



IC&PARTNERS VIETNAM

Supporting

Business Worldwide

❖ **Headquarters in Hanoi**

4th Floor, COWAELMIC
Building, No. 198 Nguyen
Tuan, Nhan Chinh Ward,
Thanh Xuan District, Ha Noi

❖ **Hai Phong Office**

No. 55A/69 Cho Con, Trai
Cau Ward, Le Chan District,
Hai Phong

❖ **Ho Chi Minh Office**

LE 04.09, Lexington
Apartment, 67 Mai Chi Tho,
An Phu Ward, Thu Duc City,
Ho Chi Minh

❖ **Contact to IC&Partners
Vietnam**

Mobi: +84 915 432 043

Web: www.icpartners.it

Email:

info@icpartnersvietnam.com

TAX NEWSLETTER

OCTOBER 2024



IN THIS ISSUE

➤ ***Taxation***

- The General Department of Taxation provides detailed guidance on how to declare and deduct personal income tax
- The General Department of Taxation Customs provides guidance on the determination of late payment obligations for businesses
- Special tax incentives for Vietnamese - Israel goods during 2024-2027 period

➤ ***Investment***

- Regulations on overseas investment in oil and gas activities

➤ ***Insurance***

- The rates for mandatory social insurance, health insurance, and unemployment insurance from July 1, 2025

➤ **Taxation**

- The General Department of Taxation provides detailed guidance on how to declare and deduct personal income tax
- The General Department of Taxation Customs provides guidance on the determination of late payment obligations for businesses
- Special tax incentives for Vietnamese - Israel goods during 2024-2027 period

➤ **Investment**

- Regulations on overseas investment in oil and gas activities

➤ **Insurance**

- The rates for mandatory social insurance, health insurance, and unemployment insurance from July 1, 2025

TAX NEWSLETTER

OCTOBER 2024

TAXATION

The General Department of Taxation provides detailed guidance on how to declare and deduct personal income tax

On October 23, 2024, the General Department of Taxation issued Official Dispatch No. 4760/TCT-DNNCN to provide detailed guidance on personal income tax obligations. Specifically:

Responsibility for declaring, withholding, and paying personal income tax

The declaration, deduction, and payment of personal income tax for employees is a shared responsibility of both the income-paying organizations and individuals, as well as the employees themselves. Accordingly, organizations and individuals paying income must directly withhold taxes from salaries, remit them to the state budget, and keep and manage records. Workers need to provide exact information and check their tax information.

Guidelines for tax deductions on income from wages and salaries

- **Determine taxable income:** Determining taxable income includes basic salary, allowances, bonuses, commissions, and other payments of a salary nature. Non-taxable income includes one-time support payments such as travel allowances and equipment purchase subsidies.
- **Identify the deductible items:** Deductions include reasonable expenses with invoices, receipts, and family deductions.
- **Apply the tax schedule:** For resident individuals, regardless of the working time, the progressive tax rate is always applied. For foreigners, a work period of 183 days or more will be subject to the same tax rates as residents. On the contrary, if the working period is less than 183 days, the full tax rate will be applied.
- **Calculate the tax payable:** Use accounting software or online tools to calculate accurately, then thoroughly check the calculation results before submitting the tax.
- **Declare and pay taxes:** Online declaration is encouraged, as it saves time and is convenient, after which the calculated tax amount can be sent to the tax authority's account.

Detail:

[Official Dispatch No. 4760/TCT-DNNCN](#)

➤ **Taxation**

- The General Department of Taxation provides detailed guidance on how to declare and deduct personal income tax
- The General Department of Taxation Customs provides guidance on the determination of late payment obligations for businesses
- Special tax incentives for Vietnamese - Israel goods during 2024-2027 period

➤ **Investment**

- Regulations on overseas investment in oil and gas activities

➤ **Insurance**

- The rates for mandatory social insurance, health insurance, and unemployment insurance from July 1, 2025

TAX NEWSLETTER

OCTOBER 2024

TAXATION

The General Department of Taxation Customs provides guidance on the determination of late payment obligations for businesses

On October 7, 2024, the General Department of Taxation issued Official Dispatch 4482/TCT-QLN, clarifying the obligation of businesses to pay late fees. Specifically:

Based on the provisions of Circular 111/2013/TT-BTC and Decree 126/2020/NĐ-CP, businesses are responsible for declaring and paying taxes on behalf of individuals in certain cases such as:

- **Capital transfer:** When a business carries out the procedure to change the list of capital contributors without documentation proving that the individual has fulfilled their tax obligations, the business will be responsible for declaring and paying taxes on behalf of that individual.
- **Individuals contribute capital in the form of real estate, capital shares, and securities:** The enterprise where the individual invests is responsible for declaring and paying taxes on behalf of the individual for income from the transfer of real estate, capital transfer, and securities transfer.

According to The Tax Administration Law 2019, cases that must pay late fee into the state budget include:

- Late tax payment compared to the specified deadline
- Supplementing the tax declaration increases the amount of tax payable
- Supplementing the tax declaration file reduced the refunded tax amount
- Other cases include: being allowed to pay tax debts in installments, not being fined for tax management violations but having the unpaid tax amount collected, etc.

Detail:

[Official Dispatch No.4482/TCT-QLN](#)

➤ **Taxation**

- The General Department of Taxation provides detailed guidance on how to declare and deduct personal income tax
- The General Department of Taxation Customs provides guidance on the determination of late payment obligations for businesses
- **Special tax incentives for Vietnamese - Israel goods during 2024-2027 period**

➤ **Investment**

- Regulations on overseas investment in oil and gas activities

➤ **Insurance**

- The rates for mandatory social insurance, health insurance, and unemployment insurance from July 1, 2025

TAX NEWSLETTER

OCTOBER 2024

TAXATION



Special tax incentives for Vietnamese - Israel goods during 2024-2027 period

On October 15, 2024, the Government of Vietnam issued Decree 131/2024/ND-CP, officially implementing the special preferential import tariff to execute the Vietnam - Israel Free Trade Agreement (VIFTA).

Some highlights of the Decree:

- The special preferential tariff will be applied to a variety of goods, from agricultural products (such as poultry eggs, sugar) to industrial products.
- Some items will have tariff quotas, meaning they will only benefit from the preferential treatment up to a certain quantity.
- To enjoy the benefits, goods must meet the origin conditions, be directly imported from Israel, and belong to the list of goods specified in the Special Preferential Tariff Schedule.

Accordingly, more than 11,000 product lines will benefit from preferential tax rates when imported into Vietnam from Israel. This means that Vietnamese goods will have the opportunity to access the vast Israeli market at a lower cost, increasing their competitiveness compared to other competitors. For consumers, the application of preferential tax rates will help reduce product prices, providing more choices.

The signing and implementation of the VIFTA Agreement mark an important turning point in Vietnam-Israel economic cooperation, opening a new chapter full of promise. The agreement not only promotes bilateral trade and attracts investment but also contributes to enhancing the competitiveness of Vietnamese enterprises, bringing our economy more deeply integrated into the global economy.

Detail:

[Decree 131/2024/ND-CP](#)

➤ **Taxation**

- The General Department of Taxation provides detailed guidance on how to declare and deduct personal income tax
- The General Department of Taxation Customs provides guidance on the determination of late payment obligations for businesses
- Special tax incentives for Vietnamese - Israel goods during 2024-2027 period

➤ **Investment**

- **Regulations on overseas investment in oil and gas activities**

➤ **Insurance**

- The rates for mandatory social insurance, health insurance, and unemployment insurance from July 1, 2025

TAX NEWSLETTER

OCTOBER 2024

INVESTMENT

Regulations on overseas investment in oil and gas activities

On October 15, 2024, the Government issued Decree 132/2024/ND-CP, providing more detailed regulations compared to Decree 124/2027/ND-CP on foreign investment activities in the oil and gas sector, particularly regarding capital transfer limits and activities permitted before obtaining an investment registration certificate. Specifically:

General limit

- **Before obtaining the investment registration certificate:** Investors are allowed to transfer foreign currency to carry out project preparation activities, including market research, geological surveys, etc.
- **After obtaining the investment registration certificate:** The capital transfer is carried out in accordance with the regulations of the foreign exchange management law and this Decree.

Detailed foreign currency transfer limits

- **Research and survey activities:** The limit does not exceed 500,000 USD, including activities: Market research and investment opportunities; Field surveys; Document research; Collect and purchase documents, information; Synthesize, evaluate, and appraise the project; Organize seminars, conferences; Establish liaison offices; Contract negotiation; Purchase or lease property, support services.
- **Activities involving bidding, buying, and merging:** The limit does not exceed 2,000,000 USD, including activities: Participate in international bidding; Deposit, escrow; Payment of costs and fees; Participate in mergers and acquisitions of companies.

The issuance of Decree 132/2024/ND-CP is expected to positively impact the oil and gas market, creating many new cooperation opportunities between Vietnamese enterprises and international partners. However, businesses need to carefully consider the risks and prepare thoroughly before deciding to invest in this volatile market.

Detail:

[Decree 132/2024/ND-CP](#)

➤ **Taxation**

- The General Department of Taxation provides detailed guidance on how to declare and deduct personal income tax
- The General Department of Taxation Customs provides guidance on the determination of late payment obligations for businesses
- Special tax incentives for Vietnamese - Israel goods during 2024-2027 period

➤ **Investment**

- Regulations on overseas investment in oil and gas activities

➤ **Insurance**

- **The rates for mandatory social insurance, health insurance, and unemployment insurance from July 1, 2025**

TAX NEWSLETTER

OCTOBER 2024

INSURANCE

The rates for mandatory social insurance, health insurance, and unemployment insurance from July 1, 2025

From July 1, 2025, the rates for mandatory social insurance (BHXH), health insurance (BHYT), and unemployment insurance (BHTN) will undergo significant changes according to the provisions of Articles 33 and 34 of the 2024 Social Insurance Law; Article 4 of Decree 58/2020/ND-CP; and Decision 595/QĐ-BHXH. Specifically:

Type of insurance	Employer	Employee
Social insurance (retirement, survivor's pension)	14%	8%
Social insurance (sickness, maternity)	3%	-
Social insurance (occupational accidents, occupational diseases)	0,5%	-
Health insurance	3%	1,5%
Unemployment insurance	1%	1%
Total	21,5%	10,5%

Thus, the total insurance contribution rate will be 32%, with the business contribution rate remaining unchanged at 21.5%, while the employee contribution increases to 10.5% compared to before.

Adjusting the social insurance contribution rate aims to ensure the sustainability of the social insurance fund, especially the pension fund. Accordingly, the contribution rate of employees will increase slightly to help boost the fund's revenue. At the same time, to create favorable conditions for businesses, the employer's contribution rate will remain unchanged.

In addition, the salary used as the basis for social insurance contributions will be adjusted according to the new regulations, ensuring transparency and fairness. The participants have also been expanded to include more labor groups, thereby enhancing social welfare benefits for the people.

Detail

The Social Insurance Law 2024



IC&PARTNERS VIETNAM

Supporting

Business Worldwide

TAX NEWSLETTER

OCTOBER 2024



❖ Headquarters in Hanoi

4th Floor, COWAELMIC Building, No. 198 Nguyen Tuan, Nhan Chinh Ward, Thanh Xuan District, Ha Noi

❖ Hai Phong Office

No. 55A/69 Cho Con, Trai Cau Ward, Le Chan District, Hai Phong

❖ Ho Chi Minh Office

LE 04.09, Lexington Apartment, 67 Mai Chi Tho, An Phu Ward, Thu Duc City, Ho Chi Minh

❖ Contact to IC&Partners Vietnam

Mobi: +84 915 432 043

Web: www.icpartners.it

Email:
info@icpartnersvietnam.com

INTRODUCTION

IC&P is one of the offices of the IC&Partners Group, a group with over 30 years of experience in global consulting with over 300 experts working across 40 subsidiaries and branches in over 50 countries worldwide, including the US, China, India, Russia, and Mexico. We are responsible for supporting clients in the Asia region, together with IC&Partners Asia located in Hong Kong, Beijing, Shanghai, and Shenzhen.

In Vietnam, IC&P has been operating for many years and has gradually affirmed its position in the consulting field (accounting tax, investment and M&A consulting, corporate legal consulting, management consulting, and other related issues in business operation). Our clients are mainly foreign-invested enterprises (FDI)/

Currently, regulations and policies of the Tax Authority are increasingly strict while the Enterprises cannot anticipate possible risks because they have not yet grasped the current legal regulations.

We are pleased to serve you with the following services:

- Tax Agent (Quarterly Tax Report, Annual Tax Finality);
- Task risk review;
- Supporting the procedures for establishing, closing the company;
- VAT, PIT refund;
- Consulting on preparing transfer pricing documentation;
- Procedures for dealing with tax problems (tax exemption, reduction, 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!

