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NEWLY ISSUED LEGAL DOCUMENTS

1. Law on Housing 2023

On 27 November 2023, the National Assembly passed Law No. 27/2023/QH15 on Housing (“**Law on Housing 2023**”), which will take effect from 1 January 2025 and replace Law No. 65/2014/QH13 on Housing (“**Law on Housing 2014**”), with some notable contents as follows:

1.1 Investor of a commercial housing project must be a real estate enterprise

According to Article 36 of the Law on Housing 2023, the investor of a commercial housing construction and investment project must be a real estate business enterprise. In addition, the amount of equity capital of the investor must be consistent with the law on real estate business to carry out each housing construction and investment project, and the investor must have appropriate capacity and experience as stipulated by law to implement housing construction and investment projects.

Regarding land, the investor must be allocated with land or lease land via winning the auction of land use rights or winning the bid for implementing a project with use of land, or receiving land use rights for the type of land used for commercial housing construction projects, or having land use rights for the type of land used for commercial housing construction projects as stipulated by law.

1.2 Project investor is allowed to reserve 20% of the social housing land fund for commercial purposes

The investors of social housing construction and investment projects without using public investment capital will be allowed to reserve a maximum of 20% of the total residential land area within the project where the technical

infrastructure system has been constructed in order to make place for service and commercial works.

In case the detailed plan of a social housing investment project approved by a competent state agency does not arrange for a separate land fund to build service, commercial, and residential housing within the project, the project investor is allowed to reserve a maximum of 20% of the total residential floor area of the project for service and commercial purposes.

1.3 Issuing Certificates to mini apartment buyers who are eligible

According to Article 57 of Law on Housing 2023, for individuals who wish to build a house with 2 or more floors on each of which apartments are constructed for sale, for lease-purchase, for lease, or combination thereof; or build a house with 2 floors or more and 20 apartments or more for lease (mini apartment buildings) on the residential land area where they have land use rights, they must meet the conditions required of a housing construction project investor. And the construction will be carried out in accordance with the law on construction and other relevant laws for housing construction projects. Accordingly, apartments that meet the said conditions will be granted a Certificate in accordance with the land law, and allowed for sale, for lease-purchase, for lease in accordance with

the Law on Housing 2023 and the law on real estate business.

For those who invest in the construction of a house with 2 or more floors and less than 20 apartments, and on each floor they build apartments for rent, they must meet the requirements in terms of construction, fire prevention and fighting, and traffic roads for easy access by firefighting vehicles.

1.4 The term of use of an apartment is determined according to the design dossiers and period of actual use

Article 58.1 of Law on Housing 2023 stipulates that the term of use of an apartment is determined according to the design dossiers and the period of actual use of the apartment according to the inspection conclusion of a competent authority. This deadline must be clearly stated in the inspection document of the competent authority according to the provisions of construction law. And the term of use of the apartment building is calculated from the date of acceptance and put into use.

Meanwhile, the current Law on Housing 2014 stipulates that the term of use of an apartment building is determined by the level of construction work and the quality inspection conclusion of the provincial housing management agency where the apartment building is located.

1.5 Industrial park workers are supported with accommodation units

According to Article 91.1 and Article 93.2 of Law on Housing 2023, workers working in enterprises, cooperatives,

and unions of production cooperatives in industrial parks will enjoy support policies on providing accommodation for workers in industrial parks.

The investor of the worker accommodation construction project will approve those who are eligible for renting accommodation units in industrial parks. In case an enterprise, cooperative, or union of production cooperatives in an industrial park rents accommodation units in the industrial park to sublease to workers, that enterprise or cooperative will do the assessment.

1.6 The Vietnam General Confederation of Labour is the governing body of social housing investment projects

According to Article 80.4 of the Law on Housing 2023, the Vietnam General Confederation of Labour is the governing body of social housing investment projects financed by trade unions for workers and employees who are eligible for renting social housing.

Accordingly, Article 84.2 of the Law on Housing 2023 stipulates that for social housing construction investment projects financed by trade unions, the determination of the project investor is carried out in accordance with regulations applicable to public investment projects as prescribed by the law on public investment.

At the same time, if a social housing construction project is financed by trade unions, the investor of the social housing construction and investment project will enjoy incentives as prescribed in Article 85.1 of the Law on Housing 2023 as follows:

- Exemption from land use fees and land rent for the entire land area of the project; The investor does not have to carry out procedures to determine land prices, calculate land use fees, is exempted from land rents and does not have to carry out procedures to request exemption from land use fees, land rents, except for cases where land use fees must be paid for the land area reserved for building commercial housing within the project as prescribed by the land law;
- Enjoy incentives for value-added tax and corporate income tax as prescribed by tax laws;
- Supported by the Provincial People's Committee to connect the project's technical infrastructure system with the technical infrastructure system of the region, ensuring synchronisation of social infrastructure inside and outside the project;
- The Provincial People's Council, based on local conditions, promulgates a mechanism to support the implementation of social housing investment projects within the area in accordance with its authority and other relevant laws;
- Other incentives as prescribed by law (if any).

2 Law on Real Estate Business 2023

On 28 November 2023, the National Assembly passed Law No. 29/2023/QH15 on Real Estate Business ("Law on REB 2023"), which will take effect from 1 January 2025 and replace the current Law No. 66/2014/QH13 on Real Estate Business ("Law on REB 2014"), with some notable points as follows:

2.1 Types of real estate and real estate projects put into business

According to Article 5 of the Law on REB 2023, there are 5 types of real estate (RE) or RE projects that are allowed to put into business as follows:

- (1) Existing housing and housing formed in the future;
- (2) Existing construction works, construction works formed in the future, including construction works functioning as educational, medical, sport, cultural, office, commercial, service, tourist, accommodation, and industrial

facilities, and construction works with mixed functions;

- (3) The construction floor area of a construction project as prescribed in Section (2) above;
- (4) Use rights for the land area where technical infrastructure has been set up in RE projects; and
- (5) RE projects.

2.2 Must disclose specific information about RE before putting it into business

According to Article 6 of the Law on REB 2023, before putting RE or RE projects into business, RE business enterprises must fully, honestly and accurately disclose or post information on the information system on housing and RE market and on the websites of the enterprise about (i) RE projects, (ii) houses and construction works formed in the future, (iii) existing houses and construction works, and (iv) and use rights for the land area with technical infrastructure in the RE projects. If the published information changes, it must be updated promptly.

2.3 RE project investors can only collect deposits of no more than 5%

Article 23.5 of the Law on REB 2023 stipulates that RE project investors can only collect from the buyers deposits not exceeding 5% of the selling price, lease purchase price of houses, construction works, the construction floor area in a construction project when the house or construction project has met all conditions for being put into business as prescribed by law. The deposit agreement must clearly state the selling price, lease-purchase price of the house, the construction project, and the construction floor area of the construction project.

2.4 Payment in RE business must be made through a bank account

Article 48 of Law on REB 2023 stipulates that payments in RE transactions and RE projects are agreed upon by the parties to the contract and as prescribed by law. Accordingly, project investors, RE businesses, and RE service businesses receive payments under RE business contracts and RE service

business contracts from customers through accounts opened at domestic credit institutions or foreign bank branches legally operating in Vietnam.

2.5 Reduce payment rates when lease-purchasing houses formed in the future

Article 25.2 of Law on REB 2023 stipulates that payments in the purchase and sale of houses, construction works, and the construction floor area of off-plan construction works can be made many times, the first time not exceeding 30% of contract value including deposit (*previously, the first payment was no more than 30% of contract value*).

Subsequent times must be consistent with the construction progress until the house or construction project is handed over to the lessee-purchaser. The amount of advance payment to the lessor-purchaser must not exceed 50% of the value of the house lease-purchase contract, construction works and construction floor area in construction works (*previously, payment was stipulated to be no more than 70% of the contract value*). The remaining amount is calculated as rent to be paid to the lessor-purchaser within a certain period of time as agreed in the contract.

2.6 Mandatory use of model contracts for RE business

According to Article 45 of Law on REB 2023, RE project investors and RE enterprise must use model contracts according to regulations and must publicise RE business contracts before applying.

However, other organisations and individuals (not RE project investors or RE enterprises) when establishing RE business contracts or RE service contracts are not required to follow the form, but only need to comply with the law on RE business and the Civil Code.

2.7 The actual transaction price must be recorded in the contract

According to Article 47 of Law on REB 2023, the price of selling, transferring, leasing, and leasing RE and RE projects put into business is agreed upon by the parties and the actual transaction price must be recorded in the contract. At the same time, organisations and individuals doing RE business must be responsible for recording transaction prices in contracts that do not match the actual transaction price.

2.8 Customer's right to choose guarantee

Article 26 of Law on REB 2023 stipulates that RE project investors, before selling or lease-purchasing off-plan houses, must obtain approval from domestic commercial banks or foreign bank branches legally operating in Vietnam in favour of the grant of guarantees for the investor's financial obligations to the house buyer or lease-purchaser when the investor does not hand over the house as committed in the off-plan house purchase or lease-purchase contract.

However, when signing a contract to buy, sell or lease a house to be formed in the future, the buyer or lease-purchaser can choose whether or not to have a guarantee for the investor's financial obligations to him or her. In case the buyer or lease-purchaser

chooses not to have a guarantee for the investor's financial obligations to them, the refusal of this guarantee must be agreed in writing at the time of signing the contract for purchase, sale and lease-purchasing off-plan houses.

2.9 Tighten conditions for dividing lots and selling plots

Article 31.6 of Law on REB 2023 stipulates that land transferred to individuals to build their own houses (divide lots, sell plots) must be in the following cases: (i) outside the ward, district and city of urban areas including special type, type I, type II and type III; and (ii) not subject to auction of land use rights to invest in housing construction projects as prescribed by the Land Law.

For the remaining areas, the Provincial People's Committee, based on local conditions, determines the areas where project investors are allowed to transfer land use rights with technical infrastructure for individuals to build their own houses.

While currently, Article 41.2 of Decree 43/2014/ND-CP (amended and supplemented by Decree 148/2020/ND-CP) only prevents subdivision and sale of plots in wards of special class urban areas and type I urban areas directly under the Central Government; Areas with high requirements for landscape architecture, central areas and around buildings that are architectural highlights in urban areas; or frontages of roads at regional level or higher and main landscape routes in urban areas.

2.10 If the transferee of the RE project is an economic organisation with foreign

investment capital, it only needs to carry out land procedures.

According to Article 42.3 of Law on REB 2023, in case the transferee of all or part of a RE project under the deciding authority of the Prime Minister is an economic organisation with foreign investment capital, then when there is a decision to allow transfer and the parties have signed a transfer contract, land procedures shall be carried out as prescribed by the land law.

Meanwhile, current Law on REB 2014 stipulates that the transferor must return the land to the State so that the State can allocate the land to the transferee.

2.11 RE brokerage enterprise only need at least 1 person obtaining a practicing certificate

According to the current Law on REB 2014, enterprises providing RE brokerage services must have at least 02 people with RE brokerage practice certificates. Now, Article 61 of Law on REB 2023 stipulates that enterprises providing RE brokerage services only need to have at least 01 individual with a RE brokerage certificate, and must also meet the following conditions:

- Set up mandatory regulations on RE brokerage services;
- Set up a mandate on physical and technical facilities that meet operational requirements;
- Before operating RE brokerage services, RE brokerage service enterprises send information about the enterprise to the state management agency on RE business at the provincial level where the enterprise was established for posting on the information system on housing and RE market.

2.12 Individual RE brokers are not allowed to practice freely

According to Article 61.2 of Law on REB 2023, individuals conducting RE brokerage activities are not allowed to practice freely but must practice in a RE exchange service enterprise or a RE brokerage service business enterprise and must have a RE brokerage practice certificate. *(Meanwhile, the current Law on REB 2023 allows individuals to have the right to operate independent RE brokerage services).*

1. Value-added taxes on services provided to export processing enterprises

In case the Company provides international transportation services to export processing enterprises as prescribed in Article 9.1(c) of Circular 219/2013/TT-BTC, this service is subject to a value-added tax rate of 0% if the conditions as prescribed in Article 9.2(c) of Circular 219/2013/TT-BTC are met and do not fall into the cases as prescribed in Article 1.2 of Circular 130/2016/TT -BTC.

In case the Company provides domestic transportation services, the 10% value added tax rate will apply as prescribed in Article 11 of Circular 219/2013/TT-BTC.

Ha Noi City Tax Department replies to the question of the Nippon Express (Vietnam) joint venture Co., Ltd. in Official Letter No. 90222/CTHN-TTHT dated 26/12/2023.

2. Declaring value-added taxes

In case the Company discovers that input invoices from previous months have been omitted or have not been declared, leading to errors or omissions in the tax declaration dossier submitted to the tax authority, the Company will make additional tax declaration dossiers as prescribed in Article 47 of the Law on Tax Administration No. 38/2019/QH14.

In case the Company has both business activities subject to value-added taxes and business activities free from value-added taxes, the Company is not required to submit a tax declaration.

The Company must make the tax declaration, list, and appendices (if any) as prescribed by the law and be responsible before the law for the accuracy, truthfulness, and full content therein as prescribed in Article 7.1 of Decree 126/2020/ND-CP.

In case the Company only has business activities that are free from taxes as prescribed by tax law for each type of tax, the Company does not have to submit a tax declaration as prescribed in Article 7.3 of the Decree 126/2020/ND-CP.

Ha Noi City Tax Department replies to the question of Bao Yen Construction Services, Tourism Co., Ltd. in Official Letter No. 90220/CTHN-TTHT dated 26/12/2023.

3. Personal income taxes on compulsory insurance payments abroad

In case a foreigner is sent to Vietnam by a foreign company to work as an employee transferred within the enterprise; the income from salaries and wages is paid by the Vietnam-based Company and the foreign Company, in which the income from salaries and wages abroad is paid by the foreign Company (including compulsory insurance paid abroad) is fully reimbursed by the Vietnam-based Company, such insurance cannot be deducted when calculating personal income taxes in Vietnam.

The General Department of Taxation replies to the question of SumiRiko (Vietnam) Co., Ltd. in Official Letter No. 6002/TCT-DNNCN dated 29/12/2023.

4. Personal income taxes on foreigners

In case the Company signs a contract with a foreign organisation (foreign contractor) to provide audit services to the Company, when making payments to the supplier, the Company is responsible for deducting, declaring, and paying contractor taxes according to regulations. In order to perform the contract, the supplier sends an expert (individual) to Vietnam to work, and the expert's salaries and wages are paid by the foreign supplier, then this individual is responsible for declaring and pay personal income taxes directly to tax authorities for the income from

salaries and wages paid by foreign countries.

If the individual proves to be a resident in a foreign country, the individual is determined as a non-resident in Vietnam and declares the income subject to personal income taxes arising in Vietnam according to the full tax rate schedule indicating a 20% tax rate for income from wages in Vietnam paid by foreign companies.

Binh Duong province Tax Department replies to the question of SCG Vietnam Concrete Tile Co., Ltd. in Official Letter No. 33433/CTBDU-TTHT dated 19/12/2023.



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1. Enterprises transporting goods in transit propose a different process than imports

In a report sent to the Prime Minister, the Private Economic Development Research Board (Board IV) proposes a plan to differentiate transit goods so that they do not have to apply the existing process with domestic imports, in order to minimise difficulties for enterprises, while promoting logistics development in accordance with national orientation.

Specifically, Board IV proposes that the Prime Minister consider and direct the Ministry of Finance and customs authorities to research solutions to receive information on declaring transit goods codes according to international practices or general declaration as "goods in transit" to distinguish them from other imports and exports instead of applying the existing process for imports entering the country.

Along with that, enterprises propose building appropriate mechanisms to arrange human resources and working time at border gates to meet the requirements of export, import, and transit activities, aiming to conduct the 24/7 procedures for receiving and handling. Physical inspection of goods during customs clearance procedures complies with the risk ratio or only when there are signs of suspected violations, limiting manual inspection, gearing steps towards applying screening for inspection of goods in transit.

With this viewpoint, enterprises propose only conducting physical inspection of goods in transit at the import border gate. In case there are discrepancies compared to the declaration, the declaration unit is requested to verify with the goods



Vietnam currently ranks third in Southeast Asia in terms of the number of international transport routes, behind Malaysia and Singapore. (Illustration)

owner. In case of detecting a violation, the transit service enterprises should be notified so that it will not accept the order.

In particular, enterprises recommend that customs authorities not conduct physical inspection of goods on the road or at the export border gate. This is the problem that enterprises transporting goods in transit have encountered the most in recent times. Although the goods transported in transit are essentially not those consumed in the Vietnamese market, they are still subject to customs inspection procedures and specialised inspections like imports and exports. Even transport enterprises are being considered as responsible and paying fines when there are violations of goods belonging to overseas shippers, such as intellectual property rights...

Therefore, enterprises evaluate Board IV's recommendations to the Prime Minister as necessary solutions to promote Vietnam's geographical and natural advantages to become a hub for logistics and transshipment of regional and international goods, including the field of transit goods transportation.

By tinnhanhchungkhoan.vn

2. Proposal on paying VAT only when selling the goods worth over VND 150 million per year

According to current regulations, the revenue subject to value added tax (VAT) for business establishments (individuals, business households) of goods and services is VND 100 million a year. But the Ministry of Finance believes that over the past 10 years, the consumer price index (CPI) has increased a lot, so raising the VAT taxable revenue threshold for businesses to VND 150 million a year, to accommodate price fluctuations. This is one of the contents stated in the draft revised VAT Law under consultation by the Ministry of Finance.



Illustration: Quynh Tran.

According to the Ministry of Finance, increasing the tax rate of individuals and business households does not result in compliance costs, administrative procedures for taxpayers and transparency in tax administration.

In this amendment, the Ministry of Finance plans to include the group of goods exchanged with border residents that are exempted from import duties and will not be subject to VAT. This regulation aims to create conditions for economic development in border areas and is consistent with import and export tax regulations.

The draft law also adds a list of exported goods and services, such as goods sold at duty-free shops, that are exempted from VAT (i.e. 0% tax rate). Procedures and conditions for goods to be exempted from VAT in this category will be proposed by the Minister of Finance to the competent authority.

In addition, three groups of goods are not expected to be exempted from VAT, including cigarettes, alcohol, and beer imported and then exported; gasoline, oil, and cars sold in the non-tariff zone; goods and services not registered for business in the non-tariff zone.

Unlike other taxes, VAT has the important characteristic that the tax burden is shared between enterprises and consumers, so adjusting the tax rate, especially reducing it, will both benefit.

By vnexpress.net

No.	Document title	Issuance date	Effective date
NATIONAL ASSEMBLY			
1	Resolution 107/2023/QH15 on imposition of top-up enterprise income tax under the Global Anti-Base Erosion Rules.	29/11/2023	1/1/2024
2	Law No. 29/2023/QH15 on Real Estate Business.	28/11/2023	1/1/2025
3	Law No. 28/2023/QH15 on Water Resources.	27/11/2023	1/7/2024
4	Law No. 27/2023/QH15 on Housing.	27/11/2023	1/1/2025
5	Law No. 26/2023/QH15 on Identification.	27/11/2023	1/7/2024
6	Law No. 25/2023/QH15 on Management and Protection of national defence works and military zones.	24/11/2023	1/1/2025
7	Law No. 24/2023/QH15 on Telecommunications.	24/11/2023	1/7/2024
GOVERNMENT			
1	Decree 94/2023/ND-CP providing the value-added tax reduction policy under the National Assembly's Resolution 110/2023/QH15 dated 29 November 2023.	28/12/2023	1/1/2024
PRIME MINISTER			
1	Decision 33/2023/QD-TTg providing for dossiers, sequence and procedures for assessment of quality and value of the machinery, equipment and technological lines of investment projects.	29/12/2023	15/2/2024
MINISTRY OF INDUSTRY AND TRADE			
1	Circular 44/2023/TT-BCT amending and supplementing a number of articles of Circular 05/2018/TT-BCT on the origin of goods.	29/12/2023	15/2/2024
2	Circular 38/2023/TT-BCT regulates techniques for measurement, reporting, appraisal of greenhouse gas emission mitigation and greenhouse gas inventory in the Industry and Trade sector.	27/12/2023	11/2/2024
MINISTRY OF HEALTH			
1	Circular 29/2023/TT-BYT providing instructions on the presentation of nutrition facts labels.	30/12/2023	15/2/2024
MINISTRY OF LABOR, INVALIDS AND SOCIAL AFFAIRS			
1	Circular 15/2023/TT-BLDTBXH amending and supplementing a number of articles of Circular 28/2015/TT-BLDTBXH guiding the implementation of Article 52 of the Law on Employment and a number of articles of Decree 28/2015/ND-CP detailing a number of articles of the Law on Employment regarding unemployment insurance.	29/12/2023	15/2/2024
STATE BANK OF VIETNAM			
1	Circular 22/2023/TT-NHNN amending and supplementing a number of articles of Circular 41/2016/TT-NHNN prescribing prudential ratios for operations of banks and/or foreign bank branches.	29/12/2023	1/7/2024
2	Circular 16/2023/TT-NHNN amending and supplementing a number of articles of Circular 28/2015/TT-NHNN on the management, use of digital signatures, digital certificates and digital signature certification services of the State Bank.	15/12/2023	1/7/2024



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