Type TRC	Who is eligible	Validity
DT1	DT1-Visa holders	Up to 10 years
DT2	DT2-Visa holders	Up to 5 years.
DT3	DT3-Visa holders	Up to 3 years.
LD1/LD2	LD1/LD2-Visa holders	Up to 2 years

- TRCs are optional and renewable upon expiry. Holders of a valid TRC may be exempt from applying for/renewing their visa and they may apply for change of TRC type if they become eligible to another type of TRC.
- DT4-Visa holders are not eligible for a TRC.
- TRC holders may sponsor their relatives' visits to Vietnam, and their spouse and children below 18 to stay in Vietnam, if their sponsor so agrees.
- TRC holders are exempt from visa for entry to Vietnam as long as their TRC is valid, and they may apply for a Vietnam driver's license and legally register their properties (e.g. vehicles, apartments etc) in Vietnam.





**“Thank you”**



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