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Updates on recent Vietnam tax regulations in 07/2024

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Document	Content															
<p>1. Decree 72/2024/ND-CP on value-added tax reduction policy according to Resolution 142/2024/QH15, issued by the Government on 30 June 2024</p>	<p>1. In general, the main contents of VAT reduction such as subjects, reduction levels, order and procedures for implementation in Decree 72/2024/ND-CP have no changes compared to Decree 94/2023/ND-CP;</p> <p>2. Particularly for Form No. 01 in Appendix IV – Appendix declaring goods and services eligible for value added tax reduction attached to the VAT declaration, previously only required declaration of goods and services sold within the VAT declaration period. However, according to Decree 72, taxpayers declaring that they are using the tax deduction method will also have to declare goods and services purchased during the period to which the 8% value-added tax rate is applied.</p>															
<p>2. From 01 July 2024, increasing the basic salary and regional minimum salary will increase the maximum salary for social insurance, health insurance, and unemployment insurance.</p>	<p>1. According to Decree 73/2024/ND-CP, from July 1, 2024, the basic salary increases to 2,340,000 VND/month (previously 1,800,000 VND/month).</p> <p>Therefore, the maximum social insurance salary (equal to 20 times the basic monthly salary) will increase from 36 million VND/month to 46.8 million VND.</p> <p>2. According to Decree 74/2024/ND-CP, the regional minimum salary increases as follows:</p> <table border="1" data-bbox="529 665 1881 983"> <thead> <tr> <th>Region</th> <th>Minimum monthly salary (Unit: VND/month)</th> <th>Minimum hourly salary (Unit: VND/hour)</th> </tr> </thead> <tbody> <tr> <td>Region 1</td> <td>4,960,000</td> <td>23,800</td> </tr> <tr> <td>Region 2</td> <td>4,410,000</td> <td>21,200</td> </tr> <tr> <td>Region 3</td> <td>3,860,000</td> <td>18,600</td> </tr> <tr> <td>Region 4</td> <td>3,450,000</td> <td>16,600</td> </tr> </tbody> </table> <p>Accordingly, the maximum unemployment insurance salary will also increase from July 1, 2024.</p>	Region	Minimum monthly salary (Unit: VND/month)	Minimum hourly salary (Unit: VND/hour)	Region 1	4,960,000	23,800	Region 2	4,410,000	21,200	Region 3	3,860,000	18,600	Region 4	3,450,000	16,600
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<p>3. Official dispatch 15080/CTBDU-TTHT dated 03 June 2024 of Binh Duong Tax Department on issuing invoices for temporarily imported and re-exported goods</p>	<p>In case the Company exports goods and then the foreign customer returns them due to defects, the Company shall issue an electronic invoice to receive the goods back. The invoice records the quantity of returned goods and the total amount. payment (negative number) and record a decrease in revenue.</p> <p>After completing the repair of the goods, the Company performs the export and issues an electronic invoice according to the provisions of Article 10 of Decree 123/2020/ND-CP, the "tax rate" line reads: KCT (not taxable).</p>															

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<p>4. Official dispatch 15380/CTBDU-TTHT dated 10 June 2024 of Binh Duong Provincial Tax Department on visa documents for foreign employees</p>	<ol style="list-style-type: none"> 1. In case the Company has electronic visa application activities for foreigners, conduct it on the Government's online visa issuance website and pay visa application fees to service providers, if this expense meets the requirements, meet the conditions related to the production and business activities of the enterprise, have enough legal invoices and documents (if the seller does not provide invoices, there must be documents to prove: confirmation from the Government website, electronic visa results,...) and payment documents are recorded as deductible expenses. 2. In case the above records are presented in the form of electronic information or data, they must ensure accuracy and reliability, and at the same time be stored, accessible and usable in complete form when necessary.
<p>5. Official Dispatch 2677/TCT-CS dated 24 June 2024 of the General Department of Taxation on payment via e-wallet eligible to be considered payment via bank</p>	<p>In case the Company uses the payment method of Smart Network Trading and Service Joint Stock Company, which has been licensed by the State Bank to provide payment services through e-wallets according to regulations in the form:</p> <ol style="list-style-type: none"> 1. The buyer transfers money from the buyer's bank account or payment application to the account of an intermediary partner, Smart Network Trading and Service Joint Stock Company, through the payment support service Smart Pay which is an application on the device, smartphone; 2. If the Smart Network Trading and Services Joint Stock Company transfers all money received to the seller's account at ANZ Bank in accordance with the License to provide payment intermediary services, the above form of payment is determined to be eligible for payment via bank in declaring and deducting VAT according to Circular 219/2013/TT-BTC.
<p>6. Official dispatch 17720/CTBDU-TTHT dated 28 June 2024 of Binh Duong Provincial Tax Department on tax policy when merging businesses</p>	<p>In case the Company is merged into another company (merged company), the merged party must perform tax settlement and fulfill tax obligations before the merger.</p> <p>In case tax obligations have not been fulfilled, the merged party inherits all tax rights and responsibilities after being inspected and checking tax settlement up to the termination of operations of the merged party (No. Tax still payable, tax remaining withheld, tax overpaid).</p> <p>The two parties must prepare a document handing over tax rights and obligations to the merging party to continue to fulfill their obligations to the State Budget according to regulations.</p>

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<p>7. Official Dispatch 2327/TCT-CS dated 03 June 2024 of the General Department of Taxation on investment projects that inherit old, operating projects that are not considered new investment projects to apply CIT incentives</p>	<p>The corporate income tax law has regulations on corporate income tax incentives for new investment projects and expansion investment projects. In case an enterprise has an investment project and is granted an Investment Certificate, but this investment project inherits the assets, business location, business lines and uses old machinery and equipment of the ongoing project to continue production and business activities, this project is not determined to be a new investment project according to tax laws.</p>
<p>8. Official Dispatch 38537/CTHN-TTHT dated 28 June 2024 of the Hanoi Tax Department regarding the content on the invoice must comply with the business registration certificate</p>	<p>The invoice must show the seller's name, address, and tax code according to the name, address, and tax code recorded in the business registration certificate, branch operation registration certificate, and business registration certificate. Business household registration, tax registration certificate, tax code notification, investment registration certificate, cooperative registration certificate according to regulations.</p> <p>In case the branch operation registration certificate shows the abbreviated branch name, the branch may use the abbreviated branch name on the invoice.</p>



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