

Features

Page 2

Deductible expenses for output VAT

Page 3

VAT refund policy for improper on-spot export declaration

Page 4

Input invoices declaration under form 01-1/HT

Page 5

PIT policy for compulsory insurance obligations abroad

LEGAL, LABOR AND TAX UPDATES IN 2024



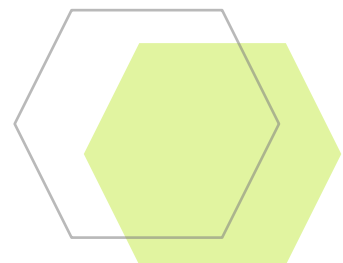
DEDUCTIBLE EXPENSES FOR OUTPUT VAT

Official Dispatch No. 580/CTBDI-TTHT dated February 20, 2024 of Binh Dinh Tax Department

Noteworthy issues:

Based on the provisions of VAT law, Binh Dinh Province Tax Department instructs that:

In cases where a company pays tax through deduction and incurs goods or services for gifting to customers, the output VAT of such goods or services is to determine the payable VAT amount. Only non-deductible input VAT amount is counted as a deductible expense when determining CIT taxable income. Therefore, **the output VAT of goods or services that the company presents to its customers is not considered as deductible expenses for tax purposes.**





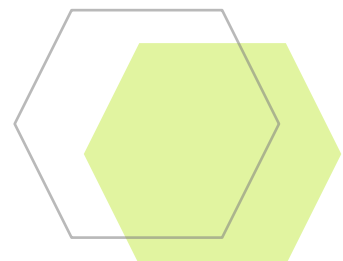
VAT REFUND POLICY FOR IMPROPER ON-SPOT EXPORT DECLARATION

Official Letter No. 558/TCT-CS dated February 20, 2024 from the General Department of Taxation

The General Department of Taxation gives some instructions as follows:

Based on Article 1 of Article 35 of Decree No. 08/2015/NĐ-CP dated January 21, 2015 of the Government detailing and guiding the implementation of the Customs Law; Article 86 of Circular No. 38/2015/TT-BTC dated March 25, 2015 of the Ministry of Finance regulating customs inspection procedures, customs supervision, import-export tariff, and tax administration for exported and imported goods, providing guidance on on-spot export and import activities as well as related VAT regulations.

In cases where the Customs Authority determine that a business has submitted an on-spot export declaration not in line with the provisions of point c, Clause 1 of Article 35 of Decree No. 08/2015/NĐ-CP (*specifically, goods traded between Vietnamese enterprises and foreign organizations or individuals that are not physically present in Vietnam and are designated to deliver or receive by foreign traders with other enterprises in Vietnam*), the Tax Authority will not process VAT refund due to non-compliance with customs declaration requirements as stipulated.



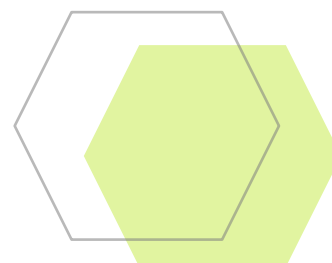


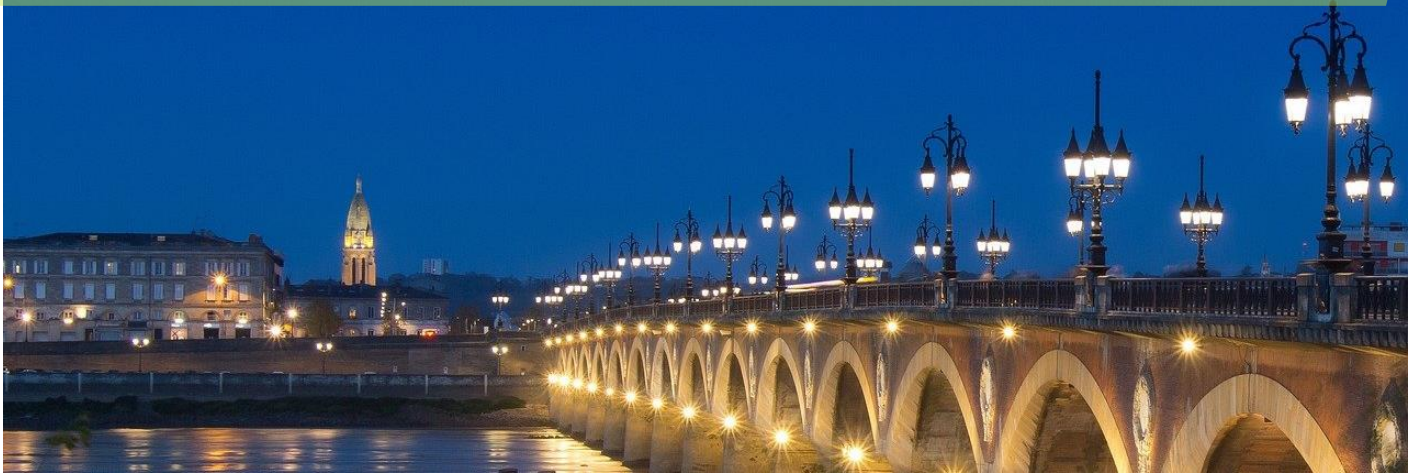
INPUT INVOICES DECLARATION UNDER FORM 01-1/HT

[Official Letter No. 9580/CTHN-TTHT dated February 28, 2024 from the Hanoi Tax Department](#)

Hanoi Tax Department instructs that in cases where a company requests a VAT refund for exported goods and services, the documentation for VAT refund is regulated under Article 28 of Circular No. 80/2021/TT-BTC.

If the purchase invoices are e-invoices and the seller has submitted invoice data to the Tax Authority (either with a Tax Authority code or without a Tax Authority code) as stipulated in Decree No. 123/2020/NĐ-CP, then **the company will not be required to provide a list of invoices and documents for purchased goods and services on form 01-1/HT** as specified in Appendix I of Circular No. 80/2021/TT-BTC mentioned above.





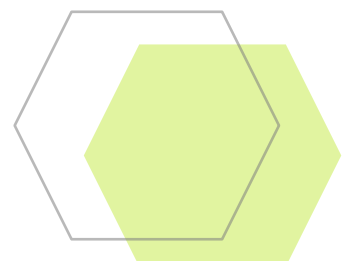
PIT POLICY FOR COMPULSORY INSURANCE OBLIGATIONS ABROAD

Official Letter No. 684/TCT-DNNCN dated February 27, 2024 from the General Department of Taxation

The General Department of Taxation gives some instructions as follows:

In the case of a Japanese individual residing in Vietnam is appointed to Vietnam for work (intra-company transferee), earns income from wages or remuneration abroad, and has paid CI contributions according to the regulations of the country of nationality similar to CI under Vietnamese law, these insurance contributions can be deducted when determining PIT taxable income in Vietnam.

With this Official Letter, the General Department of Taxation has revised its position compared to the guidance in Official Letter No. 6002/TCT-CS dated December 29, 2023, where it was stated that CI contributions paid abroad by foreign individuals reimbursed by Vietnamese company should not be deducted when calculating PIT in Vietnam.



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:

Nguyen Ngoc Thanh (Mr.)

General Director – Consulting and Training Services

Email: thanh.nn@a-c.com.vn

Mobile: +84 9 0366 0686

Tel: +84 28 3547 2972 - Ext: 203

Nguyen Bao Anh (Mr.)

Deputy General Director – Tax and Transfer pricing services

Email: anh.nb@a-c.com.vn

Mobile: +84 9 6472 7901

Tel: +84 28 35 472 972 - Ext: 207

Chau Thanh Tai (Mr.)

Senior Manager – Training and MIS services

Email: tai.ct@a-c.com.vn

Mobile: +84 9 0817 3158

Tel: +84 28 35 472 972 - Ext: 241



BAKER TILLY INTERNATIONAL

a worldwide network 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.

Top 7

largest accounting, auditing and business advisory networks worldwide

Reached **USD 4.7 billion**
of the global annual income in **2022**



145

Territories



703

Offices

41.234

Employees

BAKER TILLY A&C and HIGHLIGHTS

SOLID FOUNDATION AND OVER 30 YEARS OF EXPERIENCE

Being established in 1992 by a team of experienced auditors, appraisers, financial advisors and consultants, have been working in the field since its early introduction to Vietnam.

WIDE NETWORKS

Baker Tilly A&C is headquartered in Ho Chi Minh City and has branches located in major economic centers in Vietnam:

- Ha Noi Branch.
- Nha Trang Branch.
- Can Tho Branch.

PROFESSIONAL OPERATIONS

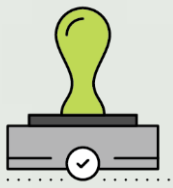
Auditing • Accounting • Advisory • Legal • Valuation • Training • Ongoing to develop and diversify our services.

COLLECTIVE MEMBERSHIP OF NUMEROUS HUGE INDUSTRY ASSOCIATIONS

Being a member of Vietnam Association of Certified Public Accountants (VACPA) • VietbusinessClub (VBC) • Vietnam Tax Consulting Association (VTCA) •

APPROVED BY

- 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.



ASSURANCE SERVICE



Financial Statements



Audit Finalization of Completed Projects



VALUE-ADDED SERVICE



Tax Consultancy



Transfer Pricing Documentation



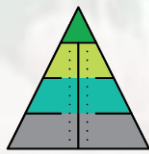
Risk Management



Finance



Valuation



Investment Project Appraisal



Corporate Restructuring



M & A



MIS & Digital Transformation



Legal and Investment



Accounting



Training