
Features

Page 2

Housing rent support

Page 3

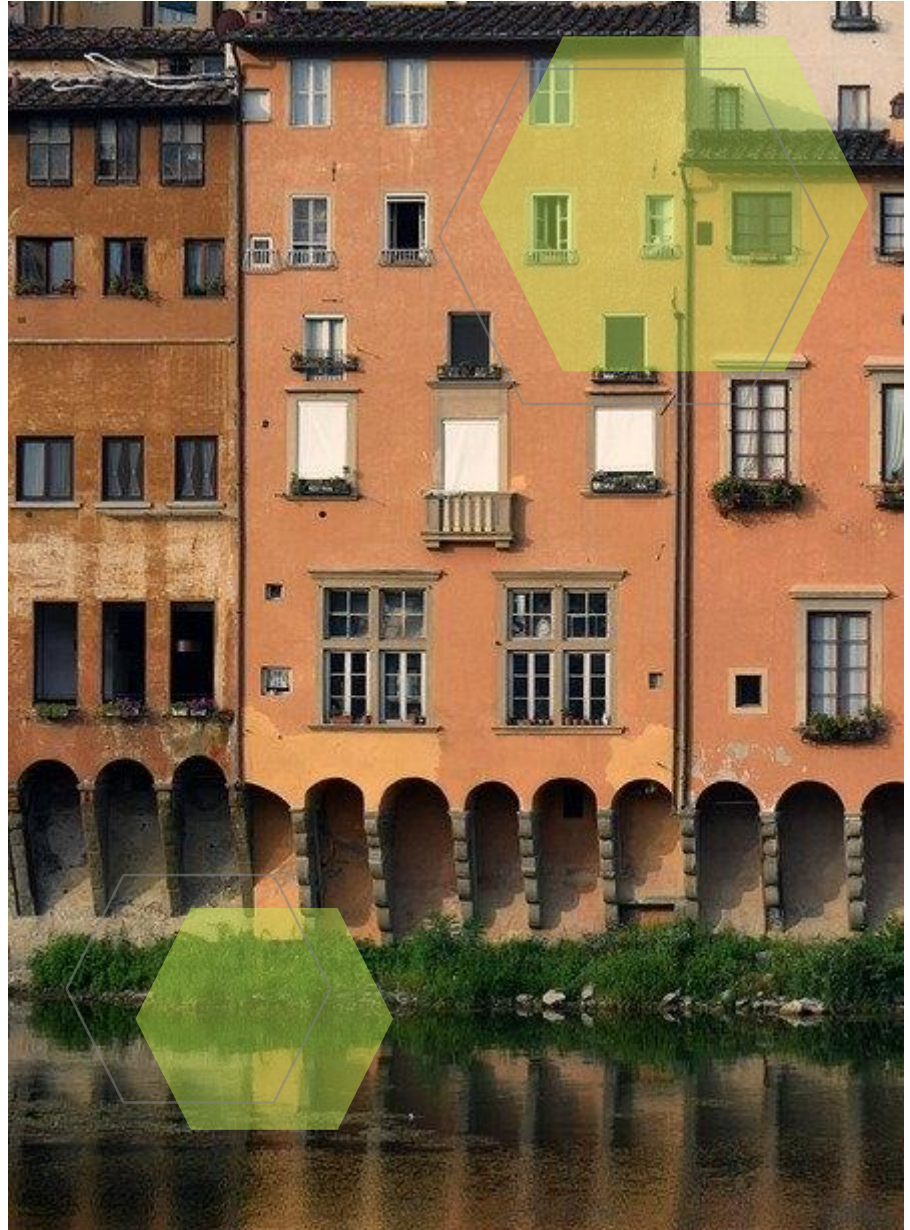
Deferral of tax and land rents

Page 5

VAT reduction

Page 6

Guidelines for identifying associated parties



LEGAL, LABOR AND TAX UPDATES IN 2022



HOUSING RENT SUPPORT

DECISION NO. 08/2022/QĐ-TTG IMPLEMENTING RENT SUPPORT POLICIES FOR EMPLOYEES

1. Employees who are working in industrial zones

An employee who is working for an enterprise in an industrial zone (IZ), export processing zone (IPZ), or key economic zone (KEZ) with the amount of 500 thousand VND/month.

- ✓ He/she has rented a room or a house from February 1, 2022 to June 30, 2022.
- ✓ He/she has an indefinite-term employment contract or a fixed-term employment contract with a duration of at least 1 month which was concluded and executed before April 01, 2022.
- ✓ He/she has participated in the compulsory social insurance (included in the list of participants in compulsory social insurance of social insurance agency) in the month preceding the month in which the enterprise makes the list of employees applying for rent support.

2. Employees returning to the labor market, working for an enterprise, cooperative, or business household

An employee who is working for an enterprise, cooperative, or business household with a business registration in an IZ, IPZ, or KEZ will be eligible for support of 1 million VND/person/month.

- ✓ He/she has rented a room or a house from April 1, 2022 to June 30, 2022.
- ✓ He/she has an indefinite-term employment contract or a fixed-term employment contract with a duration of at least 1 month which was concluded and executed from April 1, 2022 to June 30, 2022, except renewed employment contracts.
- ✓ He/she has participated in the compulsory social insurance (included in the list of participants in compulsory social insurance of social insurance agency) in the month preceding the month in which the employer makes the list of employees applying for rent support.

Duration: Up to 3 months

DEFERRAL OF TAX AND LAND RENTS

DECREE NO. 34/2022/NĐ-CP DEFERRAL OF VALUE-ADDED TAX, CORPORATE INCOME TAX, PERSONAL INCOME TAX AND LAND RENTS IN 2022

Regulated entities:

(1) Enterprises, organizations, households, household businesses carrying out manufacture in the following lines of business:

- Agriculture, forestry and aquaculture;
- Food production, processing; textile; garments; manufacture of leather and related products; timber treatment and manufacture of products from wood, bamboo and rattan (except furniture); manufacture of products from straw, and plaiting materials; manufacture of paper and paper products; manufacture of products from rubber and plastic; manufacture of other non-metallic mineral products; metal production; mechanical processing; metal processing and coating; manufacture of electronic products, computers and optical products; manufacture of motor vehicles and other motorized vehicles; manufacture of furniture;
- Construction;
- Publishing activities; cinematography activities; TV show production, audio recording and music publishing;
- Extraction of crude oil and natural gas (except corporate income tax on crude oil, condensate and natural gas collected under international agreements, contracts);
- Manufacture of beverage; printing, copying recordings; manufacture of coke, refined petroleum products; manufacture of chemicals and chemical products; manufacture of precast metal product (except machinery and equipment); manufacture of motorcycles; repair, maintenance and installation of machinery and equipment;
- Drainage and wastewater treatment.



(2) Enterprises, organizations, households, household businesses having business operation in the following lines of business:

- Transport, warehousing; accommodation, food and beverage services; education and training; healthcare and social assistance; real estate business;
- Employment-related services; operation of travel agencies, tourism business, auxiliary services relevant to tour organization and advertising;
- Composition, art and entertainment; operation of libraries, archives, museums and other cultural activities; sports, entertainment, cinema operation;

(3) Enterprises, organizations, households, household businesses manufacturing prioritized ancillary products or key mechanical product.

(4) Small enterprises and micro-enterprises according to the 2017's Law on Assistance for Small and Medium-Sized Enterprises and the Government's Decree No. 80/2021/NĐ-CP.

(5) Credit institutions and foreign bank branches (FBB) providing assistance for customers that are enterprises, organizations, individuals affected by Covid-19 according to regulations of State Bank of Vietnam.

DEFERRAL OF TAX AND LAND RENTS

DECREE NO. 34/2022/NĐ-CP DEFERRAL OF VALUE-ADDED TAX, CORPORATE INCOME TAX, PERSONAL INCOME TAX AND LAND RENTS IN 2022

****Regarding Value-added tax (VAT):**

VAT period	The deadline for payment of VAT
03/2022	20 October
04/2022	20 November
05, 06, 07, 08/2022	20 December
QI/2022	30 October
QII/2022	31 December

****Regarding corporate income tax (CIT):**

Deferral will be granted to provisional CIT of Q1 and Q2 2022 payable by the enterprises and organizations mentioned thereon.

Deferral period shall be 03 months from the deadline for payment of CIT according to regulations of law on tax administration.

**** VAT and personal income tax (PIT) payable by household businesses and individual businesses:**

Deferral will be granted to VAT and PIT payable by household businesses and individual businesses operating in the business lines specified in (1), (2), (3) as mentioned above.

Household businesses and individual businesses shall pay the deferred tax by December 30, 2022.

****Regarding land rents:**

Deferral shall be granted to 50% of annual land rents payable in 2022 by enterprises, organizations, households, household businesses, individuals mentioned thereof that are directly leasing land from the State under Decisions or Contracts of competent authorities.

Deferral period shall be 06 months from May 31, 2022 to November 30, 2022.



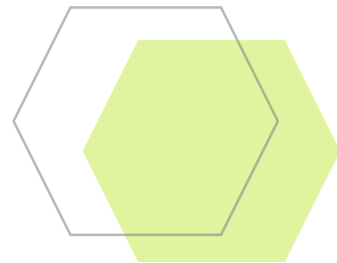
VAT REDUCTION

DISPATCH NO. 1348/TCT-DNL ON OBSTACLES WHEN APPLYING VAT RATE

Enterprises providing car maintenance and repair services are applying 10% VAT (except for the groups of goods and services mentioned in Clause 1, Article 1 of Decree No. 15/2022/ND-CP) **will be entitled to 8% VAT from February 1, 2022 to the end of December 31, 2022.**

In case enterprises provide auto maintenance and repair services and sell goods and spare parts, it is recommended to compare for goods and spare parts according to the specific list of goods and services in Appendices I, II, III promulgated together with Decree No. 15/2022/ND-CP to determine whether they are eligible for tax reduction or not.

If these service providers have issued invoices and declared at the tax rate or percentage to calculate VAT that has not been reduced as prescribed in Decree No. 15, the seller and the buyer must prepare a record or a written agreement stating the error, at the same time the seller must issue an invoice correcting the error and deliver the adjusted invoice thereon to the buyer.





IDENTIFYING ASSOCIATED PARTIES

THE GENERAL DEPARTMENT OF TAXATION ISSUES OFFICIAL DISPATCH NO. 915/TCT-TTKT REGARDING OBSTACLES RELATED TO THE DETERMINATION OF ASSOCIATED TRANSACTIONS.

Pursuant to the regulations on associateship at Point d, Clause 2, Article 5 of Decree No. 132/2020/ND-CP dated November 5, 2020 on tax administration for enterprises having associated transactions:

“d) An enterprise guarantees or offers another enterprise a loan under any form (even including third-party loans guaranteed by financing sources of related parties and financial transactions of same or similar nature) to the extent that the loan amount equals at least 25% of equity of the borrowing enterprise and makes up for more than 50% of total medium and long term debts of the borrowing enterprise;”

Pursuant to the above provisions, the enterprise does not have any medium and long-term debts in the period according to the criteria specified at Point d, Clause 2, Article 5 of Decree No. 132/2020/ND-CP above, it will not be applied this point.

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.

CONTACT INFORMATION

For more information, please contact:

Head office

Nguyen Ngoc Thanh (Mr.)
Deputy General Director –
Consulting and Training Partner
Email: thanh.nn@a-c.com.vn
Mobile: +84 9 0366 0686
Tel: +84 28 3547 2972 - Ext: 203

Ha Noi Branch

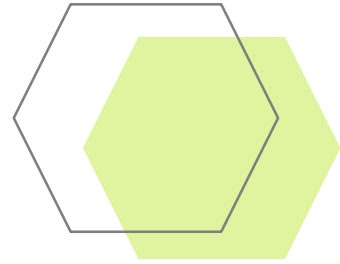
Nguyen Hoang Duc (Mr.)
Deputy General Director
Director of Ha Noi Branch
Email: duc.nh@a-c.com.vn
Mobile: +84 9 1359 2929
Tel: +84 24 3736 7879 - Ext: 456

Nha Trang Branch

Nguyen Van Kien (Mr.)
Deputy General Director
Director of Nha Trang Branch
Email: kien.nv@a-c.com.vn
Mobile: +84 94 508 7979
Tel: +84 258 246 5151 - Ext: 202

Can Tho Branch

Nguyen Huu Danh (Mr.)
Director of Can Tho Branch
Email: danh.nh@a-c.com.vn
Mobile: +84 91 815 0488
Tel: +84 292 376 4995 - Ext: 106



INTRODUCTION TO CONSULTING SERVICES OF A&C

Baker Tilly A&C specializes in rendering auditing and consulting services in the fields of accounting - finance - tax - investment - legal - administration - construction

Financial Statements

Financial statement is one of the pivotal activities of Baker Tilly A&C. Hence, we are proud to bring satisfaction to you with the best quality of service.

Internal Audit

We are willing to provide a wide spectrum of advisory services which include the provision of internal audit teams, corporate governance, enterprise risk management, quality assurance reviews, legal compliance review and review of internal controls over financial statement preparation, etc.

Finalized Accounts of Investment Project

Audited Reports will help you (Investor and related parties) complete the procedures and approval for the final settlement of the investment capital, the final settlement value of the construction investment before the facility is put into use. The above services will provide you with reliable information and documents on selecting your investment partner and for the purposes of mortgage, transfer, equitization, dissolution, bankruptcy law for firm.

Consulting Service

We provide a range of consulting services including Tax Consultancy, Transfer Pricing, Business Consultancy, Due Diligence, Business Restructuring Consultancy, Legal and Investment Consultancy, Mergers and Acquisitions (M&A)

Accounting Service

With a team of professionals with knowledge of Vietnamese accounting, international accounting practices, many years of practical work experience in the business, accounting services provided by A&C always satisfy customers.

Training Service

Training topics on financial accounting, management accounting, auditing and internal audit, financial analysis, IFRSs, etc.

Organizing continuing professional development program and providing information on newly issued documents of the State
On-demand corporate training

Valuation Service

Including services of Business Valuation and Asset Valuation via the issuance of valuation certificate

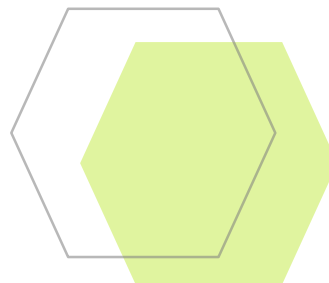
INTRODUCTION TO BAKER TILLY INTERNATIONAL

A&C is an independent member of BAKER TILLY INTERNATIONAL – a worldwide organization of professional accounting firms and business advisers

BAKER TILLY INTERNATIONAL a worldwide organization including the world's leading independent member firms of professional accounting firms and business advisers, was established in 1987 and has headquartered at Global Office, Juxon House, 100 St Paul's Churchyard, London, EC4M 8BU, United Kingdom. Baker Tilly International is represented by **122 member companies** in more than **146 countries** and **36,300 employees** worldwide. The members of Baker Tilly International are all high-quality independent accounting, auditing and consulting firms, committed to providing outstanding services to customers in domestic as well as worldwide.

BAKER TILLY INTERNATIONAL ranks in **the top 10** largest accounting and business advisory networks worldwide, with the global annual fee income of over **USD 3.9 billion**.

BAKER TILLY INTERNATIONAL is large enough to provide the services required by clients, whatever their size is and wherever they are located. Through its "**Global Care**" approach, **BAKER TILLY INTERNATIONAL** member firms strive to ensure that all aspects of a client's financial affairs are addressed at the highest quality and professional manner.



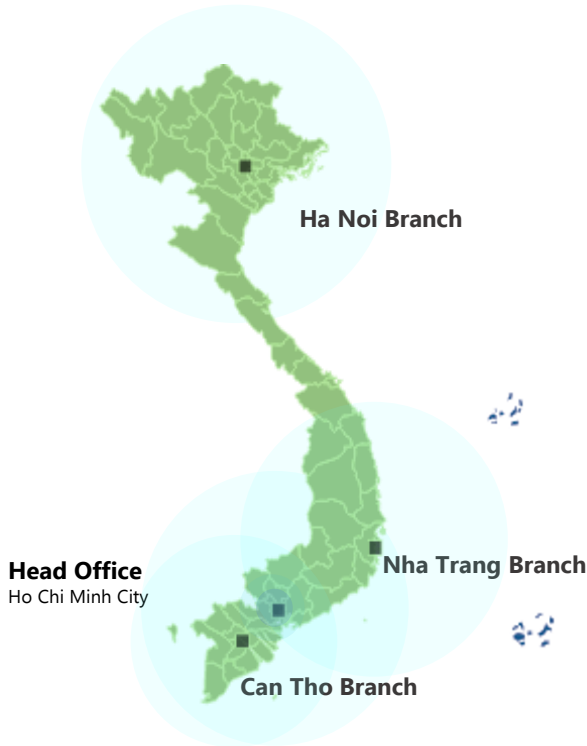
INTRODUCTION TO BAKER TILLY A&C

A&C Auditing and Consulting Co., Ltd.

Established in 1992, formerly known as a State-owned enterprise directly under the Ministry of Finance.

A&C specializes in auditing, accounting, consulting, valuation and training, and has been constantly developing and diversifying services.

During 30 years of operation, A&C has successfully developed a branch network in major economic centers in the country.



Baker Tilly A&C's team of more than 500 employees undergoes ongoing training for improving professional expertise, skills and courage as well as updates knowledge on laws, economics, technology, marketing, etc. In addition to local training courses, our auditors and consultants have been seconded in training and practicing courses overseas, such as Malaysia, Singapore, the Philippines, Hong Kong, Great Britain, France, Belgium, Ireland, etc. organized by A&C or supporting programs of Ministry of Finance, Baker Tilly International and other international professional organizations.

A&C has been providing services to more than 2,000 clients working in various operating sectors in Vietnam, including:

- ☉ Vietnamese businesses and FDI ones of all economic sectors including manufacturing, finance, banking, oil and gas, etc.;
- ☉ International and domestic organizations, representative offices, and individuals who are in need of our services;
- ☉ Projects funded by the World Bank, the Asian Development Bank, the European Union, etc.

Collective member of Vietnam Association of Certified Public Accountants (VACPA); Member of Vietnam Business Club (VBC) and Collective member of Vietnam Tax Advisory Association (VTCA).

Why is Baker Tilly A&C credible?

