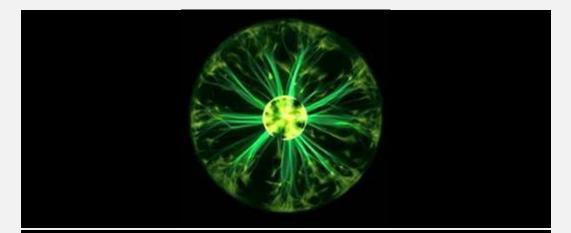
Deloitte.



Vietnam | 21 August 2024



Alert on Official request from Tax Authorities for information regarding Global Minimum Tax in Vietnam

Dear Valued Clients,

Deloitte Vietnam would like to send Alert on Official request from Tax Authorities for information regarding Global Minimum Tax in Vietnam.

Recently, the Vietnamese tax authorities have issued official letters to selected companies, requesting detailed information as part of the ongoing implementation and compliance monitoring for the Global Minimum Tax ("GMT").

KEY REQUEST OF THE OFFICIAL LETTER

 Purpose: Vietnam has officially implemented the policy of GMT since 01 Jan 2024 under the Resolution No. 107/2023/QH15 ("Resolution 107") dated 29 November 2023. At this stage, the General Department of Taxation ("GDT") is in charge of developing a Decree to provide detailed guidance to Resolution 107.

In this regard, to ensure the effective implementation of the GMT policy and compliance procedures at the later stages, the GDT has instructed the local tax authorities to issue Official Letters to certain selected companies to clarify

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- Scope of Request: The tax authorities are seeking comprehensive data for subjects under 02 separate policies – Qualified Domestic Minimum Top-up Tax (QDMTT) and Income Inclusion Rule (IIR). In which:
 - For QDMTT: request (i) Multinational Enterprise's information (i.e. information related to Ultimate Parent Company, clarification of the scope eligibility of entities in Vietnam), (ii) Information in case of being subject to De Minimis exclusion, (iii) Indicators to assess the impacts of GMT, and (iv) Estimation of additional Top-up Tax in Vietnam.
 - For IIR: request (i) Multinational Enterprise's information (i.e. information related to Ultimate Parent Company, clarification of the scope eligibility, investment countries and constituent entities by country), (ii) Information in case of being subject to De Minimis exclusion, (iii) Indicators to assess the impacts of GMT on country-basis, and (iv) Estimation of additional Top-up Tax on country-basis of each constituent entity.

(kindly refer to the attachment for the QDMTT Information Requests form issued by the GDT)

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ELOITTE VIETNAM'S VIEW

The issuance of these letters signals an intensified focus of the Vietnamese Government on ensuring compliance with the GMT framework. The request for information is highly complex, requiring detailed and specific data that may not be readily available or easily compiled in a brief period of time. The process of determining scope eligibility and accurately assessing the impact of the GMT involves navigating the complicated newly introduced tax rules and regulations, which can be challenging even for the well-established companies.

Given this complexity, it is crucial for companies to have a thorough preparation to respond promptly and with precision.

DELOITTE'S RECOMMENDATION

We strongly advise that you approach this request with careful consideration, ensuring that all aspects are thoroughly reviewed and understood. In particular, our recommendations to you are as follows:

- Review the Request Carefully: Ensure that all requested data is gathered and reviewed for accuracy before submission. It is essential that your Vietnam management members engage in discussions with your Headquarters to ensure alignment of the information/data.
- 2. **Conduct a GMT Impact Assessment**: Evaluate how the GMT may affect your company's current and future tax liabilities in Vietnam.
- 3. **Engage with Experts**: Given the high complexity involved, consulting with tax experts to ensure compliance and optimize your tax position is highly recommended.

Please do not hesitate to reach out to us to discuss how we can assist you in responding to this request. Deloitte has distinctive values as the leading GMT advisor in Vietnam, with our deep understanding of local policy development, strong GMT technical competency, and comprehensive GMT approach. Our team is fully equipped to support you through this process and specific request of the Vietnam tax authorities as above, including:

- Detailed review of the information required by the authorities.
- Support in preparation and submission of the necessary documentation.
- Strategic advice on potential impacts of the GMT on your operations

Should you have any questions or need any assistance, please contact our Tax specialists.

Best regards, Deloitte Vietnam

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