



LEGAL, LABOR AND TAX UPDATES

February 2020



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A. NEW LEGAL INSTRUMENT

❖ GOVERNMENT

24/02/2020| Decree No. 22/2020 / ND-CP amending and supplementing a number of articles of Decree No. 139/2016 / ND-CP regulating license fees

Accordingly, the Decree supplements some cases entitled to exemption from license fees in the first year of establishment or production and business activities (from 01 January to 31 December), specifically:

- Newly established organizations (granted new tax code and business identification numbers);
- Households, individuals or groups of individuals that are first engaged in production and business activities;
- Branches, representative offices, business locations of the above two subjects established during the license exemption period.

In addition, public general education institutions and public early childhood education institutions are also exempted from license fees in accordance with this Decree.

(This Decree shall take effect from 25 February 2020)

24/02/2020| Decree No. 24/2020 / ND-CP detailing some articles of the Law on prevention and control of harmful effects of alcoholic beverages

Scope of adjustment

This Decree regulates some articles of the Law on prevention and control of harmful effects of alcoholic beverages on a number of measures to reduce consumption and manage the provision of alcohol, including public places where alcohol might not be consumed; restricting the use of images of actors or actresses drinking alcoholic beverages in the movie, stage or television; advertising alcohol with less than 15 degrees of alcohol; taking measures to prevent ones under 18 (adolescents) from accessing, seeking information and buying wines or beers under the form of e-commerce; expenses for activities of preventing and controlling harmful effects of alcoholic beverages; responsibility in conveying information, education and communication as well as preventing and controlling harmful effects of alcoholic beverages.

Regulated entities

This Decree applies to organizations and individuals involved in the prevention and control of harmful effects of alcoholic beverages.

Accordingly, besides the places specified in the Law, the Decree also gives the regulation of public places not allowed to drink alcohol beverages are as follow:

- Parks, except for restaurants within the park's premises that have been licensed to trade alcoholic beverages before 24 February, 2020.

- Bus stop.
- Movie theaters, cultural and sport establishments during the time of organizing activities with their main functions, except for food and cultural festivals using alcoholic beverages.

In addition, the Decree also stipulates measures to prevent ones under 18 from accessing, seeking information and purchasing alcoholic beverages under the form of e-commerce.

(This Circular shall take effect from 24 February 2020)

28/02/2020| Decree No. 25/2020 / ND-CP giving a guidance on some articles on investor selection of the law on bidding

Scope of adjustment

This Decree regulates a number of articles on investor selection of the law on bidding for project implementation, including:

- a) Investment projects in the form of public-private partnership (PPP) in accordance with the law on PPP investment;
- b) Investment projects using land to build commercial houses; commercial and service works; multi-function works, multi-purpose complexes for business purposes;
- c) Projects that do not fall under the above points of this Clause but must organize bidding in accordance with bidding laws and socialization laws.

Regulated entities

- a) Organizations or individuals participate in or relate to the activities of selecting investors to perform investment projects prescribed in Clause 1 of this Article.
- b) Organizations or individuals who carry out activities of selecting investors that are not covered by this Decree might apply the provisions of this one. If choosing to apply, organizations or individuals must clearly identify the terms and clauses that will be complied with the Bidding Law, this Decree and other laws so as to ensure fairness, transparency and economic efficiency.

Accordingly, the time limit for appraising the investor selection plan is 20 days from the date of receipt of the completed documentations.

Thus, the time for appraising the investor selection plan has been shortened to 10 days compared to the current regulations in Decree No. 30/2015 / ND-CP of 17 March, 2015.

The time of the process of investor selection for some other contents is still remained unchanged, such as:

- The maximum time for approving the investor selection plan is 10 days from the date of receiving appraisal report.

- The time limit for preparing the prequalification dossier is at least 30 days, counting from the first date of issuing the dossier till the deadline for the bid submission (Investors must submit the dossier before the deadline for the bid submission).

(This Decree shall take effect from 20 April, 2020 and replace Decree No. 30/2015 / ND-CP of 17 March, 2015)

B. OFFICIAL INSTRUCTIONS

GENERAL DEPARTMENT OF TAXATION

04 February 2020| Official Letter No. 405 / TCT-KK regarding tax declaration and use of invoices of business locations of enterprises in the another locality where management bodies headquartered

The General Department of Taxation gives a guidance on the use of digital signatures for online tax declaration, issuance notices and information recording on VAT invoices for sales activities of business locations in the another provinces and cities where Company is headquartered as following:

1. Submitting tax return to the business locations:

The General Department of Taxation is upgrading the electronic tax service system to ensure that the Company could probably use the digital signature issued to sign electronic tax declarations of business locations in the another locality where Company is headquartered. While the electronic tax service system has not been upgraded, **the paper tax returns shall be sealed and submitted to the tax authority of the business locations (directly at headquarters or by post) by the Company.**

2. The notice of issuance and use of invoices of business locations:

In case where the Company's business locations perform selling activities as well as generate income tax payable directly in the locality where the business locations are operated, the Company shall send **a notice of invoice issuance of business locations** pursuant to Form TB01 / AC, on which items 1, 2, 3 and 4 are as information of the business location, item 6 is the Company information as well as item 7 is the name of the tax authority of the business locations.

After submitting the notice of invoice issuance of business location to the tax authority as prescribed, the Company shall fill in VAT invoice the information of business locations as well as use the digital signature to sign this one.

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- Finalized investment accounts.
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- Report funding project.

❖ Accounting.

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❖ Training and improving competency of workforce in auditing, accounting, finance, taxation and other topics in respect of market and economy.



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