

NEWSLETTER

June 2024



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DETAILED CONTENT

I – UPDATES ON ACCOUNTING - TAX

* **Decree 72/2024/ND-CP**

- **Issued by:** The Government

- **Dated:** 30/06/2024

- **Content:** Policy of value added tax reduction in accordance with Resolution no. 142/2024/QH15 dated 29/06/2024

Reduced value-added tax from 01/07/2024 to 31/12/2024 for groups of goods and services currently applying the tax rate of 10%, **except for** the following groups of goods and services:

- a) Telecommunications, financial activities, banking, securities, insurance, real estate, metals and prefabricated products, mining products (excluding coal mining), coke, oil Refined mines, chemical products. Details are in Appendix I issued together with this Decree.
- b) Goods and services subject to excise Sales Special Tax. Details are in Appendix II issued with this Decree.
- c) Information technology under the law on Information technology. Details are in Appendix III issued with this Decree.

Enterprises that calculate value-added tax by the credit method may apply the value-added tax rate of 8% for specified goods and services.

Enterprises (including business households and business individuals) that calculate value-added tax according to the percentage method on turnover are entitled to a reduction of 20% of the percentage rate to calculate value-added tax when issue invoices for goods and services eligible for value-added tax reduction as prescribed.

Enterprises shall make and submit the declaration of their goods and services that are eligible for VAT reduction using Form No. 01 in Appendix IV enclosed herewith together with the VAT return form.

This Decree takes effect from July 01, 2024 to December 31, 2024 inclusively.

II – UPDATES ON INVESTMENT - ENTERPRISES

Decree 55/2024/ND-CP regulating in detail certain provisions of the Law on Consumer Rights Protection

On May 16, 2024, the Government issued Decree 55/2024/ND-CP detailing certain provisions of the Law on Consumer Rights Protection; within which Chapter III specifically addresses the protection of consumer rights in transactions with individuals engaged in independent, regular commercial activities without the need for business registration.

This Law takes effect from July 01, 2024.

Law on Electronic Transactions 2023

On June 22, 2024, the 15th National Assembly passed the Law on Electronic Transactions no. 20/2023/QH15, adding 33 articles and regulating 18 new articles. Some new points are as follows:

- Expanded the scope of regulation and subjects of application compared to previous provisions to align with the development of Industry 4.0 and the digital economy;
- Provided more detailed and specific regulations on prohibited acts in electronic transactions, facilitating legal compliance as outlined in Article 6;
- Added provisions on trust services in Section 2, Chapter III of the Law on Electronic Transactions 2023. Accordingly, trust services include: timestamping services, data message authentication services, and public digital signature authentication services. These additions align with the reality of electronic transactions in recent times. The regulation and control of trust services aim to ensure the full legal value, accuracy, and security of electronic transactions;
- Added provisions for converting between paper documents and data messages in Article 12.

This Law takes effect from July 01, 2024 and replaces the Law no. 51/2005/QH11.

Decree 69/2024/ND-CP regulating on conditions for providing electronic authentication services

On June 25, 2024, the Government issued Decree 69/2024/ND-CP stipulating the conditions for providing electronic authentication services.

Accordingly, the Decree specifies that organizations and enterprises providing electronic authentication services must meet conditions regarding organization, personnel, facilities, technical equipment, service provision management processes, and security measures.

Organizations and enterprises providing electronic authentication services must be public non-business units or enterprises under the People's Public Security. The head of the organization or the legal representative of the enterprise must be a Vietnamese citizen, permanently residing in Vietnam.

This Decree takes effect from July 01, 2024.

III – UPDATES ON LABOR - INSURANCE

* Decree 73/2024/ND-CP

- **Issued by:** The Government

- **Dated:** 30/06/2024

- **Content:** Prescribing common basis salary rate and bonus policy for officials, public employees and armed forces

The common basic salary rate applied from July 01, 2024 is VND 2.340.000 per month.

The common basic salary rate shall be used as the basis for:

- a) Calculating salaries in payrolls, allowances and other benefits as per the law with regard to individuals who have worked in agencies, organizations and public service providers of the Communist Party, the State, the Vietnamese Fatherland Front, or in state-funded socio-political organizations and associations that operate in central echelon, in central-affiliated cities and provinces (hereinafter referred to as “provinces”), in suburban districts, urban districts, district-level towns, provincial-affiliated cities and cities affiliated to central-affiliated cities (hereinafter referred to as “districts”), in communes, wards and commune-level towns (hereinafter referred to as “communes”), in special administrative and economic units and the armed forces;
- b) Calculating operation funding and subsistence allowances as per the law;
- c) Calculating deductions and benefits according to the common basic salary rate.

This Decree comes into force from July 01, 2024.

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The Government's Decree 24/2023/ND-CP dated May 14, 2023 prescribing statutory pay rate of officials, public employees and armed forces' personnel shall cease to have effect from the effective date of this Decree.

*** Decree 74/2024/ND-CP**

- **Issued by:** The Government
- **Dated:** 30/06/2024
- **Content:** Prescribing the monthly minimum wage paid to employees working under employment contract

Accordingly, Clause 1, Article 3 of Decree 74/2024/ND-CP stipulates the monthly minimum wage and the hourly minimum wage for employees working for employers by region as follows:

Region	Minimum monthly salary (Unit: VND/month)	Minimum hourly wage (Unit: VND/hour)
I	4.960.000	23.800
II	4.410.000	21.200
III	3.860.000	18.600
IV	3.450.000	16.600

The list of areas of Region I, II, III, IV is specified in the Appendix attached to this Decree.

The Decree 74/2024/ND-CP takes effect from July 01, 2024 and replaces the Decree 38/2022/ND-CP dated 12/06/2022.

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