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### NEWLY ISSUED LEGAL DOCUMENTS

## 1. Some novelties of the Law on Value Added Tax 2024

On November 26, 2024, the National Assembly passed Law on Value Added Tax (VAT) No. 48/2024/QH15 (“VAT Law 2024”) to replace Law on Value Added Tax No. 13/2008/QH12 (amended by Laws No. 31/2013/QH13, No. 71/2014/QH13 and No. 106/2016/QH13) (“VAT Law 2008”). The 2024 VAT Law will take effect from July 1, 2025 with the following notable new points:

### 1.1 E-commerce platform management organizations are considered taxpayers

In addition to the taxpayers as specified in current regulations, Article 4 of the 2024 VAT Law adds the following taxpayers: (1) foreign suppliers without a permanent establishment in Vietnam that conduct e-commerce business or business on digital platforms; (2) organizations that are foreign digital platform managers that deduct and pay tax on behalf of foreign suppliers; and (3) organizations that are e-commerce platform managers or platform managers that deduct and pay tax on behalf of business households on e-commerce platforms or digital platforms.

Thus, foreign e-commerce platform management organizations will have to comply with tax laws as domestic ones do.

### 1.2 Adjusting tax rates of certain goods and services

Article 9 of the 2024 VAT Law adjusts tax rates of certain goods and services as follows:

- **Tax rate of 0%:** Add some export goods and services such as: international transport; Construction and installation works abroad or in duty-free zones; Goods sold in quarantine areas to individuals (foreigners or Vietnamese) who have

completed exit procedures; Goods sold at duty-free shops; Rental services for transport vehicles used outside Vietnam; Aviation and maritime services provided directly to international transport companies or through agents.

- **Tax rate of 5%:** move non-VAT fertilizers, fishing boats and specialized machinery and equipment used in agricultural production to categories subject to VAT of 5%.
- **Tax rate of 10%:** Foreign suppliers without a permanent establishment in Vietnam who conduct e-commerce business or digital platform-based business with entities and individuals in Vietnam will be imposed a tax rate of 10% (from 5%). In addition, securities depository services will be changed from non-VAT to being subject to 10% VAT.

### 1.3 Goods and services under VND20 million must have non-cash payment supporting documents

Previously, Article 12.2 (b) of the 2008 VAT Law stipulates that goods and services separately purchased with a value of less than VND20 million do not need non-cash payment documents for the purpose of VAT deduction. Now, Article 14.2 (b) of the 2024 VAT Law requires all purchased goods and services to have non-cash payment documents

(except for some special cases as prescribed by the Government) to deduct VAT.

#### 1.4 Adding taxable prices for certain goods and services

Article 7 of the 2024 VAT Law adds taxable prices for certain goods and services as follows:

- Taxable prices for goods and services used for promotions according to the law on commerce, the taxable price is determined as 0.
- For casino services, prized electronic games, and betting, the taxable price is the money earned from these activities minus the amount returned to customers that has not been used up and the amount paid as prizes to customers (if any) which is already subject to special consumption tax, excluding VAT.
- For production and business: production activities of Vietnam Electricity Group; transportation, loading and unloading; tourist services in form of travel; pawnshops; books subject to VAT sold at the issuance price (cover price); printing activities; appraisal agency services, compensation review agents, third party claim agents, 100% compensation goods handling agents receiving wages or commissions, the taxable price is the selling price exclusive of VAT.

#### 1.5 Adding a case of tax refunds and conditions for VAT refunds

Article 15 of the 2024 VAT Law adds the case where a business only produces goods or provides services subject to a 5% VAT, if the input VAT amount that has not been fully deducted is from VND 300 million or more after 12 months or 04 quarters, it will be eligible for a VAT refund. To be eligible for a VAT refund, the business must satisfy the following conditions: (1) it must be a business that pays VAT by the deduction method, establishes and maintains accounting books and documents in accordance with the law on accounting; has a deposit account at a bank under the tax code of the business; (2) meets the conditions for deducting input VAT and has legally issued invoices and documents; and (3) the seller has declared and paid value added tax for invoices issued to the business requesting a tax refund.

#### 1.6 Raising the non-taxable revenue of business households and individuals

Previously, Article 5.25 of the 2008 VAT Law stipulates that goods and services of business households and individuals with an annual revenue of VND 100 million or less are not subject to VAT. Now, Article 5.25 of the 2024 VAT Law raises the non-VAT revenue of business households and individuals to VND 200 million/year maximum. This regulation will be effective from January 1, 2026 instead of from the effective date of the 2024 VAT Law, which is July 1, 2025.

**2. Some notable novelties of the Law amending and supplementing the Law on Health Insurance 2024**

On November 27, 2024, the National Assembly passed Law No. 51/2024/QH15 amending a number of articles of the Law on Health Insurance (“**HI Law 2024**”). The 2024 HI Law will take effect from July 1, 2025 with the following notable novelties:

**2.1 Business managers working without salaries are subjects required to participate in HI**

According to Article 1.10 and Article 1.11 of the 2024 HI Law, business managers, controllers, representatives of state capital, and representatives of enterprise capital as prescribed by law; Members of the Board of Directors, General Directors, Directors, members of the Supervisory Board or supervisors and other elected managers of cooperatives and cooperative unions as prescribed by the Law on Cooperatives who **work without salaries** are the subjects eligible to participate in HI. Accordingly, the monthly HI contribution rate of this subject is as a maximum 6% of the monthly salary used for compulsory social insurance contributions, and paid by them.

**2.2 Adjusting the HI contribution deadline**

The 2024 HI Law stipulates the latest HI contribution deadline for employers as follows:

- The last day of the following month for monthly payment method, instead of paying no later than the last day of the month as previously prescribed.
- The last day of the following month immediately following the payment cycle for payment method of 3 months or 6 months, instead of paying no later

than the last day of the payment method as previously prescribed.

**2.3 HI participants are provided with both paper and electronic HI cards**

Previously, Article 16.1 of the 2008 HI Law, amended in 2014 (“HI Law 2008”) stipulates that HI participants are only provided with paper HI cards. Now, Article 1.14 of the 2024 HI Law stipulates that HI cards issued to HI participants must include both electronic and paper versions, and these two versions have the same legal value.

**2.4 Enterprises that delay paying or evade HI premiums will be fined 0.03%/day**

The 2024 HI Law specifically stipulates acts of delaying paying or evading HI premiums. Accordingly, if an employer is late in paying or evades HI premiums, in addition to being forced to pay the full amount of premiums, they **must also pay a penalty of 0.03%/day on the delayed HI premiums for the number of days of late payment.** *(Meanwhile, the 2008 HI Law stipulates that employers who are late in paying or evade HI premiums must pay the full amount of unpaid premiums and pay interest twice the interbank interest rate calculated on the amount for the duration of delay)*

In addition, employers who are late in paying or evade HI premiums will also be subject to administrative sanctions and not be considered for emulation titles or

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commendation. Further, the act of evading HI payment may also be subject to criminal prosecution.

**2.5 People getting medical examinations at the wrong medical facility are entitled to 100% HI benefits**

Article 1.17 of the 2024 HI Law stipulates that HI participants getting medical examinations at non-registered medical facilities or not in compliance with the regulations on patient transfer, are entitled to 100% of HI benefits in the following cases:

- When having medical examinations and treatments at a medical facility of basic or intensive level in the case of needing diagnosis and treatment of certain rare diseases, serious diseases, diseases requiring surgery or using advanced techniques as prescribed by the Minister of Health.

- When having medical examinations and treatments at a medical facility of primary level
- When having medical examinations and in-patient treatments at a medical facility of basic level.
- When having medical examinations and treatments at a medical facility of basic or intensive level that has been identified by competent authorities as district-level before January 1, 2025.
- When having medical examinations and in-patient treatments for people who are treated at medical facilities of intensive level that have been identified by competent authorities as provincial-level before January 1, 2025.

**3. Restructuring debt repayment terms for customers facing difficulties due to the impact of Storm No. 3**

On December 4, 2024, the State Bank of Vietnam issued Circular 53/2024/TT-NHNN (“Circular 53/2024”) on the restructuring of debt repayment terms by credit institutions and foreign bank branches (CIs) for customers facing difficulties due to the impact of Storm No. 3, floods and landslides following this Storm.

Accordingly, Circular 53/2024 allows CIs to consider restructuring the debt repayment term for the principal balance and interest of the debt based on the customer's request and the financial capacity of the CI on the following conditions:

- Regarding applicable subjects: CIs' customers in the provinces and centrally-run cities: Ha Giang, Cao Bang, Lang Son, Bac Giang, Phu Tho, Thai Nguyen, Bac Kan, Tuyen Quang,

Lao Cai, Yen Bai, Lai Chau, Son La, Dien Bien, Hoa Binh, Hanoi, Hai Phong, Hai Duong, Hung Yen, Vinh Phuc, Bac Ninh, Thai Binh, Nam Dinh, Ha Nam, Ninh Binh, Quang Ninh, Thanh Hoa (hereinafter referred to as 26 provinces and cities) facing difficulties due to the impact of Storm No. 3, including:

- (i) Individual customers with current residences, working places, production and business

establishments, or investment, construction, production and business activities in 26 provinces and cities.

(ii) Corporate customers (except for credit institutions) with headquarters, branches, representative offices or production and business establishments or investment, construction, production and business activities in 26 provinces and cities.

▪ **Regarding the time of debt and debt repayment obligation:**

✓ There is a principal debt balance arising from lending and financial leasing activities before September 7, 2024.

✓ The obligation to repay principal and interest arises in the period from September 7, 2024 to December 31, 2025.

✓ The debt balance of the debt with a restructured repayment term is not due or overdue up to 10 days from the agreed repayment date. CIs are allowed to restructure the repayment terms for the balance of the debt that is overdue for more than 10 days and overdue in the

period from September 7, 2024 to December 16, 2024 when the repayment term is restructured for the first time.

✓ Customers who are assessed by CIs as being unable to repay the principal and interest on time due to the impact of storm No. 3 and being able to fully repay the principal and interest according to the restructured repayment term.

▪ **Regarding the period for review of the debt repayment term:**

✓ The debt repayment term can be reviewed for restructure from the effective date of Circular 53/2024 (ie December 4, 2024) to December 31, 2025 and the restructure is not limited in terms of the number of times.

✓ The final repayment date of the restructured debt balance is determined according to the customer's degree of difficulty but not exceeding December 31, 2027.

*Note: CIs are not allowed to restructure the repayment term for illegal debts.*

Circular 53/ 2024 comes into effect as from December 4, 2024.

#### 4. **Novelties on environmental protection fees for emissions**

On November 21, 2024, the Government issued Decree 153/2024/ND-CP (“**Decree 153/2024**”) regulating environmental protection fees for emissions. Decree 153/2024 will take effect on January 5, 2025 with the following notable contents:

**4.1 Subjects to pay environmental protection fees for emissions**

Emission-discharging facilities that must pay environmental protection fees pursuant to Decree 153/2024 are those that are required to have environmental licenses as stipulated by the law on environmental protection, including:

- Facilities producing cast iron, steel, and metallurgy (except rolling, drawing, and casting from raw materials).
- Facilities producing basic inorganic chemicals (except industrial gases), inorganic fertilizers and nitrogen compounds (except mixing, decanting, and packaging), and chemical pesticides (except mixing and decanting).
- Refineries and petrochemical facilities.
- Facilities recycling and treating domestic solid waste, common industrial solid waste, hazardous waste; using imported scrap as raw materials for production.
- Coke production facilities, coal gas production facilities.
- Thermal power plants.
- Cement production facilities.
- Other production, business and service facilities that generate dust and industrial emissions.

**4.2 Fees for emission-discharging facilities**

- *For emission-discharging facilities that are not required to perform*

*emission monitoring:* the fixed fee (f) is VND3 million/year. If facilities pay fees on a quarterly basis, the fee for 1 quarter is f/4.

If a facility has just come into operation since January 5, 2025 or has been operating before January 5, 2025, the fee payable = (f/12) x fee calculation period (month). In which, the fee calculation period is from the month following January 2025 (applicable to active emission-discharging facilities) or the month of commencement of operation (applicable to new emission-discharging facilities that have commenced operation since January 5, 2025) to the end of the quarter or year.

- *For emission-discharging facilities that must perform emission monitoring* as prescribed in Appendix XXIX issued in attachment to Decree 08/2022/ND-CP, in addition to paying the fixed fee (f) of VND 3 million/year, they must also pay a variable fee for environmental pollutants existent in the emissions as follows:

Environmental pollutant	Fee (VND/ton)
Dust	800
NOx (NO2 and NO)	800
SOx	700
CO	500

Depending on the concentration of environmental pollutants in each flow of emission, the variable fee for that pollutant may be 50% or 75% of the fee payable calculated according to the formula for determining the variable fee for each environmental pollutant in the flow of emission.

### 1. Invoicing and deductible expenses when determining the income subject to corporate income tax

If the Company (the lessee) signs a contract to lease assets with a private enterprise (the lessor), when the obligation to pay for the lease arises, the lessor must issue an invoice to the lessee in accordance with the provisions of Article 4.1 of Decree No. 123/2020/ND-CP.

In case the Company declares and pays corporate income tax according to the revenue minus expense method, the costs counted into the deductible expenses when determining the taxable income must simultaneously satisfy the conditions prescribed in Article 6.1 of Circular No. 78/2014/TT-BTC as amended by Article 4 of Circular No. 96/2015/TT-BTC.

*Vinh Long Provincial Tax Department answers the question of Song Tien Petro Co., Ltd in Official Letter No. 1405/CTVLO-TTHT dated December 10, 2024.*

### 2. Value Added Tax Declaration

In case the Company has received the audit decision from the tax authority, and they concluded that it is not eligible for deduction and refund of value added tax (VAT) for the revenue of the export shipment without payment documents from a foreign bank. Only after the tax authority had issued the audit decision did the Company provide payment documents for the export shipment, it is not allowed to declare the increase in the deductible VAT amount in respect of the VAT amount that the tax authority has concluded as not eligible for deduction and refund.

*Binh Dinh Provincial Tax Department answers the question of Delta Galil Vietnam*

*Co., Ltd. in Official Letter No. 4734/CTBDI-TTHT dated December 9, 2024.*

### 3. VAT refund of investment projects

For input VAT of goods and services arising in the investment phase of a new project (including investment projects divided into multiple phases or multiple investment items), as stipulated by the Investment Law, if in an investment phase it fully meets the principles and conditions for input VAT deduction, conditions and procedures for VAT refund in Articles 14, 15, and 19 of Circular No. 219/2013/TT-BTC, meets the provisions of Article 1.3 of Decree No. 49/2022/ND-CP, VAT can be refunded for the investment project.

*Quang Nam Provincial Tax Department answers the question of Kimpack Packaging Joint Stock Company in Official Letter No. 10273/CTQNA-TTHT dated December 6, 2024.*

### 4. Guidance on personal income tax in respect of employee bonuses

In case the Company pay bonuses to the employees, cash or non-cash bonuses in any form except for bonuses specified in Article 2.2(e) of Circular No. 111/2013/TT-BTC will be subject to personal income tax. The Company must deduct personal income tax according to the instructions in Article 25.1 of Circular No. 111/2013/TT-BTC.

If the payment is made not in the name of any individual but to the collective of employees, this income shall not be included in the taxable income according to the instructions in Article 2.2 (d.3.2) of Circular No. 111/2013/TT-BTC.

*Hanoi Tax Department answers the question of Niteco Vietnam Co., Ltd. in Official Letter No. 64688/CTHN-TTHT dated December 5, 2024.*



## 1. 9 consecutive days off in the Lunar New Year Holiday 2025

According to Notice No. 6150/TB-BLDTBXH of the Ministry of Labor, War Invalids and Social Affairs, the leave schedule for Lunar New Year Holiday, National Day, Victory Day and International Labor Day in 2025 for cadres, civil servants, public employees and workers is as follows:

*Lunar New Year Holiday 2025:* 9 days off, from January 25 to February 2, 2025, i.e. December 26, Giap Thin year to January 5, At Ty year. A total of 9 consecutive days.

*National Day 2025:* 4 days off, from August 30 to September 2, 2025. A total of 4 consecutive days.

*Victory Day 30/4 and International Labor Day 01/05/2025:* 5 days off, from 30/04 to 04/05/2025 (swapping the working day of

Friday 02/05 for Saturday 26/04/2025). A total of 5 consecutive days.

Agencies and units that do not have fixed days off on Saturday and Sunday will arrange suitable leave days based on their plans.

Enterprises can decide the 2025 Lunar New Year holiday plan including the last 1 day of Giap Thin Year - first 4 days of At Ty Year or the last 2 days of Giap Thin Year - first 3 days of At Ty Year, or the last 3 days of Giap Thin Year - first 2 days of At Ty Year.

The Ministry of Labor, War Invalids and Social Affairs encourages enterprises to announce their plans for Lunar New Year and National Day holidays in 2025 at least 30 days in advance.

*By tuoitre.vn*

## 2. Deadline for resolving difficulties for renewable energy projects

At the online conference of December 12, 2024 to announce and implement the Government's Resolution on policies and directions for removing obstacles and difficulties for renewable energy projects, Prime Minister Pham Minh Chinh emphasized that the Government has put forward a number of general viewpoints and principles to resolve difficulties for these projects in general. Specific projects will be assigned to local authorities to work with enterprises and resolve the difficulties, and report to the competent level if the issue is beyond their authority.

Regarding solutions, it is allowed to handle difficulties and make additional plans for implementation of the projects if they are not in violation of regulations related to national security and defense, the planning of key national works and projects.

For projects with violations in procedures and processes related to land and construction, it is allowed to complete these projects in accordance with law.

For projects being eligible for FIT prices and having violations as concluded by competent authorities due to the fault of the enterprise and not fully meeting the conditions for enjoying FIT prices, they will not be entitled to preferential FIT prices but must re-determine the electricity purchase prices; recover the preferential FIT prices they have enjoyed inadequately by offsetting the payments for electricity.

The Prime Minister clearly said that if an issue falls within the authority of an agency, such agency must resolve the issue publicly and transparently applying the solutions proposed by the Government; strive to resolve the issue completely before January 31, 2025.

For projects that have been prosecuted, the handling and remedy of violations will only be carried out after a valid verdict has been issued according to the law. The handling of obstacles must be public and transparent; it is strictly prohibited to engage in corrupt behaviors in handling difficulties.

*By laodong.vn*

No.	Document title	Issuance date	Effective date
<b>NATIONAL ASSEMBLY</b>			
1	Resolution 174/2024/QH15 on the 8th Session, 15th National Assembly.	November 30, 2024	January 14, 2025
2	Resolution 171/2024/QH15 on piloting the implementation of commercial housing projects through agreements on receiving land use rights or having land use rights available.	November 30, 2024	April 1, 2025
3	Law No. 61/2024/QH15 on electricity.	November 30, 2024	February 1, 2025
4	Law No. 60/2024/QH15 on Data.	November 30, 2024	July 1, 2025
5	Law No. 58/2024/QH15 on Public Investment	November 29, 2024	January 1, 2025
6	Law No. 57/2024/QH15 amending and supplementing the Law on Planning, the Law on Investment, the Law on Public-Private Partnership Investment and the Law on Bidding.	November 29, 2024	January 15, 2025
7	Law No. 56/2024/QH15 amending and supplementing a number of articles of Law on Securities; Accounting Law; Law on Independent Audit; Law on State Budget; Law on Management and Use of Public Assets; Law on Personal income tax; Law on Tax administration; Law on National reserve; Law on Handling of administrative violations.	November 29, 2024	January 1, 2025
8	Law No. 55/2024/QH15 on Fire Prevention Fire Fighting and Rescue.	November 29, 2024	July 1, 2025
9	Law No. 54/2024/QH15 on Geology and Minerals.	November 29, 2024	July 1, 2025
10	Law No. 51/2024/QH15 amending and supplementing the Law on Health Insurance.	November 27, 2024	July 1, 2025
11	Law No. 50/2024/QH15 on Trade Unions.	November 27, 2024	July 1, 2025
12	Law No. 49/2024/QH15 on People's Air Defense.	November 27, 2024	July 1, 2025
13	Law No. 48/2024/QH15 on Value added tax.	November 26, 2024	July 1, 2025
14	Law No. 46/2024/QH15 on Notarization.	November 26, 2024	July 1, 2025
15	Law No. 44/2024/QH15 amending and supplementing a number of articles of the Law on Pharmacy.	November 21, 2024	November 21, 2024
<b>GOVERNMENT</b>			

1	Decree 154/2024/ND-CP detailing a number of articles and measures to implement the Law on Residence.	November 26, 2024	January 10, 2025
2	Decree 153/2024/ND-CP regulating environmental protection fees for emissions.	November 21, 2024	January 5, 2025
<b>MINISTRY OF INDUSTRY AND TRADE</b>			
1	Circular 27/2024/TT-BCT stipulates the criteria for evaluating bidding documents and bidding documents form selecting investors to implement energy construction investment projects.	November 21, 2024	November 21, 2024
<b>STATE BANK OF VIETNAM</b>			
1	Circular 53/2024/TT-NHNN stipulating that credit institutions and foreign bank branches restructure debt repayment term for customers facing difficulties due to the impact and damage of storm No. 3, floods, landslides after storm No. 3.	December 4, 2024	December 4, 2024

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