



**IC&PARTNERS VIETNAM**

*Supporting*

*Business Worldwide*

# TAX NEWSLETTER

## AUGUST 2021



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*Draft Resolution on supporting businesses in the context of the Covid-19 pandemic*

Ministry of Planning and Investment drafted a resolution to support businesses in the Covid-19 pandemic. Accordingly, one of the four main groups of tasks mentioned in the Draft Resolution is: “*Support to cut costs, remove difficulties in cash flow for businesses*”. Specifically:

**Ministry of Finance**

- Expediently implement promulgated policies on relaxation and reduction of taxes, fees, charges, and land rents.
- Consider, study, and submit to the Government and the Prime Minister for the extension of deadline for paying excise tax on domestically manufactured or assembled automobiles until the end of 2021; assess the impacts to consider continuing to reduce the registration fee for domestically manufactured or assembled cars for an additional period in line with the Covid-19 pandemic.

**Ministry of Labor, Invalids and Social Affairs:**

Give guidelines for Vietnam Social Insurance to study and propose policies on suspending and reducing the payment of social insurance premiums for businesses from 2021 to June 2022.

**State Bank of Vietnam:**

- Encourage credit institutions to reduce costs to continue reducing lending interest rates for current and new loans aiming at supporting production and business.
- Urgently study to amend and supplement policies and regulations on debt rescheduling, exemption, and reduction of interest and fees, and keeping the same debt group for customers affected by the Covid-19 pandemic.



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TAXATION

*Value-added Tax (VAT) refund for investment projects in other provinces and cities*

The General Department of Taxation issued Official Letter No. 2291/TCT-CS on June 24, 2021 guiding the Tax Departments of provinces and central cities on Value-added Tax (VAT) refund for investment projects in other provinces and cities.

Accordingly, the determination of the agency who handles dossiers on VAT refund of business establishments having investment projects in another province than that of the headquarter, which is not put into operation, has not applied for business registration and/or tax registration as follows:

- The declaration and refund of VAT for investment projects in another province or city from the tax period of December 2020 or the fourth quarter of 2020 or earlier shall comply with Circular No. 156/2013/TT-BTC dated November 6, 2013 of the Ministry of Finance.

Accordingly, the tax authority managing the headquarters will receive tax returns, dossiers on VAT refund for business establishment's investment projects.

- From the tax period of January 2021 or the first quarter of 2021, Tax Departments of provinces and cities guide taxpayers to declare and refund VAT for investment projects in which the projects are located according to Decree No. 126/2020/ND-CP dated October 19, 2020 and guiding documents.

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***Failure to check the preservation of goods when the Covid-19 pandemic breaks out and has complicated developments***

On July 22, 2021, the General Department of Customs issued Official Letter No. 3695/TCHQ-GSQL on inspecting the preservation of goods in case of an outbreak of the Covid-19 with complicated developments.

Accordingly, the General Department of Customs gives some guidelines as follows:

- (1) Temporarily not inspecting the preservation of goods as prescribed at Point b.1.1 Clause 5 Article 32 Circular No. 38/2015/TT-BTC (amended, supplemented in Clause 19 Article 1 Circular No. 39/2018/TT-BTC) until new notice of the General Department of Customs.
- (2) Sub-department of Customs where the first declaration is registered does not temporarily inspect the place of storage in accordance with Point b.1.3 Clause 5 Article 32 Circular No. 38/2015/TT-BTC (amended, supplemented in Clause 19 Article 1 Circular No. 39/2018/TT-BTC), and only requires enterprises to provide online images through recording devices about the location of storage to handle procedures.

*Official Letter No. 3695/TCHQ-GSQL takes effect from July 22, 2021*



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CUSTOMS

*Allowing customs declarants to delay submitting paper copies during the Covid-19 pandemic*

On August 11, 2021, the General Department of Customs issued Official Letter No. 3980/TCHQ-GSQL on supporting customs clearance and prevention of the Covid-19 pandemic.

Accordingly, for documents in the customs dossier that require the submission of paper copies, the customs declarant may request a delay in submission. At that time, the customs declarant submits a paper copy converted to an electronic copy (a scanned copy certified by a digital signature) to the customs authority.

The customs declarant must additionally submit the paper copies of the documents that are delayed for submission to the customs authority within 30 days from the date of registration of the customs declaration.

Particularly for the case of force majeure, if the enterprise or Sub-Department of Customs has a location in the distancing/isolation/ blockade area, and the customs declarant cannot submit the above-said deadline, the customs declarant must submit the paper copies of the documents to the customs authority within 05 working days from the end of the period of distancing/isolation/blockade as notified by the competent authority.

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*The payment of salary to employees in case of a suspension of work due to the impact of the Covid-19 pandemic*

On July 15, 2021, Department of Industrial Relations and Wage issued Official Letter No. 264/QHLDTL-TL regulating the payment of salary to employees during work suspension related to the Covid-19 pandemic

According to Point 2 of Official Letter No. 264/QHLDTL-TL, if an employee must suspend working due to the direct impact of the Covid-19 pandemic, the employee's salary during the period of work suspension shall comply with Clause 3, Article 99 of Labor Code, specifically:

- In case of suspending work for no more than 14 days, the agreed suspension pay is not lower than the minimum wage.
- In case of suspending work for more than 14 working days, the suspension pay will be agreed by both parties but must ensure that the salary in the first 14 days is not lower than the minimum wage.

*Official Letter No. 264/QHLDTL-TL takes effect from July 15, 2021.*



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## INTRODUCTION

IC&Partners Vietnam Co., Ltd. is a member of IC&Partners S.p.A in Italy, specializing in providing services on Tax Agent, Tax Consulting, Transfer Price Documentation Consulting, Corporate Consulting, and other support related to the day-to-day operations of the business. We have many years of experience in providing services for the field of consulting in general and tax consulting in particular for multinational corporations of different nationalities such as Korea, Japan, Italy, Germany, Singapore ... not only in Vietnam but also in many other countries around the world.

Currently, the regulations and policies of the Tax Department are increasingly strict while businesses cannot anticipate the risks that may occur due to the lack of grasp of current legal regulations.

We are pleased to serve you with the following services:

- Tax Agent (Quarterly Tax Report, Annual Tax Finality)
- Tax risk review
- Refund of VAT and PIT
- Consultancy on making transfer price dossiers
- Procedures for dealing with tax problems (exemption, reduction, tax penalty, etc.)
- Consulting services, support on management and other administration.

With the strength of quality and prestige, IC&Partners Vietnam is confident to bring the most satisfaction to customers when coming to us.

*Sincerely thank you!*