

# NEWSLETTER

December 2024



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DETAILED CONTENT

I – UPDATES ON ACCOUNTING - TAX

\* **Decree 180/2024/ND-CP**

- **Issued by:** The Government

- **Dated:** 31/12/2024

- **Content:** Regulations on VAT reduction policy according to Resolution No. 174/2024/QH15 dated November 30, 2024

Continue to reduce value added tax on groups of goods and services currently subject to a tax rate of 10%, except for the following groups of goods and services:

- Telecommunications, financial activities, banking, securities, insurance, real estate business, metals and prefabricated metal products, mining products (excluding coal mining), coke, refined petroleum, chemical products. Details are in Appendix I issued with this Decree.
- Goods and services subject to special consumption tax. Details are in Appendix II issued with this Decree.
- Information technology according to the law on information technology. Details are in Appendix III issued with this Decree.

VAT reduction rate

- Business establishments calculating VAT by the deduction method shall apply the VAT rate of 8% to goods and services specified as above.
- Business establishments (including business households and business individuals) calculating VAT by the percentage method on revenue shall be entitled to a 20% reduction in the percentage rate for calculating VAT when issuing invoices for goods and services eligible for VAT reduction specified as above.

*This Decree takes effect from January 1, 2025 to June 30, 2025.*

\* **Circular 86/2024/TT-BTC**

- **Issued by:** The Ministry of Finance
- **Dated:** 23/12/2024
- **Content:** Regulation on tax registration

This Circular provides regulations for subjects registering for tax directly with tax authorities, tax code structure as prescribed in Point b, Clause 1, Clause 2, Article 30 of the Law on Tax Administration; tax registration procedures as prescribed in Clause 1, Article 41 of the Law on Tax Administration and measures to implement tax management functions for tax registration.

*This Circular takes effect from February 6, 2025, replacing Circular No. 105/2020/TT-BTC dated December 3, 2020 of the Ministry of Finance guiding tax registration.*

Tax codes issued by tax authorities to individuals, households and business households shall be implemented until June 30, 2025. From July 1, 2025, taxpayers, tax authorities, other agencies, organizations and individuals related to the use of tax codes as prescribed in Article 35 of the Law on Tax Administration shall use personal identification numbers instead of tax codes.

\* **Official letter 72/TCT-CS**

- **Issued by:** The General Department of Tax
- **Dated:** 07/01/2025
- **Content:** Declaration of corporate income tax from real estate transfer

In case the Company declares corporate income tax according to the revenue and expense method having real estate transfer activities, it does not have to submit a corporate income tax declaration from real estate transfer for each occurrence (Form 02/TNDN) but only has to declare a corporate income tax finalization declaration (Form 03/TNDN) and temporarily pay corporate income tax quarterly. If the taxpayer declares corporate income tax according to the ratio method on new revenue, it must submit a corporate income tax declaration for real estate transfer activities for each occurrence.

According to the guidance in Joint Circular No. 88/2016/TTLT/BTC-BTNMT, "Declaration of income tax from real estate transfer" is not a mandatory document when determining financial obligations for real estate transfer activities.

Therefore, the regulations on corporate income tax declaration do not affect the dossiers for determining the financial obligations of taxpayers according to the instructions in Joint Circular No. 88/2016/TTLT/BTC-BTNMT mentioned above.

**\* Official letter 64340/CTHN-TTHT**

- **Issued by:** Tax Department of Ha Noi
- **Dated:** 03/12/2024
- **Content:** Determining exempted and reduced corporate income tax

Corporate income tax incentives are only applicable to enterprises that implement accounting, invoice, voucher and pay corporate income tax according to the declaration. The Company is responsible for determining the conditions for tax incentives, preferential tax rates, tax exemption and reduction periods, and the amount of losses deducted (-) from taxable income to self-declare and self-settle taxes with the tax authority according to the provisions of Article 22 of Circular No. 78/2014/TT-BTC. In case the Company has a revenue or deductible expense that cannot be accounted for separately, the revenue or deductible expense shall be determined according to the ratio between the revenue or deductible expense of production and business activities enjoying tax incentives and the total revenue or deductible expense of the enterprise according to the provisions of Clause 2, Article 18 of Circular No. 78/2014/TT-BTC.

**\* Official letter 31856/CTBDU-TTHT**

- **Issued by:** Tax Department of Binh Duong Province
- **Dated:** 20/12/2024
- **Content:** Issuing invoices to customers who do not take invoices

When selling goods or providing services, the company must issue an invoice to the buyer (including cases of goods and services used for promotion, advertising, samples; goods and services used for giving, presenting, exchanging, paying in lieu of salary for employees or for internal consumption) and must fully state the content according to regulations. In case the buyer does not take the invoice, the company must still issue an invoice and the invoice must fully display the information according to regulations in Article 10 of Decree No. 123/2020/ND-CP.

**\* Official letter 32578/CTBDU-TTHT**

- **Issued by:** Tax Department of Binh Duong Province
- **Dated:** 26/12/2024
- **Content:** Salary from voluntary pension fund

In case a company has a foreign employee assigned to work in Vietnam as an internal transferee, if that individual participates in the Voluntary Pension Fund according to the regulations of the country where that individual is a citizen, the pension income from the Voluntary Pension Fund that the individual receives is an income exempt from personal income tax, regardless of the form of payment.

**\* Official letter 32591/CTBDU-TTHT**

- **Issued by:** Tax Department of Binh Duong Province
- **Dated:** 26/12/2024
- **Content:** Issuing invoices for lending machine

In case the company lends out machinery, the company will issue an invoice and when the customer returns the machinery, the company will issue an adjusting invoice in accordance with Decree 123/2020/ND-CP. In case a fixed asset during the lending period is not used for production and business activities, its depreciation cost will not be included in deductible expenses when determining taxable income for corporate income tax.

**\* Official letter 33216/CTBDU-TTHT**

- **Issued by:** Tax Department of Binh Duong Province
- **Dated:** 31/12/2024
- **Content:** Asset liquidation of exporting processing enterprises

Exporting processing enterprises that liquidate fixed assets in the form of selling to domestic entities shall not apply the policy on management of exported and imported goods at the time of sale or liquidation to the domestic market, except for goods which is subject to management following conditions, standards, and specialized inspections that have not been performed upon import, and goods managed by licenses must be approved in writing by the import licensing authority as prescribed in Article 26 of Decree 35/2022/ND-CP. When liquidating fixed assets domestically, the company uses an electronic sales invoice, clearly stating "For organizations and individuals in non-tariff zones".

## II – UPDATES ON INVESTMENT - ENTERPRISES

### Amendments to 04 Laws related to investment and bidding

On November 29, 2024, the National Assembly adopted Law No. 57/2024/QH15 amending the Law on Planning, the Law on Investment, the Law on Investment under the public-private partnership model, and the Law on Bidding 2024. Specifically, the Law amends and supplements some articles of the following laws:

- Law on Planning 2017;
- Law on Investment 2020;
- Law on PPP 2020;
- Law on Bidding 2023.

*The Law shall take effect from January 15, 2025.*

### Procedures for issuing the operation license of commercial banks and finance companies in Vietnam from December 24, 2024

On December 24, 2024, the State Bank issued the following Circulars:

- Circular 56/2024/TT-NHNN stipulates the dossier and procedures for the initial licensing of commercial banks, branches of foreign banks, and foreign representative offices.
- Circular No. 57/2024/TT-NHNN stipulates the dossiers and procedures for the initial licensing of non-bank credit institutions, including General Finance Companies and specialized Finance Companies.

*This Circular shall take effect from December 24, 2024.*

### Abolition of certain provisions guiding the Commercial Law on prohibited, restricted, and conditional goods and services

On December 27, 2024, the Government issued Decree No. 173/2024/ND-CP, partially abolishing Decree No. 59/2006/ND-CP, which guides the Commercial Law regarding prohibited, restricted, and conditional goods and services. It also repeals Decree No. 43/2009/ND-CP in its entirety.

*This Decree shall take effect from February 15, 2025.*

### Announcement of new standards on industrial emissions

On December 30, 2024, the Ministry of Natural Resources and Environment issued Circular No. 45/2024/TT-BTNMT promulgating national technical regulations on industrial emissions - QCVN 19:2024/BTNMT.

Accordingly, from July 1, 2025, investment projects (including new investment projects, projects expanding scale or capacity, submitting dossiers for EIA appraisal, environmental licensing, or environmental registration) must comply with the regulations in QCVN 19:2024/BTNMT on permissible limit values of pollutant parameters in industrial emissions (emissions generated during production, business, and service activities) when discharged into the air.

*This Circular shall take effect from July 1, 2025.*

### Conditions for investment cost support from the Investment Support Fund for high-tech enterprises effective from December 31, 2024

On December 31, 2024, the Government issued Decree No. 182/2024/ND-CP on establishing, managing, and using the Investment Support Fund.

Accordingly, to receive investment cost support from the Investment Support Fund, high-tech enterprises, enterprises with investment projects to produce high-tech products, and enterprises with projects applying high technology must meet the conditions specified in this Decree.

*This Decree takes effect on December 31, 2024.*

### Several new environmental protection regulations effective from January 6, 2025

On January 6, 2025, the Government issued Decree No. 59/2024/TT-NHNN amending and supplementing certain provisions of Decree No. 08/2022/ND-CP dated January 10, 2022, detailing some articles of the Environmental Protection Law. This Decree amends, supplements, and introduces significant changes, including:

- Requirements for reevaluating environmental impact when investment projects change in scale, capacity, or production technology.
- Documents, procedures, and processes for obtaining environmental licenses.
- Cases where investment projects are exempt from environmental registration.
- Responsibilities of hazardous waste source owners.
- Tax, fee, and charge incentives for investment projects on the list of environmental protection activities.

*This Decree shall take effect from the date of signing.*



### III – UPDATES ON LABOR - INSURANCE

#### **From July 1, 2025, foreign employees in Vietnam are allowed to join trade unions**

On November 27, 2024, the National Assembly passed the Vietnam Trade Union Law 2024, replacing the Vietnam Trade Union Law 2012. Accordingly, from July 1, 2025, it will supplement regulations that foreign workers working in Vietnam under labor contracts for 12 months or more are allowed to join and participate in trade union activities at grassroots trade unions.

*This Law shall take effect from July 1, 2025.*

#### **From 2025, outpatient medical examinations and service examinations will also be covered by health insurance**

On January 1, 2025, the Government issued Decree No. 02/2025/ND-CP, amending and supplementing several provisions related to health insurance, including Benefit levels, procedures for medical examination and treatment, and health insurance payment for certain special cases.

Notably, this Decree introduces provisions on the implementation roadmap and reimbursement rates for outpatient medical examination and treatment at basic medical facilities.

*This Decree shall take effect from January 1, 2025.*

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