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MONTHLY BULLETIN

JUNE & JULY

LEGAL, LABOR AND TAX UPDATES IN 2024

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TAX PAYMENT EXTENSION

Decree No. 64/2024/NĐ-CP on extension of payment deadlines of VAT, CIT, PIT, and land rent in 2024

Remarkable issues:

Regarding VAT amount (excluding VAT amount on imports): The decree extends the deadline for payment of VAT payable, including the tax allocated to other provincial-level localities where the taxpayer's head office is located, and the tax paid on a per-incident basis.

Tax period	Payment deadline
May 2024	No later than 20 Nov 2024
Jun – Jul – Aug – Sep 2024	No later than 20 Dec 2024
Q2-Q3/2024	No later than 31 Dec 2024

For corporate income tax, extend the tax payment deadline for **the temporarily paid CIT amount of the second quarter of the tax period** of enterprises and organizations subject to the extension.

The extension period is **3 months** from the end of the CIT payment deadline according to the provisions of law on tax administration.

For VAT and PIT for business households and individual business owners

The payment deadline of VAT and PIT for 2024 is extended for business households and individual business operating in eligible economic sectors and fields.

The extended payment must be completed by 30 December 2024.

For land rent, extend the land rent payment deadline for 50% of the arising land rent that is payable in 2024 (the payable amount in the second period of 2024) of enterprises, organizations, households, and individuals subject to the extension that is being leased land directly by the State according to a Decision or Contract of a competent State agency in the form of annual land rental payment.

This Decree takes effect from the date of signing and promulgation until 31 Dec 2024.

VAT REDUCTION POLICY

Decree No. 72/2024/NĐ-CP dated 30 June 2024 prescribing VAT reduction under Resolution No. 142/2024/QH15 dated 29 June 2024 of national assembly of Vietnam

Noteworthy issues:

VAT on goods and services that are currently subject to 10% VAT shall be reduced **from 1/7/2024 to 31/12/2024**, except the following goods and services:

- Telecommunication, financial activities, banking activities, securities, insurance, trading of real estate, metal and precast metal products, mining products (excluding coal mining), coke mining, refined oil, chemical products. Details in Appendix I of the Decree.
- Goods and services subject to excise tax. Details in Appendix II of the Decree.
- Information technology products and services as prescribed in the Law on information technology. Details in Appendix III of the Decree.

Taxpayers should pay attention to the declaration in **Form 01, Appendix IV issued under the Decree**, which includes guidelines on declaring and determining VAT discrepancies for periods applying the 8% VAT rate, covering both purchased and sold goods and services during the period.

STATUTORY PAY RATE AND STATUTORY MINIMUM WAGES

Decree No. 73/2024/NĐ-CP prescribing statutory pay rate and bonus policies for officials, public employees and armed forces

Starting from **1 July 2024**, the basic salary for civil servants, public employees, and armed forces will be adjusted from **VND 1,800,000** to **VND 2,340,000** per month.

Accordingly, the cap for mandatory social insurance and health insurance contributions (20 times the statutory pay rate) will increase from VND 36,000,000 to **VND 46,800,000** per month.

Decree No. 74/2024/NĐ-CP prescribing statutory minimum wages paid to employees working under employment contracts

The minimum wage increases from **VND 200,000 - VND 280,000** compared to the current minimum wage, effective from 1 July 2024, details:

Region	Statutory minimum wages per month (Unit: VND/month)	Statutory minimum wages per hour (Unit: VND/hour)
Region I	4,960,000	23,800
Region II	4,410,000	21,200
Region III	3,860,000	18,600
Region IV	3,450,000	16,600

*Accordingly, businesses need to review their current salary levels to ensure they are not paying below the prescribed level and adjust social insurance contributions accordingly (if applicable). Also, the cap for unemployment insurance contributions will also change (**20 times the statutory minimum wages**) when calculating wages and insurance payments depending on the region.*

COMPILATION OF DATA ON TEMPORARY EXIT SUSPENSION

Official Dispatch No. 2477/TCT-QLN dated 10/06/2024 of the General Department of Taxation

Official Dispatch No. 3094/TCT-QLN dated 18/7/2024 of the General Department of Taxation

Details of the guidance are as follows:

According to current regulations, individuals who may be temporarily banned from exiting the country include individuals or legal representatives of tax-paying enterprises who are under administrative enforcement for unresolved tax obligations; Vietnamese citizens leaving the country for permanent settlement abroad who have not fulfilled their tax obligations; Vietnamese citizens residing abroad who have not settled their tax obligations; Foreign nationals who have not settled their tax obligations before leaving Vietnam.

In cases of exit bans, the tax authorities are required to review and verify the taxpayer's obligations before issuing a notification of exit ban to the immigration authorities and sending a copy to the taxpayer, allowing them to fulfill their tax obligations before leaving the country.

Additionally, the General Department of Taxation mandates a comprehensive review of all exit ban notifications, extensions, and cancellations issued by the Tax Departments to ensure that these notifications are properly posted on the Tax Department's website.

Taxpayers are advised to provide accurate addresses for notifications and update their information with the tax authorities as needed. They can check their tax liabilities and exit ban status through the tax information website and the Etaxmobile app to ensure their tax obligations are met before departing.

Businesses should carefully review and ensure compliance with tax obligations to avoid risks of enforcement actions, including exit bans.

These Legal Updates are general information for internal use merely, and they are not provided to any specific case of any organizations or individuals. Although we endeavor to present as accurate information as possible, we do not assure that the aforesaid information remains its accuracy as at the date on which the readers receive these Legal Updates. You are advised to refer consultants before adopting these Legal Updates for specific cases.

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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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