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# LEGAL, LABOR AND TAX UPDATES IN 2022



## ADJUSTMENTS OF STATUTORY MINIMUM WAGES

### DECREE NO. 38/2022/ND-CP PRESCRIBING STATUTORY MINIMUM WAGES PAID TO EMPLOYEES WORKING UNDER EMPLOYMENT CONTRACTS

Compared with Decree No. 90, Decree No. 38 increases the regional minimum wage by 6% per month for employees working under labor contracts.

- Decree No. 38 specifically stipulates the hourly regional minimum wage for employees who receive hourly wages.

Region	Decree No. 90/2019	Decree No. 38/2022	
	Minimum monthly salary (VND/month)	Minimum monthly salary (VND/month)	Minimum hourly wage (VND/hour)
I	4,420,000	4,680,000	22,500
II	3,920,000	4,160,000	20,000
III	3,430,000	3,640,000	17,500
IV	3,070,000	3,250,000	15,600

Decree No. 38/2022/ND-CP only stipulates that the minimum wage is the lowest level as a basis for negotiating and paying wages for employees, and there is no requirement to pay wages at least 7% higher than the regional minimum wages for jobs requiring trained workers.

However, according to Official Letter No. 2086/BLDTBXH-TLDDVN on directing the implementation of Decree No. 38/2022/ND-CP on the minimum wage, *"Employees shall: + Review and make appropriate modifications to their agreements in employment contracts, collective bargaining agreements as well as other regulations and rules; are not allowed to cut or reduce any overtime pay, nightshift pay, perquisites and other benefits paid to employees as prescribed by the Labour Code. + Agreements or commitments under employment contracts, collective bargaining agreements or other lawfully concluded agreements that are more advantageous to employees than the provisions of this Decree shall remain valid, unless otherwise agreed upon between the parties, according to the previously mentioned provision, wages for employees working or holding positions that require vocational training that are at least 7% higher than the minimum wage shall continued to be implemented unless otherwise agreed upon by the parties in accordance with employment laws."*

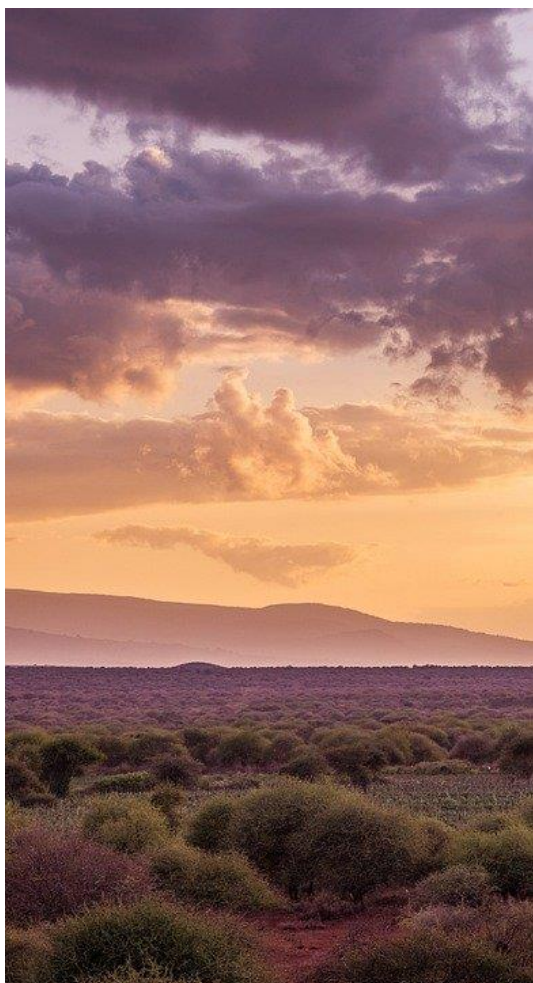
Therefore, businesses need to pay attention to following the guidelines as well as assess the impact of the regional minimum wage adjustment on their business operations.

# GUIDELINES ON VAT REDUCTION INVOICES

**DECREE No. 41/2022/ND-CP AMENDING PROVISIONS ON INVOICES RELATING TO VAT REDUCTION POLICY, FROM 10% TO 8%**

In case a business establishment calculates VAT by the deduction method when selling **the VAT invoice must clearly state the tax rate of each good and service.** goods or providing services with different tax rates, (New regulations of Decree No. 41)

From February 1, 2022 to when the Decree No. 41 comes into force (June 20, 2022), business establishments that have issued invoices stating the tax rates are still eligible for VAT reduction, exemption from invoice adjustment, and not subject to administrative violations of tax and invoices.



## USE OF E-INVOICES FOR EXPORTS

**OFFICIAL DISPATCH NO. 2054/TCHQ-GSQL ON USING E-INVOICES FOR EXPORTS**

Vietnam General Department of Taxation supposes that a customs dossier for exports shall include commercial invoices or documents of equivalent value in case of payment without mandatory issuance of electronic VAT invoices to carry out export procedures. Also, VAT invoices for exports shall be issued after the customs declarants complete the export customs procedures.

The time of issuance of these 02 types of invoices is different: commercial invoices are issued before making customs procedures and e-invoices are issued later.

At the time of making customs procedures for exports, customs declarants cannot issue VAT invoices for submission in the customs dossiers. Therefore, the General Department of Vietnam Customs cannot instruct customs declarants to submit electronic VAT invoices in the export customs dossiers for making customs procedures.





# PROCESSING TAX CODE ISSUED TO BUSINESS LOCATIONS

**OFFICIAL DISPATCH NO. 1269/TCT-KK HANDLING TAX CODE ISSUED TO BUSINESS LOCATION OF ENTERPRISE UNDER OFFICIAL DISPATCH NO. 3200/TCT-KK**

The General Department of Taxation proposes the Department of Taxation review the tax declaration and payment, and use invoices of business locations of enterprises that have been granted a 13-digit tax code according to Official Letter No. 3200/TCT-KK in their management areas. If the business location is not in the case of direct tax declaration and payment or in the case of tax declaration and payment via the head office of the enterprise according to current regulations, the Department of Taxation shall decide on the invalidation of the tax code of the business location of the enterprise, and ensure that the business location has to fulfill all tax obligations before the tax code is invalidated as prescribed in Article 15 of Circular No. 105/2020/TT-BTC.

The 13-digit tax code granted to the enterprise's business location is not connected with the business registration authority, so the invalidation of the 13-digit tax code of the enterprise's business location is not related to the business registration authority.

*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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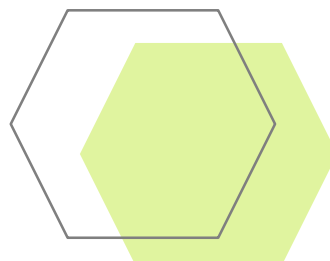
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## INTRODUCTION TO CONSULTING SERVICES OF A&C

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

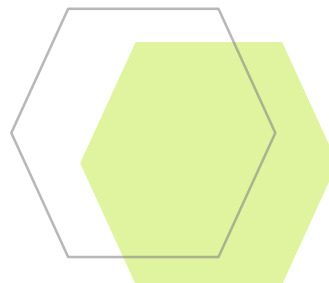
## INTRODUCTION TO BAKER TILLY INTERNATIONAL

**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.



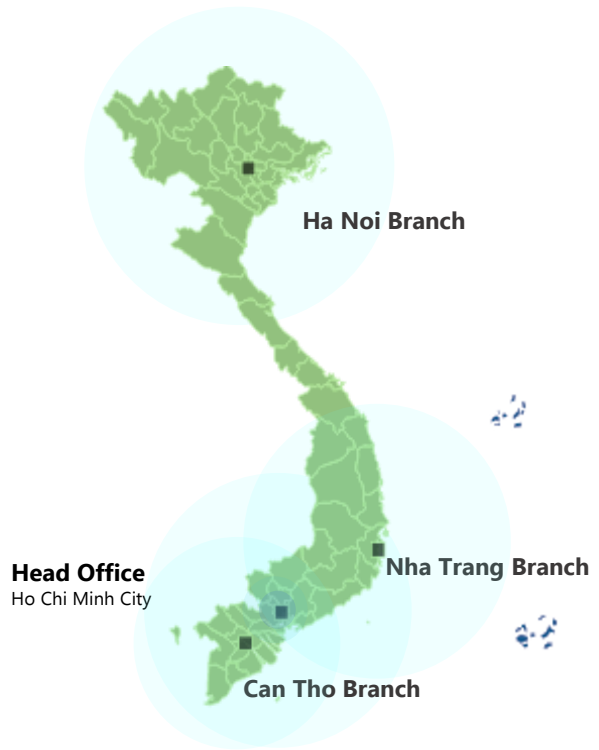
# INTRODUCTION TO BAKER TILLY A&C

## 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?

 <b>TOP 10</b> Vietnam	 Capable workforce and intensive experience	 Local Understanding of the Vietnamese country, people and law	 Co-operation with competent authorities	 Worldwide membership network	 Nationwide network	 Dedication and profession
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