

NEWSLETTER

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DETAILED CONTENT

I – UPDATES ON ACCOUNTING - TAX

* **Official letter 4991/TCT-CS**

- **Issued by:** The General Department of Taxation
- **Dated:** 05/11/2024
- **Content:** Tax policy on sales discounts and trade discounts

In case the company applies a sales discount or a form of trade discount for customers, the VAT taxable price is the reduced price or the discounted trade price for customers. In case the trade discount is based on the quantity and turnover of goods and services, the discount amount of the sold goods will be adjusted on the sales invoice of the last purchase or the following period. In case the discount amount is established at the end of the sales discount program (period), an adjustment invoice will be issued with a list of invoices that need to be adjusted, the adjusted value and the tax amount. Based on the adjustment invoice, the seller and the buyer declare the adjustment of the purchase and sale revenue, output and input taxes, etc.

* **Official letter 4999/TCT-CS**

- **Issued by:** The General Department of Taxation
- **Dated:** 05/11/2024
- **Content:** Invoice issuance and invoice adjustment

When selling goods or providing services, the seller must issue an invoice to deliver to the buyer (including cases of goods and services used for promotion, advertising, samples; goods and services used for giving, donating, exchanging, paying in lieu of salary for employees and internal consumption (except for goods circulated internally to continue the production process); exporting goods in the form of loans, lending or returning goods and must fully record the content according to the provisions of Article 10 of Decree 123/2020/ND-CP. In case of using electronic invoices, it must follow the standard data format of the tax authority as prescribed.

In case the seller issues an invoice when collecting money in advance or while providing services as prescribed in Clause 2, Article 9 of Decree No. 123/2020/ND-CP, and then there is a cancellation or termination of service provision, the seller shall cancel the issued electronic invoice and notify the tax authority of the invoice cancellation according to Form No. 04/SS-HDDT in Appendix IA issued with the Decree.

*** Official letter 54481/CTHN-TTHT**

- **Issued by:** The Tax Department of Hanoi
- **Dated:** 04/10/2024
- **Content:** Tax policy on real estate transfer activities

- Regarding Value Added Tax:

Real estate transfer activities are subject to the VAT rate of 10% as prescribed in Article 11 of Circular No. 219/2013/TT-BTC.

The VAT taxable price for real estate transfer activities is the real estate transfer price minus (-) the land price deducted for calculating value added tax. The land price deducted for calculating VAT is implemented according to the provisions of Clause 1, Article 1 of Decree No. 49/2022/ND-CP.

- Regarding corporate income tax:

The corporate income tax amount in the tax period for real estate transfer activities is equal to the taxable income from real estate transfer activities multiplied (x) by the tax rate of 20% as prescribed in Clause 2, Article 17 of Circular No. 78/2014/TT-BTC, Article 9 of Circular No. 96/2015/TT-BTC of the Ministry of Finance.

Taxable income from real estate transfer is determined by the revenue from real estate transfer minus the cost price of the real estate and deductible expenses related to the real estate transfer. Revenue and expenses from real estate transfer are determined according to the provisions of Article 17 of Circular No. 78/2014/TT-BTC of the Ministry of Finance.

*** Official letter 27659/CTBDU-TTHT**

- **Issued by:** The Tax Department of Binh Duong Province
- **Dated:** 22/10/2024
- **Content:** Tax policy on capital contributions

In case, before being granted the establishment license, if the foreign investor opens a foreign currency direct investment capital account at a licensed credit institution to conduct receipt and payment transactions related to direct investment activities in Vietnam in accordance with the regulations on foreign exchange management for foreign direct investment activities in Vietnam, the land rental deposit and advance payment that the foreign investor transfers from the above capital account to the account of the land lessor shall be considered a valid capital contribution of the investor to the company.

In case the foreign investor transfers money directly from abroad to the account of the land lessor to pay the land rental deposit without going through a direct investment capital account opened at a licensed credit institution, it is not in accordance with the regulations and this amount is not considered a valid capital contribution of the investor to the company.

*** Official letter 27668/CTBDU-TTHT**

- **Issued by:** The Tax Department of Binh Duong Province
- **Dated:** 23/10/2024
- **Content:** Buying and selling goods abroad

In case the company needs to sell goods in the form of not carrying out import and export procedures at Vietnam Customs, which is to buy goods in country A and sell directly to country B, if the company has documents proving that the delivery of goods is carried out outside Vietnam according to regulations and meets the conditions as guided in Point a, Clause 2, Article 9 of Circular 219/2013/TT-BTC, the revenue the company receives from selling the above goods abroad is subject to 0% VAT rate, and at the same time the company issues VAT invoices according to the provisions of Clause 1, Article 4 of Decree 123/2020/ND-CP.

II – UPDATES ON INVESTMENT - ENTERPRISES

*** Decree 124/2024/ND-CP**

- **Issued by:** The Government
- **Dated:** 05/10/2024
- **Content:** Amending and supplementing a number of articles of Decree No. 86/2018/ND-CP dated June 6, 2018 on foreign cooperation and investment in the field of education

The amended and supplemented contents include:

- Conditions for educational institutions with foreign investors contributing capital, purchasing shares, or acquiring equity;
- Types of educational institutions with foreign investment;
- Requirements for naming, licensing procedures, rights, and obligations of foreign-invested educational institutions;
- Minimum investment capital conditions for establishing foreign-invested primary and secondary educational institutions, etc.

This Decree shall take effect on November 20, 2024.

*** Decree 132/2024/ND-CP**

- **Issued by:** The Government
- **Dated:** 15/10/2024
- **Content:** Regulating on overseas investment in the oil and gas sector

This Decree details the conditions, documentation, and procedures for issuing and adjusting overseas investment certificates in the oil and gas sector, as well as the financial and reporting requirements. *The Decree shall take effect on December 5, 2024.*

Replacement of 26 procedures in the banking sector

On October 24, 2024, the State Bank of Vietnam issued Decision No. 2349/QD-NHNN, announcing new administrative procedures in the banking sector, including:

- Approval of contributed capital transfer and purchase transactions;
- Approval for establishing branches of non-bank credit institutions;
- Amendments and supplements of licenses for non-bank credit institutions;
- Approval for extending operating terms and supplementing licenses, etc.

The Decision shall take effect from the date of signing.

New administrative procedures in the investment sector taking effect from February 15, 2024

On October 25, 2024, the Ministry of Planning and Investment issued Decision No. 2469/QD-BKHDT promulgating amended administrative procedures in the field of investment, including:

- Investment guideline approval;
- New issuance, adjustment, suspension, and termination of investment projects;
- Investment through capital contribution and share purchase by foreign investors;
- Establishment of foreign investor representative offices;
- Issuance and adjustment of overseas investment certificates; notification of overseas investment activities;
- Notification of extended timelines for repatriating profits from overseas investment projects, etc.

The Decision shall take effect on February 15, 2024.

III – UPDATES ON LABOR - INSURANCE

*** Decree 143/2024/ND-CP**

- **Issued by:** The Government

- **Dated:** 01/11/2024

- **Content:** Regulations on voluntary occupational accident insurance for employees working without a labor contract

This Decree provides for voluntary occupational accident insurance applicable to workers without labor contracts, including the Voluntary Occupational Accident Insurance Fund; order and procedures for participation and settlement; and the rights and responsibilities of social insurance agencies, labor management agencies, and workers regarding voluntary occupational accident insurance.

The Decree shall take effect on January 1, 2025.

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