

# MONTHLY BULLETIN OCTOBER 2022

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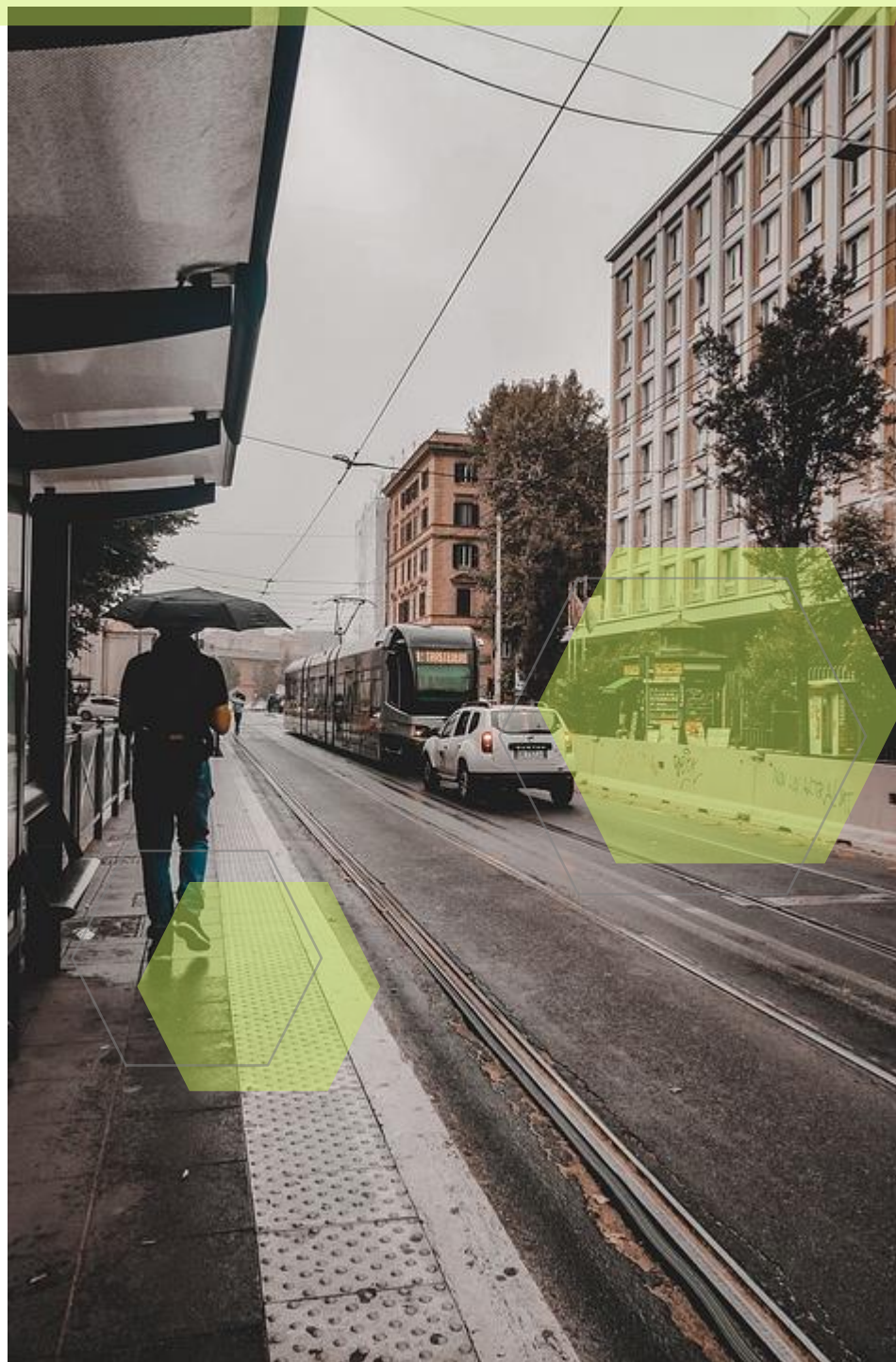
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## LEGAL, LABOR AND TAX UPDATES IN 2022



## DECLARING AND PAYING TAX ON BEHALF OF HOUSEHOLD BUSINESSES AND INDIVIDUAL BUSINESSES

### Declaring and paying tax on sales promotion bonuses and discounts on behalf of household businesses and individual businesses

#### 1. Regarding sales promotion gifts

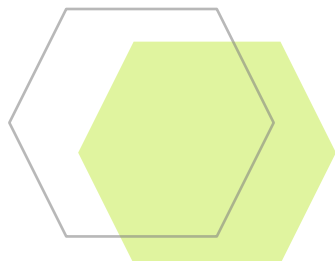
Pursuant to the aforementioned regulations: When the Company gifts assets subject to registration of right to ownership and right to enjoyment to customers without accompanied purchase or sale of goods, the gifts received by the customers are subject to personal income tax on gifts. In case the Company pays assistance in cash or in kind to household businesses that meet revenue targets, regulations of Point dd Clause 5 Article 7 of the Government's Decree No. 126/2020/NĐ-CP dated 19 October 2020 elaborating some Articles of the Law on Tax Administration shall be applied.



#### 2. Regarding taxes paid by the Company on behalf of customers receiving sales promotion bonuses and discounts

Pursuant to the aforementioned regulations, when providing gifts as sales promotion, discounts, etc. for individuals and paying tax on behalf of these individuals, the Company must not deduct input VAT and must not record them as deductible expenditures when determining income subject to corporate income tax regarding the taxes paid on behalf of these individuals.

***(Official Dispatch No. 3870/TCT-DNNCN dated 19 October 2022 issued by the General Department of Taxation)***







# E-INVOICES

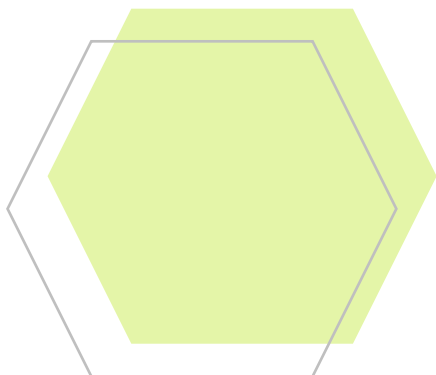
## SUPPLEMENTATION OF UNDECLARED INPUT INVOICES OF THE PREVIOUS PERIOD

Based on the above provisions, in case Da Lat Hasfarm Co., Ltd. declares some additional VAT invoices for purchased goods and services (incurred from January 2021 to September 2021) in the tax period of October and November 2021, before the Tax Authority or the Competent Authority announces the decision on tax inspection at the taxpayer's office, the Company shall implement under the provisions of Point b, Clause 4, Article 7 of Decree No. Decree No. 126/2020/ND-CP dated 19 October 2020 of the Government.

Pursuant to point b, Clause 4, Article 7 of Decree No. 126/2020/ND-CP:” b) *If the supplementation leads to an increase in the amount of tax payable or decrease in the amount of refundable tax, the arrears or excessively refunded tax plus late payment interest (if any) shall be paid to state budget).*

*If the supplementation only increases or decreases the deductible VAT which will be carried forward, it must be included in the current tax period. The taxpayer may only increase the refundable VAT if the tax declaration dossier of the next period and the application for tax refund is not submitted.”*

**(Official Dispatch No. 3059/TCT-KK dated 18 August 2022 issued by the General Department of Taxation)**





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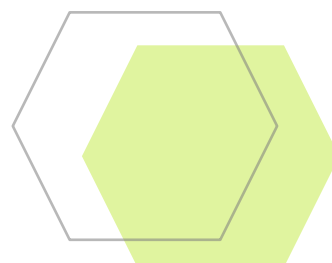
## E-INVOICES

### Tax declaration for replacement invoices for early termination of land lease contract

In case Nam Thang Long Urban Area Development Company Limited (the Company) and Vietnam Joint Stock Commercial Bank for Industry and Trade (“Vietinbank”) jointly agree to terminate (liquidate) the land lease contract ahead of time for the land lot TM1, the General Department of Taxation will agree with the opinion of Hanoi Tax Department stated in Official Letter No. 46108/CTHN-TTHT:

The Company **shall issue e-invoices under the actual value arising according to the provisions of Clause 1, Article 4 of Decree No. 123/2020/ND-CP, replacing the issued invoices.** Based on the replacement new e-invoices, the Company declares VAT and CIT according to current regulations; **based on issued invoices (in 2009 and 2010), the Company declares the reduction of taxable revenue and tax obligations (VAT and CIT) respectively at the period in which the replacement e-invoice is generated (in 2022), and does not make any additional declaration of tax return for the previous tax period.**

*(Official Dispatch No. 3975/TCT-CS dated 28 October 2022 issued by the General Department of Taxation)*



*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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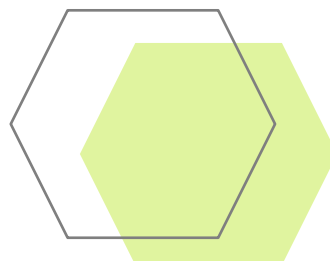
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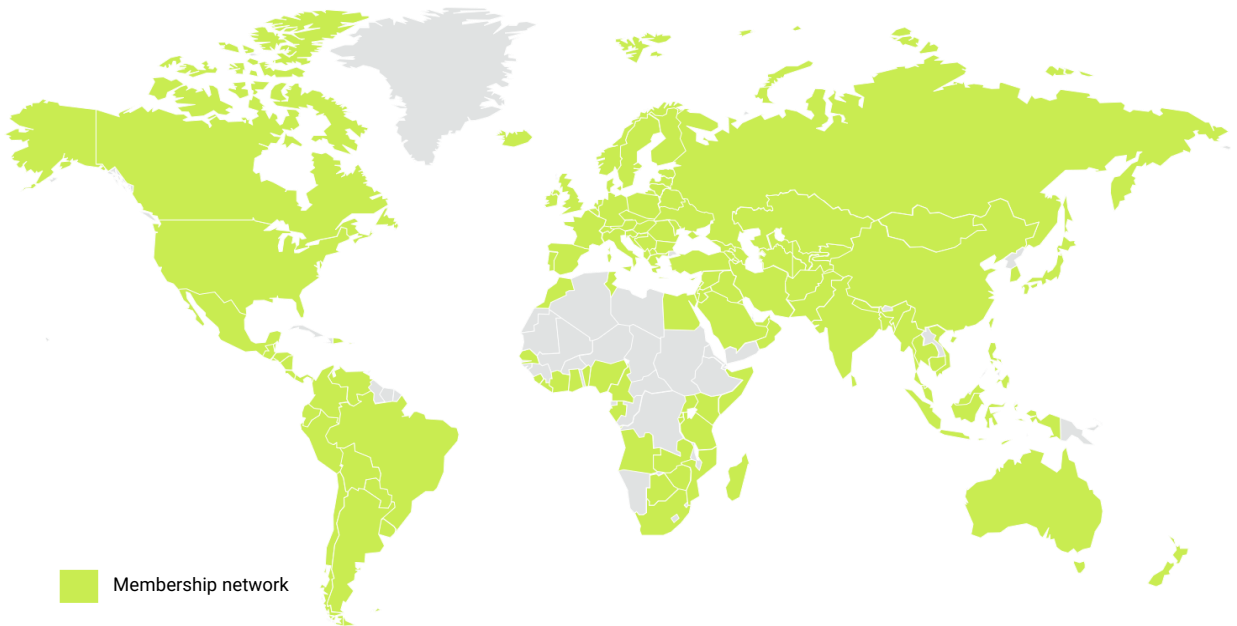
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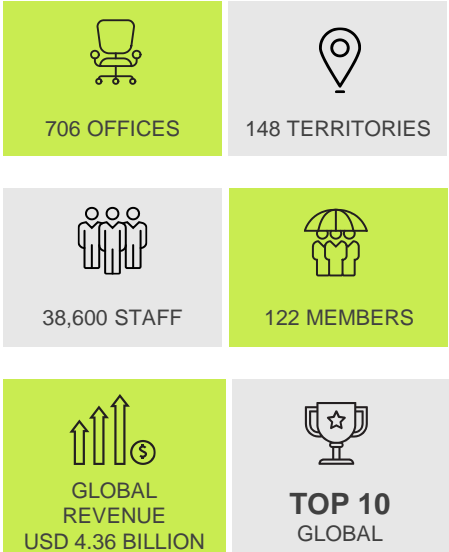
# 1. INTRODUCTION TO BAKER TILLY A&C

Baker Tilly International



**BAKER TILLY INTERNATIONAL**, a worldwide organization 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 A&C is proud to be an independent member of the Baker Tilly network. The international network gives us significant global reach in addition to our substantial national presence. We collaborate to leverage our skills, resources and local expertise with dedication to help our clients grow locally, nationally and globally.



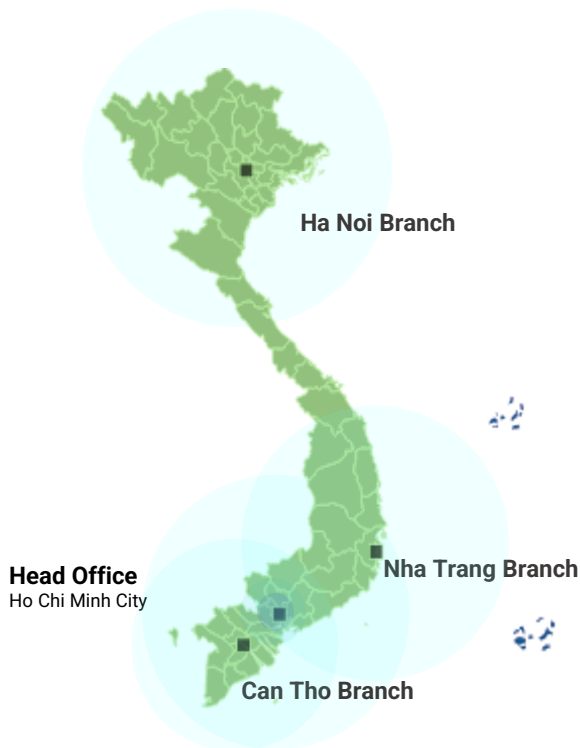
# 1. INTRODUCTION TO BAKER TILLY A&C

## 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.



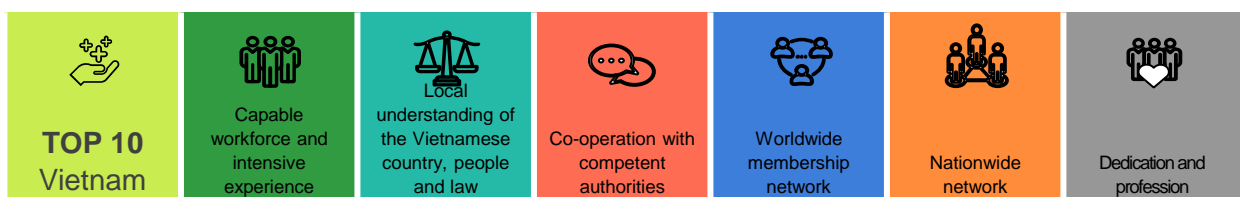
**Baker Tilly A&C's team of more than 500 employees** undergoes ongoing training for improving professional expertise, skills and courage as well as updates knowledge on laws, economics, technology, marketing, etc. In addition to local training courses, our auditors and consultants have been seconded 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?



## 2. INTRODUCTION TO CONSULTING SERVICES

### TAX SERVICES

- Support with tax declaration and finalization;
- Review on tax returns and advises on tax compliance;
- Support with tax inspection and tax audit;
- Assisting to work with tax authorities in case of tax inspection;
- Tax retainer;
- Tax health check;
- Review and advises on tax incentive application;
- Advises on application of Double Taxation Avoidance Agreements (DTAAs);
- Support with VAT Refund;
- Tax planning;
- Tax strategy planning.
- Consultancy on tax procedures for business dissolution.
- Tax due diligence.
- Assist in checking and confirming the implementation of tax obligations of enterprises.

### TRANSFER PRICING DOCUMENTATION SERVICES

- Preparing transfer pricing documentation, assisting with required fill – in forms and demonstration of data for reconciliation in case of tax inspection;
- Planning and preparing for proper transfer pricing documentation;
- Identifying risk and managing prices applicable to associated transactions; Assisting to work with tax authorities in case of transfer pricing inspection;
- Advising on policies and determining management fees and royalties for the Group.

### RISK MANAGEMENT

- Internal audit.
- Risk management.
- Control system advisory.
- Sarbanes-Oxley compliance.

### OPERATION CONSULTANCIES

- Setting up financial reporting system;
- Setting up governance report system;
- Planning capital budget;
- Advise on financial strategies and cash flow management;
- Advise on personnel structure and organization;
- Advise on recruitments;
- Personnel support;
- Advise on operational risks;
- Advise on payroll calculation and labor registration;

### INVESTMENT PROJECT VALUATION

- Assist with feasibility report preparation for investment project;
- Assist with preparation of performance assessment report for investment project;
- Business valuation report for investment project;
- Investment strategy development;
- Support with project competency profile.

### BUSINESS RESTRUCTURING

- Advise on Holdings model;
- Business restructure advisory;
- Develop strategy to optimize tax and business operation.

### M&A CONSULTANCY

- Legal due diligence;
- Financial due diligence;
- Tax due diligence;
- Business valuation advisory;
- M&A plan advisory.

### ASSESSMENT AND CONSULTANCY ON SETTING UP MANAGEMENT INFORMATION SYSTEMS & DIGITAL TRANSFORMATION

- Assess information systems and technology;
- Consult on information technology risk management;
- Consult on developing processes, policies and procedures for operation and control of IT activities;
- Consult on applied IT systems;
- Consult on information and network security;
- Consult on digital transformation;
- Train on management information systems and digital transformation.

### LEGAL CONSULTANCY ON INVESTMENT AND INCORPORATION

- Register for business establishment and investment projects of foreign investors;
- Register for branches, representative offices and business locations;
- Perform procedures to amend the enterprise registration information and the investment registration certificate;
- Advise on formalities and review on capital/share transfer;
- Advise on and perform procedures of dissolution for enterprises, representative offices and branches in Vietnam.

### LEGAL CONSULTANCY ON TRADING

- Give advices and carry out procedures to obtain business license for trading activities of foreign-invested companies;
- Prepare and review commercial contracts.

### LEGAL CONSULTANCY ON EMPLOYMENT

- Advise on legal regulations on employment, including preparation and review of labor contracts, collective agreements;
- Advises on handling employment-related issues;
- Advise on expatriate-related affairs, including procedures for obtaining work permit.

### OTHER LEGAL CONSULTANCY SERVICES

- Give advices and carry out procedures to transfer intellectual property right;
- Give advices and carry out procedures to transfer real estate.



### 3. INTRODUCTION TO TRAINING SERVICES

#### SEMINAR

- Organizing periodically on the last Friday of each month, including 11 topics/ year.
- Updating and explaining newly promulgated or effective legal documents;
- Seminar on carefully selected topics to provide promptly knowledge and practical working skills for the Client;
- The team of lecturers and speakers are experts who have a ton of expertise and practical experience in both work and teaching activities;
- Professional and friendly learning environment with up-to-date facilities;
- The program is designed flexibly, so that Customers could possibly appoint different personnel to engage in each topic of seminar.

#### SPECIALIZED TRAINING

- Being organized monthly, including many topics such as accounting, finance, auditing and internal audit, international financial reporting standards (IFRS), preparing and presenting consolidated financial statements, tax optimization, basic construction, legal, etc.;
- The training topics are organized according to the requirements of customers in order to equip and broaden knowledge and job skills for the accounting and financial staff at the enterprises, contributing to the sustainable and effective development;
- Lecturers are experts with a bunch of experiences working and teaching in the subject in charge; always enthusiastic to answer the enquires of learners.
- The program is designed diversely, richly and oriented towards practical application.

#### TRAINING ON REQUEST

Depending on the practical demands of the business, our experts will build training topics to match your needs and expected results.

- On-demand training topics are interested by numerous businesses and organizations:
  - ✓ *Planning for tax and social insurance;*
  - ✓ *Internal audit practice;*
  - ✓ *Accounting practice in accordance with International Financial Reporting Standards (IFRS);*
  - ✓ *Guidance for preparing and presenting the consolidated financial statements;*
  - ✓ *Associated transactions, foreign contractor tax (FCT) and double tax avoidance agreement (DTAA);*
  - ✓ ....

#### TRAINING – GUIDING

- The program is designed to equip all levels of corporate personnel with the capabilities to plan, execute and control key issues in accounting, finance, auditing, tax and legal operations. effectively. Knowledge and practical skills will be transmitted via practical training and guiding methods. Accordingly, learners will easily absorb and practice knowledge directly on their current work, in order to optimization the effectiveness of training;

