

# NEWSLETTER

September 2024



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## DETAILED CONTENT

### I – UPDATES ON ACCOUNTING - TAX

#### \* Official letter 4102/TCT-CS

- **Issued by:** The General Department of Taxation
- **Dated:** 17/9/2024
- **Content:** Tax policy on sponsorship amounts

The current Law on CIT only stipulates that tax-exempt income is the sponsorship received for use in educational activities, scientific research, culture, art, charity, humanitarian and other social activities in Vietnam. Therefore, the sponsorship amounts that the company receives for business projects that are not used for the above purposes are not subject to tax exemption.

This sponsorship is considered other income according to the provisions of Clause 15, Article 7 of Circular 78/2014/TT-BTC dated June 18, 2014. The company is obliged to declare, record and pay corporate income tax on this sponsorship according to regulations.

#### \* Official letter 47287/CTHN-TTHT

- **Issued by:** The Tax Department of Hanoi
- **Dated:** 21/8/2024
- **Content:** Issuing invoice during the time of the company address change

In case the company changes the head office address and has been granted an Enterprise Registration Certificate (revised) by the business registration authority, from the date of issuance of this certificate, when selling goods or providing services, the company must issue invoices to provide to buyers and the invoices must show the name, address, and tax code of the company matched with the name, address, and tax code recorded on the Enterprise Registration Certificate (revised) as prescribed.

After the company completes the procedure for changing the head office address, it must send form No. 01/ĐKTĐ-HĐĐT to the tax authority to change the company address on electronic invoices before issuing the invoices to buyers.

In case there are electronic invoices which have been issued and sent to buyers and then an error is detected in the seller's address while the other contents are correct, the company shall handle the erroneous invoices according to the instructions in Clause 2, Article 19 of Decree 123/2020/ND-CP.

**\* Official letter 53249/CTHN-TTHT**

- **Issued by:** The Tax Department of Hanoi

- **Dated:** 27/9/2024

- **Content:** Allocation of PIT from salaries and wages applying for dependent entities in provinces other than the head office's location

In case a company pays salaries and wages to employees working at a dependent entity in a province other than the head office's location, the company is subject to the following provisions for PIT allocation:

The company shall deduct PIT from income from salaries and wages according to regulations and submit tax declaration dossiers according to Form No. 05/KK-TNCN, appendix table of determining the amount of PIT payables to localities enjoying state budget sources according to Form No. 05-1/PBT-KK-TNCN to the tax authority directly managing it and pay the PIT to the state budget for each province where its employees work. The PIT amount is determined for each province on a monthly or quarterly basis corresponding to the PIT declaration period and is not re-determined when finalizing at year end.

**\* Official letter 27221/CTBDU-TTHT**

- **Issued by:** The Tax Department of Binh Duong Province

- **Dated:** 11/10/2024

- **Content:** Tax policy on expenses of business trips

In case a company decides to send some employees on business trips, the expenses for purchasing air tickets and hotel accommodation for employees are accounted as deductible expenses when determining taxable income of CIT if the conditions specified in Article 4 of Circular No. 96/2015/TT-BTC are met.

In case of purchasing air tickets provided by foreign companies, if the documents received by the company are in accordance with the regulations of the host country, they are considered valid.

In case the company's invoices and documents are issued in a foreign language, they must be translated into Vietnamese according to the provisions of Article 85 of Circular 80/2021/TT-BTC.



## II – UPDATES ON INVESTMENT - ENTERPRISES

### Periodic reporting regime on industrial clusters

On August 15, 2024, the Ministry of Industry and Trade issued Circular No. 14/2024/TT-BCT regulating the periodic reporting regime on industrial clusters, the national industrial cluster database, and several forms for managing and developing industrial clusters.

Applicable subjects include enterprises, cooperatives, and organizations investing in the construction of technical infrastructure for industrial clusters; organizations and individuals conducting business and production within industrial clusters; and other organizations, and individuals involved in managing, investing, and operating industrial clusters.

*This Circular takes effect from October 1, 2024.*

### New points in construction project management and counseling cost norms

On August 30, 2024, the Ministry of Construction issued Circular No. 09/2024/TT-BXD amending and supplementing several construction norms in Circular No. 12/2021/TT-BXD dated August 31, 2021.

The Circular amends and supplements several norms, including construction estimate norms; technology machinery and equipment installation estimate norms; construction repair and maintenance estimate norms; construction material uses norms, and construction project management and counseling cost norms.

*This Circular takes effect from October 15, 2024.*

### Supplement to the regulation on foreign investors not requiring 100% deposit when trading stocks

On September 18, 2024, the Minister of Finance issued Circular No. 68/2024/TT-BTC amending and supplementing several articles of the Circulars regulating securities transactions on the securities trading system; clearing and settlement of securities transactions; operations of securities companies and information disclosure on the stock market.

The Circular supplements the content on foreign institutional investors not being required to have sufficient funds (non-pre-funding) when placing orders for stock purchases. The requirement for foreign investors to deposit 100% of the transaction amount has been seen as a significant bottleneck in upgrading the stock market.

*This Circular takes effect from November 2, 2024.*

### Update to the Decree on administrative penalties for infractions within the land sector

On October 4, 2024, the Government issued Decree No. 123/2024/ND-CP on administrative penalties for civil breaches in the land sector.

The Decree details administrative violations in the land sector, forms of penalties, levels of penalties, remedial measures, authority to record violations, the subjects of penalties, and the authority to impose administrative penalties in the land sector, including violations related to land use and violations in the provision of land services.

*The Decree takes effect from the date of signing.*

### Issuance of the List of Scrap suspended from temporary import, re-export from January 1, 2025

On October 8, 2024, the Ministry of Industry and Trade issued Circular No. 18/2024/TT-BCT regulating the list of scrap suspended from temporary import, re-export, and transit, applicable from January 1, 2025, to December 31, 2029.

*The Circular takes effect from January 1, 2025 until December 31, 2029.*

### Amendment of regulations on reporting the results of promotional programs

On October 10, 2024, the Government issued Decree No. 128/2024/ND-CP amending and supplementing certain Decree No. 81/2018/ND-CP provisions dated May 22, 2018, which details the Commercial Law 2005 on trade promotion activities.

The Decree details the procedures for reporting the results of promotional programs and cases where reporting of promotion results is not required.

*This Decree takes effect from December 1, 2024.*

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