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**LEGAL, LABOR AND TAX
UPDATES IN 2024**



FAMILY CIRCUMSTANCES DEDUCTION FOR TAXPAYERS' DEPENDANTS

Official Letter No. 685/TCT-DNNCN dated February 27, 2024 from the General Department of Taxation

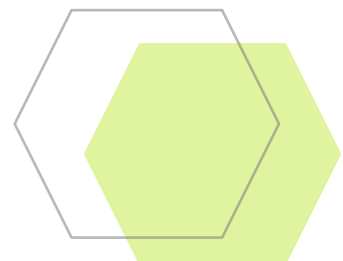
Remarkable issues:

The General Department of Taxation provides guidance: In cases where a taxpayer claims deductions for family circumstances related to their dependants (who are supported by the taxpayer), they must meet the conditions outlined in Section d.4, Point d, Point đ of Article 9 of Circular No. 111/2013/TT-BTC, as well as Article 107 of the Law on Marriage and Family. Consequently, the local Tax Department makes decisions based on actual records and processes them in accordance with Vietnamese laws.

Official Letter No. 9577/CTHN-TTHT dated February 28, 2024 of Hanoi Tax Department

The Hanoi Tax Department instructs that if a taxpayer registers a dependant as his elder sister (whose parents are still alive and receiving a monthly pension of VND 3.5 million per person), who does not fall under the dependant directly supported by the taxpayer according to legal regulations, the taxpayer will not be eligible for deduction when calculating PIT as stipulated in Clause 1 of Article 9 of Circular No. 111/2013/TT-BTC of the Ministry of Finance.

With the guidance provided above, taxpayers, whether organizations or individuals, need to review their dependant dossiers to ensure compliance with legal provisions in order to minimize the risk of being collected tax arrears, fines for tax violations, and late payment interests resulting from incorrect dependant deductions.



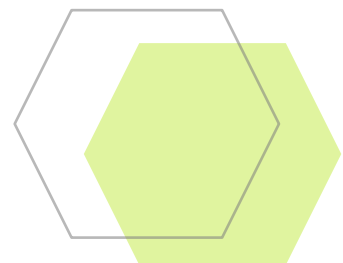


MANAGEMENT OF TAXES INCURRED FROM GOODS PURCHASE USING STATEMENTS

Official Dispatch No. 1336/TCT-TTKT dated April 2, 2024 of the General Department of Taxation

The General Department of Taxation gives a guidance:

Other Provincial Departments of Taxation shall, during their inspection, intensify verification of purchases of goods and services using statements as prescribed in Point 2.4 Clause 2 Article 6 of the Circular No. 78/2014/TT-BTC dated June 18, 2014 of the Ministry of Finance (as amended by Article 4 of the Circular No. 96/2015/TT-BTC dated June 22, 2015) in order to determine the validity and legitimacy of these statements which shall be then used as the basis for determining deductible expenses upon calculation of corporate income tax, ensuring compliance with laws and avoiding loss of the State budget's revenues, and pay special attention to taxpayers that show signs of the same violation as that committed by Tuan Dung Private Enterprise as mentioned in the Inspection Conclusion No. 966/KL-TTCP dated September 20, 2022 of the Government Inspectorate.

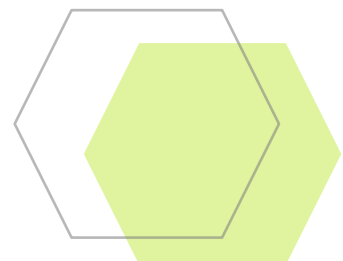




TAX POLICY FOR BRANCH TERMINATING ITS OPERATIONS

[Official Dispatch No. 1362/TCT-KK dated April 2, 2024 of the General Department of Taxation](#)

The General Department of Taxation guides that in cases where a Branch of a Company (headquartered in Long An Province) is an affiliate of a Company (headquartered in Ho Chi Minh City), and the Branch terminates its operations and tax code effectiveness according to the Company's decision but still has input VAT that has not been fully deducted. If it meets all the conditions for tax deduction as prescribed by the Law on VAT, then the Branch shall transfer the input VAT amount not yet fully deducted to the Company to continue declaring and deducting as prescribed.



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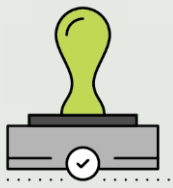
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- The State Securities Commission to audit the **Financial Statements of the listed joint stock companies**, public joint stock company and securities companies.
- The State Bank of Vietnam to **perform audit on the financial statements of the banks and credit institutions** operating in Vietnam.
- Non-governmental organizations **allow the auditing of projects** funded by these ones.



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