

NEWSLETTER

January 2025



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I – UPDATES ON ACCOUNTING - TAX

* **Official letter 415/TCT-CS**

- **Issued by:** The General Department of Taxation
- **Dated:** 23/01/2025
- **Content:** Policy on Value Added Tax

In the case where a company temporarily re-imports part of a shipment that was exported for repair (customs declaration type code G13), and then re-exports it back to the foreign customer who was the original buyer (customs declaration type code G23), there is no need to adjust the revenue for the period it was originally exported. If the company has already received a VAT refund for the exported goods but part of the exported goods is returned by the seller, the company must file a supplementary declaration; at the same time, it has to pay back the refunded amount corresponding to the goods that were re-imported, along with any late payment fees as stipulated.

* **Official letter 428/TCT-KK**

- **Issued by:** The General Department of Taxation
- **Dated:** 24/01/2025
- **Content:** Determining the input VAT refund period for exported goods and services

In case the Company that has both exported goods and services and domestically sold goods and services, the Company must separately account for the input VAT used for the production and business of exported goods and services. In case separate accounting is not possible, the input VAT of exported goods and services shall be determined based on the ratio of revenue from exported goods and services to total revenue from goods and services during the tax declaration periods, starting from the tax declaration period following the previous tax refund period to the current tax refund request period.

*** Official letter 245/CTBDU-TTHT**

- **Issued by:** The Tax Department of Bình Duong Province
- **Dated:** 08/01/2025
- **Content:** Issuing invoices for gifted items

In cases where the company gives away goods for free to customers and employees, if the company has conducted the promotional program in accordance with the legal regulations on trade promotion, then when giving goods to customers and employees, the company must issue a VAT invoice. The invoice should list the name and quantity of the goods and clearly state that they are free gifts; the tax base for the gifted goods is determined to be 0.

If a company issues a sales invoice and the customer has received the goods but then wants to return all or part of the items to the company, the company must issue a return invoice to adjust or replace the previously issued invoice. The company and the buyer need to have a clear agreement regarding the returned sold items along with the adjustment or replacement invoice. The handling of invoices with errors is carried out according to the provisions of Article 19 of Decree 123/2020/ND-CP and point e of Clause 1, Article 7 of Circular 78/2021/TT-BTC.

*** Official letter 583/CTBDU-TTHT**

- **Issued by:** The Tax Department of Bình Duong Province
- **Dated:** 14/01/2025
- **Content:** Tax policy on fixed assets

In cases where a company has purchased a production line but has not yet put it into operation and plans to liquidate it, the expenses related to this production line cannot be deducted when determining taxable income according to corporate income tax regulations.

At the same time, the input VAT of the production line and the VAT on expenses related to this asset cannot be creditable according to VAT regulations.

*** Official letter 534/TCT-QLN**

- **Issued by:** The General Department of Taxation
- **Dated:** 11/02/2025
- **Content:** Temporary exit suspension

According to Clause 1, Article 21 of Decree No. 126/2020/ND-CP dated October 19, 2020, issued by the Government, it states:

"1. Cases of temporary exit suspension include:

a) Individuals, or individuals who are lawful representatives of taxpayers that are businesses currently under administrative enforcement of tax management decisions and have not fulfilled their tax obligations."

If there is sufficient evidence to determine that an individual is no longer the lawful representative of a business that is under administrative enforcement of tax management decisions and does not have any obligations regarding the company's tax debts, then that individual will not be subject to temporary exit suspension as per the above regulations.

II – UPDATES ON INVESTMENT - ENTERPRISES

New points of the Law on Electricity 2024

On November 30, 2024, the National Assembly officially passed the Law on Electricity 2024, amending several provisions of the 2004 Law on Electricity, with the following key highlights:

- Reduced from 130 articles to 81 articles;
- Detailed regulations on renewable energy development;
- Restarting nuclear power policies;
- Emphasizing the safety of hydropower dams and reservoirs.

This Law will take effect as of February 1, 2025.

Cases being granted a Retail Establishment License at the Department of Industry and Trade of Ho Chi Minh City

On December 11, 2024, the Ho Chi Minh City People's Council issued Resolution No. 28/2024/NQ-HDND regarding the adjustment of entities responsible for processing the issuance and modification of Retail Establishment License, as stipulated in Decree No. 09/2018/ND-CP.

The resolution specifies cases where the Ho Chi Minh City Department of Industry and Trade has the authority to issue and modify Retail Establishment License for foreign investors and foreign-invested economic organizations operating in the city, without requiring consultation with the Ministry of Industry and Trade.

The processing time ranges from 10 to 35 working days, depending on the case.

This Resolution takes effect as of December 21, 2024.

Amending regulations on foreign currency transactions between the State Bank and credit institutions licensed to conduct foreign exchange activities

On December 17, 2024, the State Bank of Vietnam (SBV) issued Circular No. 54/2024/TT-NHNN, amending and supplementing certain provisions of Circular No. 26/2021/TT-NHNN dated December 31, 2021, which provides guidelines on foreign exchange transactions between the SBV and credit institutions authorized to conduct foreign exchange activities.

The circular revises and supplements regulations on the temporary suspension of foreign exchange transactions between the SBV and authorized credit institutions in cases where the institution:

- Is temporarily suspended from foreign exchange transactions under a Special Control Decision;
- Has its foreign exchange activities suspended.

This Circular takes effect as of February 5, 2025.

Administrative violations in insurance business are fined up to VND 200 million

On December 30, 2024, the Government issued Decree No. 174/2024/ND-CP on administrative penalties in the insurance business sector.

This decree regulates administrative violations, forms and levels of penalties, remedial measures, entities subject to penalties, authority to impose penalties, specific fine amounts, and more.

For each administrative violation in the insurance business sector, individuals and organizations will face monetary fines as the primary penalty, with a maximum fine of up to VND 100 million for individuals and VND 200 million for organizations. In addition, violators may also face temporary suspension of operations.

This Decree takes effect as of February 15, 2025.

New regulations on extra teaching and learning outside of school from February 14, 2025

On December 30, 2024, the Minister of Education and Training issued Circular No. 29/2024/TT-BGDĐT regulating private tutoring activities. The circular includes provisions for organizations or individuals conducting paid tutoring outside of schools (hereinafter referred to as tutoring centers), requiring them to comply with the following requirements:

- Register for a business license in accordance with the law;
- Publicly disclose on their website or post at their headquarters details about the subjects offered, teaching duration for each subject and grade level, location, format, schedule, list of tutors, and tuition fees before enrolling students.

This Circular takes effect as of February 14, 2025.

Amending some circulars regulating fees and charges in the field of travel services

On January 24, 2025, the Minister of Finance issued Circular No. 06/2025/TT-BTC, amending and supplementing certain provisions of the ministry's circulars on fees and charges. Notably, in the field of travel services, the regulations are as follows:

- (i) Appraisal fees for issuing travel service business licenses (both international and domestic):
- New issuance: VND 3,000,000 per license.
 - License modification: VND 2,000,000 per license.
 - License reissuance: VND 1,500,000 per license.
- (ii) Fees for issuing a license to establish a representative office in Vietnam for foreign travel service businesses:
- New issuance: VND 3,000,000 per license.
 - Reissuance, modification, or extension: VND 1,500,000 per license.

This circular takes effect as of March 10, 2025.

III – UPDATES ON LABOR - INSURANCE

Regulations on adjustment of salary and monthly income for which social insurance has been paid

On January 10, 2025, the Ministry of Labor, Invalids and Social Affairs issued Circular No. 01/2025/TT-BLDTBXH regulating the adjustment of monthly salaries and incomes subject to social insurance contributions. The circular specifies the applicable subjects, the adjustment of salaries, and the adjustment of monthly incomes used for social insurance contributions.

This Circular takes effect as of February 28, 2025.

Procedures for payment of sickness, maternity and occupational accident benefits from January 24, 2025

On January 24, 2025, Vietnam Social Security issued Decision No. 186/QD-BHXH announcing the amendment and supplementation of administrative procedures related to the implementation of social insurance policies under its jurisdiction.

This decision updates 15 revised procedures for handling social insurance benefits, including: Processing sickness benefits, Maternity benefits, Occupational accident and disease benefits for cases of workplace accidents, Lump-sum social insurance benefits, among others, etc.

The Decision takes effect from the date of signing.

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