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1. Support policies for enterprises and people affected by Storm No. 3

In light of the severe damage caused by Storm No. 3 (Yagi), in order to promptly support people and enterprises to overcome difficulties and restore production and business, the Government and ministries have issued documents directing the focus on overcoming the consequences of Storm No. 3 and floods. In particular, restructuring debt repayment terms, considering exemptions and reductions in loan interest, continuing to provide new loans to restore production and business after the storm; reducing, postponing, exempting, and reducing taxes, fees, and charges; supporting workers... are some of the on-going solutions to support organizations, individuals, and enterprises affected by Storm No. 3.

1.1 Policy on interest rate support, debt rescheduling, debt extension, and continued lending

On September 9, 2024, the State Bank of Vietnam (SBV) issued Official Letter No. 7417/NHNN-TD requesting credit institutions to instruct branches and transaction offices to proactively review and summarize the losses of customers who have loans with them to promptly apply support measures and remove difficulties for customers by applying measures such as: restructuring debt repayment terms, considering interest rate exemptions and reductions, continuing to provide new loans to restore production and business after the storm according to current regulations; and handling debts for customers who have suffered losses concerning the borrowed capital as prescribed by law.

Subsequently, in Official Dispatch No. 92/CD-TTg ("**Official Dispatch No. 92**") dated September 10, 2024, the Prime Minister requested the Governor of the SBV to instruct credit institutions and commercial banks to proactively review and summarize the losses of customers who are borrowing capital, promptly apply policies to support interest rates, reschedule debts, and continue lending in

order to create favorable conditions for them to restore production and business.

1.2 Tax deferral, exemption and reduction policies

In Official Dispatch No. 92, the Prime Minister requested the Minister of Finance to organize the effective implementation of policies on deferral, exemption and reduction of taxes, fees, charges, etc. for organizations, individuals and enterprises suffering losses due to storms.

Accordingly, to implement the instructions from the Prime Minister in Official Dispatch No. 92, the General Department of Taxation issued Official Letter No. 4062/TCT-CS dated September 13, 2024 clarifying the solutions to support organizations, individuals and enterprises suffering losses due to Storm No. 3 and floods as follows:

- a. **Tax payment extension:** Taxpayers suffering material damage from natural disasters, directly affecting production and business are considered for partial or full tax payment extension based on the request of the taxpayers. The amount of tax to be extended for payment is the amount of tax owed up to the time the taxpayer encounters a natural disaster,

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but does not exceed the value of the damage after deducting compensation and insurance as prescribed (if any). The tax payment extension period will not exceed 02 years from the date of expiration of the tax payment period. (Article 62 of the Law on Tax Administration No. 38/2019/QH14, Article 24.3(a) of Circular No. 80/2021/TT-BTC)

b. Exemption from late payment fees:

Taxpayers who are required to pay late payment fees are exempted from late payment fees in case of material damage caused by natural disasters. Accordingly, the exempted late payment fee is the fee owed at the time of the natural disaster and does not exceed the value of the damage after deducting compensation and insurance amounts as prescribed (if any). (Article 59.8 of the Law on Tax Administration No. 38/2019/QH14, Article 23.3(a) of Circular No. 80/2021/TT-BTC)

c. Exemption from fines for tax administrative violations:

Taxpayers who are fined for administrative violations of tax and suffer losses due to natural disasters are exempted from fines. The total amount of exempted fines must not exceed the value of the damaged assets and goods. (Article 140.1 of the Law on Tax Administration No. 38/2019/QH14)

d. Input value-added tax (VAT) deduction:

input VAT of goods and services used for production and trading of goods and services subject to VAT is fully deductible, including non-compensated input VAT of goods subject to VAT that are damaged due to natural disasters. Business establishments must, for the purpose of tax deduction, have full documents to prove their situations where their losses are not compensated

for. (Article 14.1 of Circular No. 219/2013/TT-BTC)

e. Losses due to natural disasters that are not compensated for will be determined as deductible expenses when calculating corporate income tax (CIT):

when determining taxable income subject to CIT, enterprises are allowed to include in deductible expenses the value of loss due to natural disasters that is not compensated. Accordingly, the value of loss due to natural disasters that is not compensated is determined by the total value of loss minus (-) the value that the insurance company or other organizations and individuals must compensate. (Article 9.2(a) of Decree No. 218/2013/ND-CP)

f. Reduction of special consumption tax:

Taxpayers producing goods subject to special consumption tax facing difficulties due to natural disasters or unexpected accidents are entitled to tax reduction. The tax reduction level is determined based on the actual loss caused by natural disasters or unexpected accidents but not exceeding 30% of the tax payable in the year of the loss and not exceeding the value of the damaged assets after compensation (if any). (Article 9 of the Law on Special Consumption Tax)

g. Exemption and reduction of resource tax:

Natural resources taxpayers facing natural disasters, fires or unexpected accidents causing loss to the resources they have declared and paid tax on are considered for exemption and reduction of tax for the amount of resources lost; if tax has already been paid, the tax paid will be refunded or deducted from the resource tax payable in the following

period. (Article 9.1 of the Law on Natural Resources Tax)

h. Exemption and reduction of non-agricultural land use tax: If the value of damage to land and houses on land is over 50% of the taxable price, the taxpayer facing difficulties due to force majeure events will be exempted from tax. If the value of damage to land and houses on land is from 20% to 50% of the taxable price, the tax payable is reduced by 50%. (Article 9.9 and Article 10.4 of the Law on Non-agricultural Land Use Tax)

i. Tax reduction for business households and individuals:

- The personal income tax rate is reduced corresponding to the level of damage but not exceeding the tax payable.
- The special consumption tax rate is reduced based on the actual loss caused by natural disasters and unexpected accidents but not exceeding 30% of the tax payable in the year of damage and not exceeding the value of damaged assets after compensation (if any).
- The resource tax rate is reduced corresponding to the amount of lost resources; If tax has already been paid, the tax paid will be refunded or deducted from the natural resource tax payable in the following period.

j. Tax payment extension for business households and individuals: business households and individuals engaged in production and business activities in the economic sectors and fields as prescribed in Articles 3.1, 3.2 and 3.3 of Decree

64/2024/ND-CP are entitled to an extension to pay VAT and personal income tax no later than December 30, 2024. For business households suffering material damage, directly affecting production and business due to natural disasters (floods), the tax payment extension shall not exceed 02 years from the date of the tax payment deadline. Taxpayers will not be fined and will not be required to pay late payment interest calculated on tax debt for the tax payment extension period.

Thus, in case of material damage caused by Storm No. 3, taxpayers must proactively submit documents to the immediate tax authority for consideration and settlement.

1.3 Support policy for workers affected by Storm No. 3

According to Official Letter No. 2038/TLĐ-QHLĐ dated September 10, 2024 of the Vietnam General Confederation of Labour, union members and workers who died due to the impacts of Storm No. 3 will be supported with VND 10 million per person. If union members and workers are seriously injured and have to be hospitalized, they will be supported with VND 1 to 5 million per person.

For localities and industries directly affected by Storm No. 3, depending on the level of property damage (roofs blown off, floods swept away, landslides, damaged houses in need of immediate repair...), union members and workers will be supported with VND 1 to 3 million per case to overcome the consequences and stabilize their lives.

2. Novelties on construction works and projects on rice-growing land

On September 11, 2024, the Government issued Decree No. 112/2024/ND-CP (“**Decree 112/2024**”) detailing regulations on rice-growing land. Decree 112/2024 will take effect from the date of signing, September 11, 2024, replacing Decree No. 35/2015/ND-CP amended and supplemented by Decree No. 62/2019/ND-CP (“**Decree 35/2015**”) and has a number of notable new regulations related to the construction of works and projects on rice-growing land as follows:

2.1 Conditions for construction of works directly serving agricultural production on rice-growing land

According to Article 3.6 and Article 9 of Decree 112/2024, works directly serving agricultural production are understood as *works used for preliminary processing and preservation of agricultural products; warehouses for storing agricultural materials, machinery, and labour tools; works used for displaying and introducing agricultural products.* Accordingly, the area, location, and purpose of construction works directly serving agricultural production on rice-growing land are determined by the provincial People's Committee and must comply with the following conditions:

- (1) Not affecting irrigation works, dike works, intra-field traffic, and adjacent rice-growing land;
- (2) The works can only be built with 01 floor, no basement is allowed;
- (3) The rice-growing land area permitted for construction must be concentrated, with a minimum area of 50 hectares; and
- (4) The works must serve the following purposes: preliminary processing and preservation of agricultural products; warehouses for agricultural materials, machinery, and labor tools; works

used for displaying and introducing agricultural products.

Thus, investors who want to build works directly serving agricultural production on rice-growing land must meet all four conditions mentioned above and the use of land area to build these works does not require the conversion of land use purposes and the land is still counted as rice-growing land.

2.2 Construction of works on land converted from specialized rice-growing land to non-agricultural land must have an approved plan for using the topsoil

According to Articles 10 and 11 of Decree 112/2024, when constructing works on land converted from specialized rice-growing land to non-agricultural land, the person assigned or leased land by the State must have a topsoil using plan approved by the People's Committee at the district or provincial level (for works with an area of specialized rice-growing land in 2 or more districts). Accordingly, the content of the plan for using the topsoil includes: (i) Information of the person who is assigned or leased land by the State, requesting to change the purpose of using the land for specialized rice-growing land; (ii) Information on the area of specialized rice-growing land proposed to be converted; (iii) Volume of topsoil after separation; and (iv) Plan,

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location and purpose of using the separated surface soil volume.

The approved plan for using the topsoil layer is a component of the application for changing the purpose of using rice-growing land to non-agricultural purposes.

Thus, the procedure for requesting approval of the plan for using the topsoil layer is an independent legal procedure before the land user submits the application for changing the purpose of using rice-growing land to non-agricultural purposes (*instead of as previously, this plan only needed to be prepared, submitted and would be considered together with the remaining documents in the application for changing the purpose of using land*).

2.3 Deadline for performing financial obligations of land users when converting rice-growing land to non-agricultural purposes

Decree 112/2024 stipulates that people who are allocated land or leased land by the State for non-agricultural purposes from specialized rice-growing land must declare the area of specialized rice-growing land and pay the State a sum of money to supplement the lost area of specialized rice-growing land or increase the efficiency of using rice-growing land (except for works and projects using public investment capital or foreign capital involved in public investment) after having a decision on land allocation or land lease by a competent State agency with the specific implementation deadline as follows:

- Within 07 days of receiving the decision on land allocation or land

lease by a competent State agency, people who are allocated land or leased land by the State must send a Declaration of specialized rice-growing land area to the district-level natural resources and environment agency or the provincial-level natural resources and environment agency (for works with an area of land for rice cultivation in 2 or more districts), requesting determination of the rice cultivating area that must be paid. After that, the Natural Resources and Environment Agency will determine the land area and transfer it to the financial agency at the same level to determine the amount of money to be paid.

- Within 30 days, the person to whom the State allocates or leases land will fulfill the responsibility to pay money at the State Treasury according to the notice of the financial agency.
- After 30 days from the date of the written notice of the financial agency, the person to whom the State allocates or leases land has not paid or has not paid the full amount (*except in case of force majeure such as material damage due to natural disasters, catastrophes, epidemics, fires, unexpected accidents*), he/she must pay an additional late payment fee of 0.03% per day calculated on the amount to be paid.

2.4 Support policy for enterprises with investment projects in high-yield and high-quality rice growing areas

According to Article 16.2 of Decree 112/2024, enterprises with investment projects in high-yield and high-quality rice growing areas will receive one-time

support from the State budget at the following specific levels:

- Maximum support of 100% of the cost for investment projects in the construction of irrigation and traffic works in high-yield and high-quality rice growing areas.
- Maximum support of 40% but not exceeding VND 15 billion/project to purchase production lines, equipment, technology, and technology copyrights for:
 - (i) Projects applying certified greenhouse gas emission reduction rice production

processes; projects applying circular economic models; certified organic production projects; Projects linking rice production according to value chains with an area of 500 hectares or more; and

- (ii) Projects processing food, food products; projects producing biological products, processing raw materials and high-tech products from rice, and rice by-products that meet the legal regulations on high technology with a total investment of VND 30 billion or more.

3. Regulations on exploitation and use of information and data in the National Database on construction activities

On September 6, 2024, the Government issued Decree 111/2024/ND-CP (“**Decree 111/2024**”) regulating the information system and the National Database on construction activities. Decree 111/2024 will take effect from **November 1, 2024** and has notable contents on exploitation and use of information and data in the National Database on construction activities.

3.1 Information updated in the National Database on construction

Decree 111/2024 stipulates that information and data updated on the National Database on construction activities include:

- Updated information on construction planning (*including regional construction planning, urban planning and urban technical infrastructure planning for centralized cities*) includes general information related to the name of the planning project, location, area scale of the planning area, planning agency, planning organization, planning appraisal and

approval agency, year of planning approval; and detailed information on records and documents on construction planning, etc..

- Information on construction investment projects, construction works (*including information on construction investment projects; information on works belonging to construction investment projects; and information on construction works that do not require the establishment of construction investment projects, only providing for the issuance of construction permits according to the law on construction*) including general information related to projects,

construction works; detailed information on documents of competent State agencies, results of administrative procedure implementation as prescribed by law, records and documents related to investment projects, construction works and some or related information, etc..

- Information on construction norms, construction prices and construction price indexes and other activities related to construction investment.

3.2 Investor's responsibility for updating information

Article 10.6(b) of Decree 111/2024 stipulates that within 15 days of receiving the results of administrative procedures, the investor (except for the head of the household for individual houses) must be responsible for updating detailed information on the construction investment project, works under the construction investment project, and construction works that do not require the establishment of a construction investment project, only providing for the issuance of a construction permit in accordance with the law on construction as prescribed.

3.3 Exploitation and use of information and data on construction activities

According to Articles 4.1, 6.3, 7.4, 12 and 15.2(b) of Decree 111/2024, the Information System and National Database on construction activities are built, managed centrally, uniformly and synchronously from the central to local levels. They are open data published on

the national data portal and the electronic information portal of the Ministry of Construction and will be officially put into operation and exploited nationwide **from January 1, 2026**. Therefore, individuals and organizations are entitled to exploit and use published open data and exploit in writing the remaining data in the National Database on construction activities according to regulations with respect to 3 forms of exploitation: (i) National data integration and sharing platform, (ii) Electronic information portal of the Ministry of Construction, and (iii) In writing for information and data that are not open data.

3.4 Information and data in the National Database have the same value of use as paper documents

Decree 111/2024 stipulates that data looked up and exploited from the National Database on construction activities have official value of use as paper documents in activities related to the field of construction investment activities and are the original reference for looking up and exploiting to carry out related administrative procedures such as establishing, appraising, and approving construction planning; Establish, appraise and approve the Feasibility Study Report on construction investment, construction design to be implemented after basic design; grant construction permits, etc. Therefore, **State management agencies are not allowed to request organizations and individuals to provide documents and information that are already available on the National Database on construction activities.**

GV Lawyers would like to introduce our valued readers to an article by **Lawyer Tran Huu Tien** titled **“Investment rate – A selective threshold or investment barrier?”** published in The Saigon Times, No.35-2024 (1.759) on August 29, 2024.

The investment rate is a concept that has been mentioned a lot in recent years, since the Investment Law 2020 took effect along with newly issued investment registration forms with relevant content. This concept initially seems quite unfamiliar, but the practice of investment registration shows that the investment rate is more than just a concept “staying on paper only” but has a special meaning for investment management agencies upon reviewing registration dossiers. On the contrary, many investors also encounter a lot of confusion and questions in their efforts to meet the requirements for investment rate.

What is the investment rate?

Many investors, including foreign investors who do not have much experience in investment activities in Vietnam, are confused about the investment rate, because the specialized investment agencies as well as the current specialized investment legal documents have only mentioned this concept without providing a basic and complete definition.

Enterprises with many years of expertise in domestic construction are probably

more fortunate because they are able to access a similar concept that used to be rolled out before (investment capital rate), so they do not consider this something too new. In fact, the content of the investment capital rate has appeared sporadically in a number of legal documents on construction investment cost management, but it was not until Decree 10/2021/ND-CP on construction investment cost management, effective from February 9, 2021 (Decree 10/2021/ND-CP), that the legal concept of investment capital rate officially appeared (in Article 25).

Referring to the aforesaid provisions pending a clear definition and specific guidances from state agencies on investment rate in investment activities, we can now understand that the investment rate is a summary of expenses (possibly excluding certain items) that investors will need to invest for each specific unit in their investment project, commonly square meters or long meters, depending on the scale and characteristics of each project. The investment rate is jokingly called “investment unit price” by many people from here.

Legal role of the investment rate

From a legal perspective, it can be understood that investors will need to rely on the applied investment rate to estimate the (minimum) construction investment cost of the project upon conducting a pre-feasibility study, if applicable (please refer to Article 4 of Decree 10/2021/ND-CP). Upon calculating the total construction investment, the investment rate can also serve as a basis for determination (pursuant to Article 134.3 of the Construction Law 2014).

In addition, Decision 510/QD-BXD of the Ministry of Construction dated May 19, 2023 also provides the following guidance: “The investment rate announced in this Decision is one of the bases for determining the preliminary total construction investment, total construction investment, determining and managing construction investment costs at the project preparation stage.” Thus, if we temporarily consider “investment rate” to be the investment capital rate applied similarly to investment projects that are not construction investment projects, the investment rate will be one of the targets that

investors need to pay attention to and consider upon deciding on the (minimum) investment value for the project, as well as for investors to first determine the capacity and ability to implement the investment project.

Where to refer to the investment rate?

As a general rule, state agencies will issue and provide guidance on investment rate. Specifically in the field of construction investment, pursuant to Articles 26 and 40 of Decree 10/2021/ND-CP and Article 11 of Circular 11/2021/TT-BXD dated August 31, 2021 of the Ministry of Construction guiding a number of contents on determining and managing construction investment costs, the Ministry of Construction will be held accountable for developing and announcing the periodic construction investment rate before January 31 of each year applicable to projects subject to Decree 10/2021/ND-CP. To date, the construction investment rate has been most recently updated by the Ministry of Construction in Decision 510/QD-BXD, towards applying to eight specific geographical areas, with clear and complete explanations and application guidances.

For investment sectors that do not involve construction,

there are not many legal documents regulating specific investment rate. In practice, working with a number of specialized investment management agencies shows that these agencies will have guidelines on necessary investment rates or investment levels applicable to each area, depending on each specific time. Accordingly, as general experience in case of impossibility to determine the investment rate applicable in the expected area, investors should contact local investment management agency in advance to receive specific guidances on the investment rate according to local investment policies (if applicable), as well as suggestions upon considering the total investment capital of the project (if possible).

Impact of the investment rate in terms of investment activities and practice

In previous stages, pursuant to Circular 16/2015/TT-BKHĐT in 2015 and previously Decision 1088/QD-BKH in 2006 (both of which have expired), investors were not required to present investment rate in their investment project registration dossiers at the investment management agency. This requirement has only appeared since the Investment Law 2020 is applied, which stipulates

conditions on investment rate per land area upon considering grant of investment registration certificates (Article 38.2 of the Investment Law 2020). This content is specified in the sample documents proposing implementation of investment projects issued together with Circular 03/2021/TT-BKHĐT dated April 9, 2021 of the Ministry of Planning and Investment that investors currently need to submit to obtain an investment license for a new project in the spirit of the Investment Law 2020.

The foregoing regulations lead to the fact that upon reviewing investment registration dossiers, the investment registration agency, in addition to other factors such as the right to use the location, planning conditions for market access, business lines, etc., will also check and evaluate whether the proposed investment capital level for the project is consistent with the investment rate applicable to the area or not (if applicable) (Article 38 of the Investment Law 2020). There have been cases where investors have been instructed to consider increasing the investment capital level to match the required investment capital targets applicable to the area. Many application files are even rejected because the investment capital level is not appropriate.

In general, with the lawmaker setting up a mechanism to review investment rate upon licensing new projects, investors will need to go through an additional threshold for the project to be officially recognized by the competent authority. This can bring a uniform appearance to investment projects in the same area, when the investment capital in these projects is required to reach a certain level that the state management agency considers appropriate for that area. If, in parallel with the investment level prescribed by law, investors can ensure the respective business capacity, it will be a very positive development in implementing investment encouragement policy.

However, in another aspect, the investment capital of the project is not something that investors can proactively control in all cases. In addition to the investor's wishes, investment capital basically depends on many objective and subjective factors such as business plan, financial capacity, cost management, etc. In fact, many investors feel quite confused when they decide to choose an area to implement an investment project with the planned capital level, but upon conducting licensing procedures or consulting with local state agencies, they are told that their registered capital level is not

appropriate for approval even though the business line does not require a minimum legal capital level. It must be understood that the actual total investment of the project includes not only construction investment costs, but also many other items such as labor costs, working capital, machinery and equipment, premises rent, etc. Thus, the final figure may be much higher than the investor's initial estimate.

This situation raises the following options: (1) Investors are forced to arrange an investment capital level that matches the requirement for investment rate, or (2) have to choose another area, or (3) even have to abandon the investment plan. Optimistically, this will help filter out unserious investors or small investors who do not match local development planning. However, this can also be considered one of the biggest challenges that prevent investors from implementing their investment plans in Vietnam, leaving investment capital stagnant. Another question is also raised: what if a project has a large positive impact on the socio-economic landscape (for example, developing modern technology and techniques, great potential for social contributions, etc.), but only with a modest initial capital flow and does not meet the applied investment rate target?

The overview on investment rate as aforesaid shows that this can be considered one of the decisive factors for attracting or hindering investment for investors (including foreign investors), whereby affecting the broader picture of the national investment attraction policy and Vietnam's international commitments on economic opening from time to time. Against the backdrop of the world economy and Vietnam facing many challenges and woes, as well as current capital mobilization of enterprises being of no easygoing story, a certainty is that the specific investment rate applied in the coming time will need to be considered and appropriately decided by competent state agencies to ensure meeting the investment and development goals set out by the National Assembly and the Government.

On the part of the investor, finding out information about the investment rate that can apply to their investment project is an extremely necessary action for the investor and the consulting unit (if any) before deciding on a matching investment and business plan to avoid delays or escape from late, unexpected changes.

1. Invoicing consigned exports

In case of the Company consigning an export shipment, delivering exports to the consignee, it will use the Goods Delivery and Transport Note. When the goods have been actually exported with confirmation from the customs authority, based on the documents for comparison and confirmation of the quantity and value of the actual exported goods of the consignee, the Company will issue an electronic value-added tax (VAT) invoice to declare and pay taxes, refund VAT or an electronic sales invoice.

Tay Ninh Provincial Tax Department replies to the question of TANISA Food JSC. in Official Letter No. 3021/CTTNI-TTHT dated September 16, 2024.

2. Determining VAT rates upon issuing invoices for liquidation of factory assets

The Company liquidates factory assets including land use rights; construction works; machinery and equipment. The land use rights after deducting the land price are deducted to calculate VAT and the construction works belong to real estate business activities, so VAT is not reduced according to Decree No. 94/2023/ND-CP but the VAT rate of 10% is applied; machinery and equipment apply the VAT rate of 8%.

Kien Giang Provincial Tax Department replies to the question of Kien Giang Trading and Service JSC. in Official Letter No. 1467/CTKGI-TTHT dated September 16, 2024.

3. Issuing VAT invoices for term deposits

The Company's term bank deposits are considered separate lending activities of taxpayers that are not credit institutions. Therefore, interest on term bank deposits is determined as revenue of services free from VAT.

In case the Company deposits term savings with the bank and receives interest every quarter, the Company must issue invoices to the bank for term savings deposit services; The time of issuing invoices is the time when the bank must pay interest to the unit according to the contract.

Binh Dinh Provincial Tax Department replies to the question of Duc Hai Co., Ltd. in Official Letter No. 3332/CTBDI-TTHT dated September 13, 2024.

4. Declaration and calculation of personal income tax of foreign employees

In case the taxpayer has obligations to the state budget, he/she must register for taxation and be granted a tax code by the tax authority. The income-paying organization that pays income from salaries and wages will register for taxation for employees as prescribed by Circular No. 105/2020/TT-BTC.

In case the Company pays salaries and wages to individuals who are foreigners, the Company will rely on the working time in Vietnam of the employee stated in the Contract or the document assigning to work in Vietnam to temporarily deduct tax according to the Progressive Partial Table (for individuals who work in Vietnam for 183 days or more in the tax year) or according to the Full Tax Table (for individuals who work in Vietnam for less than 183 days in the tax year). The basis for calculating taxes on taxable income from salaries and wages is implemented as guided by Article 7 of Circular No. 111/2013/TT-BTC.

Ha Noi City Tax Department replies to the question of Vietnam Certification Center in Official Letter No. 47288/CTHN-TTHT dated August 21, 2024.

1. Proposal to apply 18% corporate income tax eligible for relevant small and medium enterprises

The Ho Chi Minh City Real Estate Association (HoREA) proposes application of the 18% corporate income tax to small and medium enterprises with total annual revenue from over VND 50 billion to no more than VND 300 billion.

Explaining the above proposal, Mr. Le Hoang Chau, Chairman of HoREA, says that our country has about 920,000 enterprises, of which small and medium enterprises play a very important role in the economy because they account for 98% of the total number of enterprises, most of which are small and micro enterprises, contributing about 40% of GDP, about 30% of state budget revenue and employing over 50% of the workforce, so the National Assembly has issued the Law on Support for Small and Medium Enterprises 2017 and the Government has also issued Decree 39/2018/ND-CP detailing the support mechanism for small and medium enterprises.

Article 10.1 of the Law on Support for Small and Medium Enterprises stipulates that "1. Small and medium enterprises are entitled to a corporate income tax rate lower than the normal tax rate applied to enterprises for a limited period of time according to the law on corporate income tax", so Article 10.2 of the "Draft Law" should be supplemented with the provision that "medium enterprises" are also entitled to "a corporate income tax rate lower than the normal tax rate".

In addition, according to Mr. Chau, Article 10.2a of the "Draft Law" stipulates



Illustration

that "a tax rate of 15% applies to enterprises with a total annual revenue of no more than VND 3 billion", including "micro-enterprises" operating "in the fields of agriculture, forestry, fisheries and industry and construction" and Article 10.2b of the "Draft Law" stipulates that "a tax rate of 17% applies to enterprises with a total annual revenue of over VND 3 billion to no more than VND 50 billion", including "micro-enterprises" operating "in the fields of agriculture, trade and services" and "small enterprises" operating "in the fields of agriculture, forestry, fisheries and industry and construction".

However, Article 10.2 of the "Draft Law" has not yet stipulated the appropriate tax rate policy to be applied to "small enterprises" operating "in the field of trade and services" with "total annual revenue not exceeding VND 100 billion" or to "medium enterprises" with "total annual revenue not exceeding VND 200 billion" operating "in the fields of agriculture, forestry, fisheries and industry and construction" or with "total annual revenue not exceeding VND 300 billion" operating "in the field of trade and services".

Therefore, applying the corporate income tax rate of 18% to “small and medium enterprises” which are “enterprises with total annual revenue from over VND 50

billion to no more than VND 300 billion” is reasonable and practical.

By stockbiz.vn

2. Proposal for 9-day Lunar New Year holiday schedule

On September 17, 2024, the Ministry of Labor, War Invalids and Social Affairs announced that it has completed the draft plan for the Lunar New Year holiday schedule in 2025 and is seeking comments from ministries and branches.

Tet. Because this year's Tet holidays fall from the beginning of the week to the end of the week, workers will have an additional 4 days off before and after the 5 days off.

Specifically, civil servants and public employees will have the Lunar New Year holiday schedule in 2025 from Saturday, January 25, 2025 to Sunday, February 2, 2025 (i.e. from December 26, year of the Dragon to January 5, year of the Snake).



Workers may have 2 more days off for Lunar New Year 2025 than in 2024.

Accordingly, instead of proposing a number of holiday plans, this time the Ministry of Labor, War Invalids and Social Affairs only proposes a single plan that officials, civil servants, public employees, and workers will have 5 days off according to regulations, including 2 days off before Tet and 3 days off after

With this plan, civil servants and public employees will have 9 days off for the Lunar New Year holidays (including 5 days off for Tet and 4 days off every week).

For the Lunar New Year in 2022 and 2023, employees will have 7 days off. Thus, if the above plan is approved, employees will have the Lunar New Year holidays that are 2 days longer than previous years.

By thanhnien.vn

No.	Document title	Issuance date	Effective date
GOVERNMENT			
1	Decree 112/2024/ND-CP detailing paddy land.	September 11, 2024	September 11, 2024
2	Decree 111/2024/ND-CP stipulating the information system and National Database on construction activities.	September 6, 2024	November 1, 2024
3	Decree 109/2024/ND-CP prescribing registration fee rates applicable to domestically manufactured and assembled automobiles, trailers or semi-trailers.	August 29, 2024	September 1, 2024
4	Decree 108/2024/ND-CP stipulating the management, use and exploitation of houses and land that are public assets not used for residential purposes and are assigned to local organizations with the function of managing and trading houses for management and exploitation.	August 23, 2024	October 15, 2024
5	Decree 106/2024/ND-CP stipulating policies to support improving livestock farming efficiency.	August 1, 2024	September 20, 2024
PRIME MINISTER			
1	Telegram 92/CD-TTg on focusing on overcoming the consequences of storm No. 3 and floods after the storm.	September 10, 2024	September 10, 2024
MINISTRY OF FINANCE			
1	Decision 2127/QD-BTC on promulgating amended and supplemented administrative procedures in the field of Taxation under the management scope of the Ministry of Finance.	September 11, 2024	September 11, 2024
MINISTRY OF CONSTRUCTION			
1	Circular 09/2024/TT-BXD amending and supplementing a number of construction norms issued in Circular No. 12/2021/TT-BXD of the Minister of Construction.	August 30, 2024	October 15, 2024
2	Decision 816/QD-BXD on promulgating the construction investment rate and total construction price of structural components of works in 2023.	August 22, 2024	August 22, 2024
STATE BANK OF VIETNAM			
1	Circular 44/2024/TT-NHNN amending and supplementing Article 2.2 of Circular 16/2019/TT-NHNN regulating the issuance of State Bank treasury bills.	August 30, 2024	October 23, 2024
GENERAL DEPARTMENT OF TAXATION			
1	Official Letter 4062/TCT-CS providing guidance on solutions to support organizations, individuals and businesses suffering losses due to Storm No. 3 and floods after the storm.	September 13, 2024	September 13, 2024



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