

NEWSLETTER

March 2024



CONTENT

1. Official letter 9577/CTHN-TTHT dated 28/02/2024 issued by the Tax Department of Hanoi about registering a biological sister as the dependent	2
2. Official letter 9579/CTHN-TTHT dated 28/02/2024 issued by the Tax Department of Hanoi about loss transfer when a branch is dissolved	2
3. Official letter 11223/CTHN-TTHT dated 08/03/2024 issued by the Tax Department of Hanoi about policy of personal income tax	2
4. Official letter 12444/CTHN-TTHT dated 14/03/2024 issued by the Tax Department of Hanoi about invoice issuance when providing services	3
5. Official letter 14116/CTHN-TTHT dated 22/03/2024 issued by the Tax Department of Hanoi about VAT declaration of a dependent branch	3
6. Law on Land 31/2024/QH15 dated 18/01/2024 issued by the National Assembly	4
7. Decree 10/2024/ND-CP dated 01/02/2014 issued by the Government about high – tech parks	4
8. Decree 23/2024/ND-CP dated 27/02/2014 issued by the Government about the elaboration of and measures for the implementation of the Law on Bidding on the selection of investors	5
9. Decree 32/2024/ND-CP dated 15/03/2014 issued by the Government about the conditions and application for the establishment and expansion of industrial clusters	5
10. Decree 33/2024/ND-CP dated 27/03/2014 issued by the Government about the implementation of the Convention on the Prohibition of the Development, Production, Stockpiling, and Use of Chemical Weapons	6
11. Issuing HS code list for the category of goods under the management of the Ministry of Agriculture and Rural Development	6
12. Change details of the labor supply contract	7
13. The government approves the proposal to exchange working days for the holidays of April 30 and May 1, 2024	7
14. Amendments to 10 administrative procedures in the field of employment from March 29, 2024	7

DETAILED CONTENT

I – UPDATES ON ACCOUNTING - TAX

* **Official letter 9577/CTHN-TTHT**

- **Issued by:** The Tax Department of Hanoi
- **Dated:** 28/02/2024
- **Content:** Registering a biological sister as the dependent

In case a taxpayer registers a biological sister as the dependent (the dependent's parents are still alive and have a pension of 3.5 million VND/month/person), it is not a case of a helpless individual whom the taxpayer is directly nurture according to the provisions of law; hence it is not eligible for family deduction when calculating personal income tax according to the provisions of Clause 1, Article 9 of Circular No. 111/2013/TT-BTC of the Ministry of Finance.

* **Official letter 9579/CTHN-TTHT**

- **Issued by:** Tax Department of Hanoi
- **Dated:** 28/02/2024
- **Content:** Loss transfer when a branch is dissolved

In case a branch is an independent accounting unit and declares its own corporate income tax, when it is dissolved, the company inherits all obligations and rights of the branch, if the tax authority has checked the tax obligation status of the branch and determines the detailed loss of each year, then that loss is tracked in particular according to the year of occurrence and is transferred to the company when determining taxable income of the company. The time of loss transfer is implemented based on the regulations.

* **Official letter 11223/CTHN-TTHT**

- **Issued by:** Tax Department of Hanoi
- **Dated:** 08/03/2024
- **Content:** Policy of personal income tax

In case a company gives gifts to individuals (not employees of the company) and the gifts are not listed in Clause 10, Article 2 of Circular 111/TT-BTC of the Ministry of Finance, the income from receiving this gift is not subject to personal income tax.

In case the company pays an amount of money to the employee collective to serve the collective's activities (this money will be used by the collective and the individual is only the person appointed to represent the collective to receive it), then this income is not included in the personal income taxable income of the individual receiving it.

* **Official letter 12444/CTHN-TTHT**

- **Issued by:** Tax Department of Hanoi
- **Dated:** 14/03/2024
- **Content:** Invoice issuance when providing services

In case a company provides services to customers, the time of invoice issuance is when service provision is completed, regardless of whether money has been collected or not. If the company collects money before or while providing services, the time of invoice issuance is when collecting money according to the instructions in Clause 2, Article 9 of Decree No. 123/2020/ND-CP dated October 19, 2020 of Government.

In case the company provides services to customers including many service stages, for each time of handover the company must issue an invoice for the corresponding delivered service according to the instructions in Clause 3, Article 9 of Decree No. 123/2020/ND-CP.

* **Official letter 14116/CTHN-TTHT**

- **Issued by:** Tax Department of Hanoi
- **Dated:** 22/03/2024
- **Content:** VAT declaration of a dependent branch

In case a dependent unit (a branch) has business activities and does not fully track and account for output and input VAT, the head office shall declare and submit VAT declarations of both the company and the branch in different provinces for the tax authority who directly manages the headquarter according to the provisions of Clause 1 and Clause 2, Article 11 of Decree 126/2020/ND-CP of the Government.

In case that dependent unit (the branch) directly sells and uses invoices registered by itself or by the taxpayer with the tax authority managing the dependent unit, fully accounts and tracks output and input VAT, then the dependent unit declares and pays VAT to the tax authority directly managing the branch according to the provisions of Clause 4, Article 13 of Circular 80/2021/TT-BTC of the Ministry of Finance.

II – UPDATES ON INVESTMENT - ENTERPRISES

* Law 31/2024/QH15

- **Issued by:** The National Assembly
- **Dated:** 18/01/2024
- **Content:** Law on Land

On January 18, 2024, the National Assembly issued Land Law No. 31/2024/QH15, replacing the Land Law 2013 and amending several related Laws including Investment Law 2020; Law on Personal Income Tax 2007; Law on Planning 2017; etc.

The law has several outstanding new points such as:

- Amending the method to determine Taxable incomes from real estate transfer;
- Supplementing article on Commercial Arbitration's authority to resolve land disputes;
- Annulling land price framework, promulgating a new Land price list from January 1, 2026;
- Adding more cases of exemption or reduction of land use fees;
- Adding various forms of compensation for people whose land is recovered;....

This Law shall take effect from January 1, 2025.

* Decree 10/2024/ND-CP

- **Issued by:** The Government
- **Dated:** 01/02/2024
- **Content:** High - tech parks

The Decree stipulates several notable new contents as follows:

- Regulation on investment capital for construction and development of High-Tech Parks;
- Types of capital that specific investment projects may mobilize from the issuance of government bonds or local government bonds;
- Regulation on the type of budget that the High-Tech Park Management Boards are allowed to mobilize;
- Regulation on the use and mobilization of capital sources.

The Decree shall take effect from March 25, 2024.

*** Decree 23/2024/ND-CP**

- **Issued by:** The Government

- **Dated:** 27/02/2024

- **Content:** The elaboration of and measures for the implementation of the Law on Bidding on the selection of investors

Decree provides detailed instructions on the following contents:

- Incentives, costs, methods; procedures in selection of investors;
- Process, procedures, costs, and roadmap for online bidding to select investors;
- Content of business investment project contract;
- Inspect and supervise bidding activities to select investors;
- Projects that are subject to/not subject to bidding to select investors; etc.

The Decree shall take effect from the date of signing

*** Decree 32/2024/ND-CP**

- **Issued by:** The Government

- **Dated:** 15/03/2024

- **Content:** The conditions and application for the establishment and expansion of industrial clusters

In particular, the Decree regulates in detail the conditions and application for the establishment and expansion of industrial clusters.

The Decree shall take effect from May 1, 2024, and replace Decree 68/2017/ND-CP dated May 25, 2017, and Decree 66/2020/ND-CP June 11, 2020.

*** Decree 33/2024/ND-CP**

- **Issued by:** The Government

- **Dated:** 27/03/2024

- **Content:** The implementation of the Convention on the Prohibition of the Development, Production, Stockpiling, and Use of Chemical Weapons

The decree introduces some noteworthy points as follows:

- Updating the list of chemicals in Schedule 1, Schedule 2, and Schedule 3 - which are toxic chemicals under the Chemical Weapons Convention;
- Adding exemptions for certain chemicals listed in the restricted chemical list for production and trading in the industrial sector as stipulated in Appendix II of Decree No. 82/2022/ND-CP;
- Removing some chemicals from the list of conditionally produced and traded chemicals and abolishing the declaration requirement for certain chemicals as stipulated in Appendix I and Appendix V of Decree No. 113/2017/ND-CP.

This Decree shall come into effect from May 19, 2024.

Issuing HS code list for the category of goods under the management of the Ministry of Agriculture and Rural Development

On February 2, 2024, the Minister of Agriculture and Rural Development issued Circular No. 01/2024/TT-BNNPTNT to issue the HS code list for the category of goods under the state management authority of the Ministry of Agriculture and Rural Development, and the list of goods for export and import subject to specialized inspection in the field of agriculture and rural development.

Accordingly, Decision No. 27/2023/QD-TTg has been issued for the HS code list for the category of goods under the state management authority of the Ministry of Agriculture and Rural Development.

Decision No. 29/2023/QD-TTg shall come into effect from March 20, 2024.

III – UPDATES ON LABOR - INSURANCE

Change details of the labor supply contract

On February 23, 2024, the Minister of Labor, War Invalids and Social Affairs issued Circular 02/2024/TT-BLĐTBXH on amendments to some Articles of Circular No. 21/2021/TT-BLĐTBXH dated 2020 on the elaboration of Law on Vietnamese Guest Workers; in which:

- Amending the detailed content of labor supply contracts according to market, sector, profession, and job;
- The labor supply contract is agreed upon by the service enterprise and the foreign employment receiver but shall ensure the minimum requirements according to the contract details as mentioned above.

The Circular shall take effect from May 15, 2024.

The government approves the proposal to exchange working days for the holidays of April 30 and May 1, 2024

On April 12, 2024, the Government Office issued Official Letter No. 2450/VPCP-KGVX in response to Official Letter No. 1511/LĐTBXH-CATLĐ dated April 11st, 2024, agreeing with the proposal of the Ministry of Labor - Invalids and Social Affairs regarding the exchange of working days for the holidays of Reunification Day on April 30th and International Workers' Day on May 1, 2024.

This Official Letter shall take effect from the date of issuance.

Amendments to 10 administrative procedures in the field of employment from March 29, 2024

On March 29, 2024, the Minister of Labor - Invalids and Social Affairs issued Decision No. 351/QĐ-BLĐTBXH regarding the announcement of administrative procedures amended and supplemented in the field of employment within the scope of state management functions of the Ministry of Labor - Invalids and Social Affairs. Accordingly, accompanying Decision No. 351/QĐ-BLĐTBXH is the announcement of 10 administrative procedures amended and supplemented in the field of employment within the scope of state management functions of the Ministry of Labor - Invalids and Social Affairs, including:

- Procedures for participating in unemployment insurance;
- Procedures for resolving, temporarily suspending, continuing, terminating benefits, and transferring the place of receiving unemployment benefits;
- Procedures for resolving vocational training support;

- Procedures for support in counseling, job introduction;
- Procedures for monthly job search notification.

This Decision shall come into effect from the date of signing and amend, supplement Decision No. 1872/QĐ-LĐTĐXH dated December 22, 2015.

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