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Tax administration



NEW REGULATIONS

Decision announcing the list of periodic reports in tax area under the scope of management of the Ministry of Finance

On 15/07/2022, the Ministry of Finance issued Decision No. 1421/QĐ-BTC announcing the list of periodic reports in tax area, specifically as follows:

1. Newly issued reporting regime: Report on the usage of toll and fee receipts (for e-receipts).

2. Alternative reporting regime

Including:

- Report on the usage of invoices (for printed invoices purchased from the tax authorities);
- Report on the usage of toll and fee receipts (for paper receipts);
- Report on the summary of e-stamp data sent to tax authorities; and
- Report on the summary of e-invoice data sent to tax authorities.

3. Abolished reporting regime

Including:

- Report on printing invoice/ providing self-printed invoice software;
- Report on printing invoice/ providing self-printed receipt software/ providing e- receipt solutions; and
- List of payment receipts (Form No. CTT 25/AC).

(The Decision No. 1421/QĐ-BTC dated 15 July 2022 issued by the Ministry of Finance)

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Tax administration



GUIDANCE RULING

Declaration and payment of Value Added Tax and Personal Income Tax of dependent units located in province other than the location of headquarter

1. Value Added Tax (“VAT”) declaration and payment:

- If dependent units (branches) of the enterprise directly carry out business activities, but do not monitor and fully account the output VAT and the input VAT, then the headquarter shall declare, calculate, and submit the VAT declaration dossier for the enterprise and branches to the direct managing tax authority of the headquarter as prescribed in clause 2, Article 11, Decree No. 126/2020/ND-CP dated 19 October 2022 and shall not fall under the scope of the VAT payable allocation to each province where business activities are carried out in accordance with Article 13, Circular No. 80/2021/TT-BTC.
- If dependent units (branches) of the enterprise directly carry out business activities, use invoices registered by their headquarter with the provincial tax authorities of the branches, monitor, and fully account the output VAT and the input VAT, then each branch shall declare and pay VAT to its direct managing tax authority as prescribed in clause 4, Article 13, Circular No. 80/2021/TT-BTC.

2. Personal Income Tax (“PIT”) declaration and payment:

- Enterprises paying salaries, wages to employees working at dependent branches located province (i.e. other than the location of headquarter) should withhold PIT on income from salaries, wages as regulated and submit tax declaration dossier according to Form No. 05/KK-TNCN, the appendix determining the PIT payable to provinces being entitled to receive revenue according to the form no. 05-1/ PBT-KK-PIT (issued together with Appendix II Circular no. 80/2021/TT-BTC) to the direct managing tax authority of the headquarter.

- Simultaneously, the enterprise shall remit PIT amount to the State Budget of each province where employees work as prescribed in clause 4, Article 12, Circular no. 80/2021/ TT-BTC.
- PIT amount is determined for each province on a monthly or quarterly basis corresponding to the enterprise’s tax period and is not re-determined at the PIT finalization stage.

(The Official Letter No. 34790/CTHN-TTHT dated 18 July 2022 issued by Hanoi Tax Department)

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Corporate Income Tax



GUIDANCE RULING

Depreciation expenses of fixed assets received as gift, donation, or compensation

Assets received by a company as gift, donation, or compensation would be capitalized as fixed assets if they meet criteria according to guidance of Circular No. 45/2013/TT-BTC. The company must depreciate/ amortize these fixed assets as prescribed.

If the fixed assets received as gift, donation, or compensation are not substantiated by sufficient supporting documents to prove the company's ownership, the corresponding depreciation expenses are not considered deductible expense for Corporate Income Tax ("CIT") calculation purposes.

(The Official Letter No. 36818/CTHN-TTHT dated 28 July 2022 issued by Hanoi Tax Department)

Corporate Income Tax for salary expenses paid to the owner of a single-member limited liability company

Salary expenses paid to the owner of a single-member limited liability company owned by another organization, and/ or remuneration paid to members of the Board of Members or the Board of Directors, are considered deductible expense for CIT calculation purposes if the following conditions are simultaneously satisfied:

- These individuals are directly involved in managing the daily business production and operation; and
- The condition and level of entitlement of such remuneration are clearly stated in one of the following documents: labor contract, collective labor agreement, financial regulation of the company, bonus policy issued by the Chairman of the Board of Directors, General Director or Director following the financial regulations of the company.

(The Official Letter No. 4300/CTDAN-TTHT dated 29 July 2022 issued by Da Nang Tax Department)

Expenses for treatment support not in the list covered by the health insurance agency for employees suffering from occupational accidents

In the case that the company incurs expenses to support the employees' treatment from occupational accidents which are not covered by the health insurance agency, such payments would be considered CIT deductible expenses if they qualify the following conditions:

- Being supported by sufficient legitimate invoices and documents as regulated; and
- Total welfare expenses paid directly to employees do not exceed the cap of average 01-month actual salary in the company's tax year.

(The Official Letter No. 7263/CTHDU-TTHT dated 27 July 2022 issued by Hai Duong Tax Department)



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Corporate Income Tax



GUIDANCE RULING

Expenses paid to support customers for container storage at overseas ports without invoices, and/ or documents

If the company supports the customer for costs of container storage at the overseas port during the time of goods inspection, which is mutually agreed by the company and the customer (but not specified in the contract and contract appendix), and not substantiated by legitimate invoices and supporting documents, these costs would be considered non-deductible expenses for CIT calculation purpose in accordance with clause 1, Article 4, Circular No. 96/2015/TT-BTC dated 22 June 2015 issued by the Ministry of Finance.

(The Official Letter No. 881/CTVLO-TTHT dated 26 July 2022 issued by Vinh Long Tax Department)

Corporate Income Tax reduction under Decree No. 92/2021/ND-CP applied for the newly established enterprises in 2019

If an enterprise starts its operation in 2019 without generating any revenue, this enterprise would not be eligible for CIT reduction in accordance with the Resolution No. 406/NQ-UBTVQH15 and the Decree No. 92/2021/ND-CP.

If an enterprise was established in 2019 with the operation period shorter than 03 months, the revenue of the tax year of 2019 for CIT reduction purpose is determined by: actual revenue earned in the tax year divided (/) by the number of actual operation months multiplied (x) by 12 months. When the enterprise is newly established in a month, the operation period is counted as full month.

(The Official Letter No. 2594/TCT-CS dated 21 July 2022 issued by General Department of Taxation)

Conducting business activities not yet registered in the Investment Certificate

If a 100% foreign-invested enterprise (not an export processing enterprise) has not registered to exercise the right to import, export, retail distribution, wholesale without establishing of the retail establishment on its Investment Certificate, and during the business process, the company incurs goods purchasing and selling (with similar type of the goods produced by the company) to its customers due to the low production capacity, the company is allowed to conduct all business activities, supply of goods and provision of services that are not prohibited by the law.

(The Official Letter 2306/CTBNI-TTHT dated 01 August 2022 issued by Bac Ninh Tax Department)



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Indirect Tax

GUIDANCE RULING

Issuing e-invoices for transshipped goods which are not subject to Value Added Tax

If a company conducts transshipped goods trading activities not subjected to VAT, the “tax rate” item must be specified as “KCT” per the guidance of the Decision No. 1450/QD-TCT dated 07 October 2021 issued by the General Department of Taxation.

If the company supplies goods in various categories, the description of the goods must be specified in detail for each category in accordance with Decree No. 123/2020/ND-CP.

(The Official Letter No. 39060/CTHN-TTHT dated 09 August 2022 issued by Hanoi Tax Department)

Tax declaration for invoices of goods return, adjustment invoices and replacement invoices

If a company issues invoices for goods return, adjusted invoices or replacement invoices in line with the Decree No. 123/2020/ND-CP, the company shall declare VAT for such invoices as follows:

- **Invoices for goods return:** The company declares in the tax period of issuing the invoice of goods return.
- **Invoices for adjustment or replacement:** The company shall adjust the return in the tax period that the errors incurred per Article 47, Law on Tax Administration No. 38/2019/QH14 dated 13 June 2019 and clause 4, Article 7, Decree No. 126/2020/ND-CP dated 19 October 2020.

(The Official Letter No. 28218/CTHN-TTHT dated 16 June 2022 issued by Hanoi Tax Department)

Input Value Added Tax of goods imported in non-commercial form

If a company imports goods in non-commercial form for serving production and trading activities of goods and services subject to VAT, the input VAT of the goods paid at the importation stage would be creditable if all following conditions are met:

- Having a legitimate VAT invoice of purchased goods or services or the proof of VAT payment at the importation stage; and
- Supported by a non-cash payment voucher for imported goods with the value from VND 20 million.

(The Official Letter No. 12802/CTBDU-TTHT dated 08 August 2022 issued by Binh Duong Tax Department)



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GUIDANCE RULING

Invoices for services of industrial catering provision

If the vendor providing industrial catering services collects payments in advance or during the provision of catering services, the time of issuing invoice is the time of payment collections.

As catering services do not fall under the scope of specialized services to be provided periodically, the invoice must be issued at the end of each day.

(The Official Letter No. 939/CTVLO-TTHT dated 05 August 2022 issued by Vinh Long Tax Department)

Credit and refund Value Added Tax for on-spot imported raw materials

When a company imported (including on-spot importation) raw materials to manufacture exported goods, made the customs declaration, and paid VAT at the importation stage, then the input VAT paid will be creditable/ refundable if the company's export activities (including the on-spot import/export) and export goods, have satisfied all conditions and procedures as prescribed.

(The Official Letter No. 7573/CTHDU-TTHT dated 04 August 2022 issued by Hai Duong Tax Department)

Value Added Tax rate for companies processing electrical wiring equipment

If a company processes various kinds of electrical wiring equipment, these processing products are not eligible to VAT reduction from 01 February 2022 to 31 December 2022 in accordance with Decree No. 15/2022/ND-CP, the company applies the VAT rate as at 10%.

(The Official Letter No. 7602/CTHDU-TTHT dated 05 August 2022 issued by Hai Duong Tax Department)

Invoice for goods lent for the trial use and later returned

If a company sends goods to customers for the trial use purpose, and then later returned to the company:

- **When the company lends goods to its customer:** the company must issue an invoice indicating all mandatory information on the invoice as prescribed; and
- **When the customer returns the borrowed goods:** the borrower must issue an invoice for returning the goods. Both parties are obliged to declare, pay VAT and account as prescribed.

(The Official Letter No. 7535/CTHDU-TTHT dated 04 August 2022 issued by Hai Duong Tax Department)



Indirect Tax



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Indirect Tax



GUIDANCE RULING

Invoice issuance for supports in cash

If the company receives cash from its partners, to perform services for partners (such as transportation support, display products support, new products support, promotion, and marketing fund support; sales incentives, ...), the company must declare and pay VAT as prescribed.

If these services are subject to VAT at 10% and not listed in Appendix I, II, III issued accompanying with Decree No. 15/2022/ND-CP dated 28 January 2022 of the Government, these services would be subject to VAT rate at 8% from 01 February 2022 to the end of 31 December 2022.

(The Official Letter No. 35196/CTHN-TTHT dated 19 July 2022 issued by Hanoi Tax Department)

Handling mistaken invoices of the airline's ticket office

If an airline's ticket office is applying e-invoices per Decree No. 123/2020/ND-CP, the invoice for the return of air transportation documents shall be considered **an adjustment invoice**, regardless of the availability of the information "Incremental/ Decremental adjustment for the invoice form no... symbol... date... month... year" per point c, clause 2, Article 19, Decree No. 123/2020/ND-CP.

If the airline's ticket office finds the e-invoice issued under Decree No. 123/2020/ND-CP mistaken, which has been already replaced by another one and then continue to find out that the replacement invoice mistaken, the company will handle in the same manner of the first-time dealing mistaken invoice.

For the invoice of which the value is mistaken, the airline's ticket office shall issue an adjustment invoice as regulated.

(The Official Letter No. 37371/CTHN-TTHT dated 01 August 2022 issued by Hanoi Tax Department)

Guidance on Value Added Tax declaration and payment for real estate transfer activities

A company declaring VAT under the form No. 01/GTGT for the real estate transfer activity of infrastructure investment projects, houses for sale to the provincial tax authority where the real estate transfer takes place, is not required to combine such VAT into the declaration form No. 01/GTGT of the head office.

If a company declares VAT for these real estate transfer activities under the declaration form No. 01/GTGT of the head office at the tax authority where the head office is located, then the following steps must be taken:

- Carry forward the outstanding balance of input VAT for the infrastructure investment projects and houses for sale that has not been fully creditable at the head office, to the opening balance in the declaration form No. 01/GTGT for filing at the provincial tax authority where the real estate transfer takes place; and
- Amend the declaration form No. 01/GTGT of the head office in line with clause 4, Article 7, Decree No. 126/2020/ND-CP.

(The Official Letter No. 1843/CTHPH-TTHT dated 07 July 2022 issued by Hai Phong Tax Department)



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Indirect Tax

GUIDANCE RULING

Preparation of management reporting service for foreign enterprises could be considered as an export service

Where a management report service is directly provided to a foreign enterprise, and the deliverables are consumed outside Vietnamese territory, then provided the supply meets regulated requirements (and supported by the service agreement with the foreign enterprise and bank payment vouchers for the export service), then this service would be subject to VAT at 0%.

(The Official Letter No. 34786/CTHN-TTHT dated 18 July 2022 issued by Hanoi Tax Department)

Special Consumption Tax rate for electrical vehicles

If a company imports battery-powered electrical vehicles carrying passengers with 9 seats or less, then from 01 March 2022 to the end of 28 February 2027, the Special Consumption Tax (“SCT”) rate of 3% shall be applied. The company needs to check the date the import customs declarations were registered to determine SCT rate to be applied.

(The Official Letter No. 1029/TCHQ-TXNK dated 28 March 2022 issued by the General Department of Customs)

Special Consumption Tax levied on the imported training aircraft

If a company imports aircraft for training purposes, which does not qualify the exemption of SCT, then the company must declare and pay the SCT as prescribed.

(The Official Letter No. 2428/TCHQ-TXNK dated 21 June 2022 issued by the General Department of Customs)



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Personal Income Tax



GUIDANCE RULING

Personal Income Tax of a foreign individual where income is earned from a consulting service contract signed with a Vietnam company

- If the foreign individual is a businessperson, this individual shall be defined as a business individual. The income earned from the individual's consulting service contract is subject to the Foreign Contractor Withholding Tax ("FCWT") as prescribed, including VAT and PIT on the income from doing business. The Vietnamese company takes responsibility to declare tax and pay tax on behalf of the individual following the declaration form No. 01/CNKD provided in Circular No. 40/2021/TT-BTC dated 01 June 2021 issued by the Ministry of Finance.
- If the foreign individual is not a businessperson, this individual shall not be defined as a business individual. The income earned from the individual's consulting service contract is only subject to PIT on the income on salaries, wages. The Vietnamese company takes responsibility to withhold the PIT at the tax rate of 10% if the individual is a tax resident; or 20% if the individual is a tax non-resident; or the progressive tax rate if the individual is a tax resident and the contract qualifies as a labor contract.

- The foreign individual being a businessperson must have the business registration per foreign regulations or supporting documents showing that they are a businessperson licensed by foreign regulations. The foreign papers, documents used in Vietnam must be legalized per provisions of Circular No. 01/2021/TT-BNG dated 20 March 2021 issued by the Ministry of Foreign Affairs guiding on the consular certification and consular legalization.

(The Official Letter No. 12715/CTBDU-TTHT dated 04 August 2022 issued by Binh Duong Tax Department)

Tax declaration and tax payment on behalf of the individual business households

When an organization pays bonuses, sales support, promotions, trade discounts, payment discounts, supportive payments in cash or in-kind to individuals who are business households, and/ or individual businesses who declare taxes under the presumptive method, the organization takes responsibility to declare and pay tax on behalf of individuals per clause 1, Article 8, Circular No. 40/2021/TT-BTC dated 01 June 2021 issued by the Ministry of Finance. The tax filing and payment on behalf of the individual is arranged in line with clause 1, Article 16, Circular No. 40/2021/TT-BTC dated 01 June 2021 issued by the Ministry of Finance.

(The Official Letter No. 12643/CTBDU-TTHT dated 02 August 2022 issued by Binh Duong Tax Department)

Determining the income subject to Personal Income Tax on a bonus paid to an individual on behalf of a group

If a company pays a bonus to a group without specifying any individuals (this bonus will be collectively used by the group and the individual receiving the bonus is only the representative to receive on behalf of the group), the individual who received the bonus on behalf of the group is not subject to PIT, and the company does not have to withhold PIT on this bonus payment.

(The Official Letter No. 35192/CTHN-TTHT dated 19 July 2022 issued by Hanoi Tax Department)



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Foreign Contractor Withholding Tax



GUIDANCE RULING

Foreign Contractor Withholding Tax levied on income derived from providing online advertising services on Facebook

If the overseas supplier has already completed the tax registration, declaration, and payment in Vietnam following Article 76, Article 77, Article 78, Article 79, Circular No. 80/2021/TT-BTC, the organization purchasing the services of this overseas supplier does not have to declare, withhold and pay tax on behalf of the overseas supplier.

(The Official Letter No. 36815/CTHN-TTHT dated 28 July 2022 issued by Hanoi Tax Department)

Foreign Contractor Withholding Tax levied on membership fees paid to foreign organizations

If a Vietnamese company participates in the Global Wind Energy Council (GWEC), pays membership fees to GWEC Asia Ltd (headquartered in Singapore) and the foreign organization has income arising in Vietnam on the basis of the contract, agreement, or commitment between the foreign contractor and the organization in Vietnam, the income earned from membership fees by the foreign contractor is subject to the VAT liability and CIT liability of the foreign contractor in accordance with Circular No. 103/2014/TT-BTC.

(The Official Letter No. 34794/CTHN-TTHT dated 18 July 2022 issued by Hanoi Tax Department)

Foreign Contractor Withholding Tax levied on the income from share transfers

If a foreign contractor (which is a foreign entity without an office in Vietnam and does not operate under the Vietnamese laws) has income arising in Vietnam based on the contract signed with company X (in Vietnam) to transfer its shares in company Y (in Vietnam), then income from this share transfer is subject to FCWT.

If the foreign contractor does not to meet one of the conditions as prescribed in Article 8, Circular No. 103/2014/TT-BTC, the Vietnamese party takes responsibility for paying tax on behalf of the foreign contractor, specifically the tax calculation and tax declaration is made as follows:

If defined as an investment capital transfer activity:

- VAT: the capital transfer activity is not subject to VAT as prescribed in point d, clause 8, Article 4, Circular No. 219/2013/TT-BTC.
- CIT: the determination of CIT for the capital transfer of the foreign contractor is made following guidance of Article 14, Circular No. 78/2014/TT-BTC (amended by Article 8 of Circular No. 96/2015/TT-BTC).

- The time of incurring the income from capital transfer is the time of transferring the capital ownership

If defined as a securities transfer activity:

- VAT: the securities transfer activity is not subject to VAT as prescribed in point d, clause 8, Article 4, Circular no. 219/2013/TT-BTC.
- CIT: the determination of CIT for the securities transfer of the foreign contractor is made following guidance of Article 4, Article 13, Circular No. 103/2014/TT-BTC.

(The Official Letter No. 37372/CTHN-TTHT dated 01 August 2022 issued by Hanoi Tax Department)



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Trade & Customs



DECISION OF THE GENERAL DEPARTMENT OF CUSTOMS

Pilot program for supporting and encouraging enterprises to voluntarily follow customs regulations

On 15 July 2022, the General Department of Customs issued Decision No. 1399/QD-TCHQ with the purpose of:

- Facilitating trade, and reducing costs of enterprises, through improving the legal compliance level and minimizing frequency in terms of the physical inspection for imported and exported goods.
- Supporting enterprises in limiting and dealing with concerns and difficulties in the implementation of customs procedures; proactively arranging solutions in terms of the prevention and avoidance of customs regulation offences and enhancing the self-compliance with laws by enterprises.
- Establishing a reliable partnership between customs authorities and enterprises in terms of import, export and transit activities as a basis for easing trade and enhancing the competitiveness of enterprises.

This program will be executed in 2 phases:

- **Pilot phase:** within 2 years from the issuance date of the Decision, a pilot summary shall be made at the end of this phase for measurement, assessment, and amendment to the program to meet realistic requirements.
- **Official implementation phase:** after conclusion of the Pilot phase; preliminary assessments will be organized once a year. After 5 years from the issuance date of this Decision, there will an assessment of the performance and effectiveness of the program's goals.

Instruction, and supportive activities for the member enterprises of the program, could be delivered via phone, by email or in writing depending on the enterprise's request, and the nature of the case. In addition, the execution can be arranged in the following forms: signing a Memorandum of Understanding with enterprises registering to take part in the program, organizing partnership programs, coordinating programs with entrepreneur associations, competent authorities, conferences, seminars, training programs that enterprises can actively enhance their compliances with regulations and manage the risks of customs regulation offences.

Requirements for participation:

- Enterprises who fully completed the information as prescribed in Circular No. 81/2019/TT-BTC dated 15 November 2019 and verified by the customs authority.
- Enterprises who have conducted import-export activities for more than 365 days and are assessed to be necessary for the encouragement to improve compliance level by the customs authority.
- Enterprises, and business associations are invited by customs authority by an invitation letter to take part program, and those who voluntarily register to take part in the program.

Representatives of the customs authority will carry out procedures for signing the Memorandum of Understanding, publicizing, the program's member status of enterprises involved in the program.

(The Decision No. 1399/QD-TCHQ dated 15 July 2022 issued by the General Department of Customs)



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Trade & Customs



GUIDANCE RULING

Import duty exemption application dossier for re-imported goods must be submitted in the required form

Pursuant to provisions of clause 5, Article 1, Circular No. 39/2018/TT-BTC, for goods exported being returned, the application dossier for the import duty exemption must contain an official letter requesting that import duty is not charged. The official letter must contain specified information, as regulated under the Form No. 02 Appendix IIa (if submitting online) or Form No. 05/CVDNKTT/TXNK Appendix VI (if submitting paper dossier).

Additionally, the official letter must clearly state the number of the re-import declaration, export declaration, number of the contract, number of the payment voucher (if any), the enterprise's commitment on the re-imported goods which have not been used or processed abroad.

If the dossier submitted by enterprises does not contain the official letter, requesting that import duty is not charged, at the time of carrying out procedures for re-importation of exported goods, the enterprise would not have satisfied the qualifying conditions for the import duty exemption.

(The Official Letter No. 2983/TCHQ-TXNK dated 21 July 2022 issued by the General Department of Customs)

Refund applications for overpaid import Value Added Tax

If an enterprise claims a refund for import VAT overpaid in the previous calendar year, then before the customs authority issues their refund decision, they are required to collect the information from the local tax authorities in order to determine whether:

- The taxpayers, within 12 months counting to the submission date of overpaid VAT refund dossiers have behavior of violating customs regulations, tax regulations and other relevant regulations, are being prosecuted by the competent authority for criminal cases;
- The taxpayers are member companies of the group but the group is being prosecuted for a criminal case or another member in the same incorporation is being prosecuted for criminal cases;
- Taxpayers whose VAT amount requested for refund is VND 500 million or more;
- Taxpayers who do not explain inconsistencies in the overpaid VAT refund application dossier; and
- Other suspicious cases in handling overpaid VAT refund dossier of taxpayers.

Customs authority must monitor and urge coordination with the tax authority. Upon receiving responses from the tax authority, pursuant to regulations and the taxpayer's overpaid VAT refund application dossiers, customs authority will issue the written response to the taxpayers.

For cases of refund overpaid VAT amount of the previous year but the customs authority has sufficient evidence to decide that the enterprise has not yet declared or refunded VAT at the local tax authority, the customs authority doesn't need to collect more information from the local tax authority.

(The Official Letter No. 2999/TCHQ-TXNK dated 22 July 2022 issued by the General Department of Customs)



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Trade & Customs



GUIDANCE RULING

Certifications of goods origin under the RCEP Agreement

Currently, Ministry of Finance is submitting to the Government for the promulgation a Decree on Vietnam's Special Preferential Import Tariff Schedule to execute the RCEP Agreement during the period of 2022-2027. Upon the Decree issuance, the General Department of Customs will provide guidance on the implementation as regulated.

Whereas enterprise declares an incorrect import tariff rate, (because Vietnam's Special Preferential Import Tariff Schedule to execute the RCEP Agreement has not been published) – and the incorrect declaration leads to an increase in the tax payable amount,, there would be no penalty under the Law on Handling of Administrative Violations and Decree No. 128/2020/ND-CP dated 19 October 2020 on handling administrative violations in the customs sector.

(The Official Letter No. 3103/TCHQ-GSQL dated 28 July 2022 issued by the General Department of Customs)

Transfer of duty exempted goods imported to form fixed assets in incentivized investment projects

Where duty exempted goods (that were imported to form fixed assets in incentivized investment projects) are subsequently transferred to another entity entitled to receive duty exemption, the receiving entity needs to register a new customs declaration and will be exempted from import duties; the organizations, and individuals transferring-out the duty exempted goods do not have to repay the exempted import duty amount.

If fully or partially transferring a project which fall under the incentivized investment object to another organization or individual, the project owner does not have to repay the exempted import duty amount for goods transferred under the project. The organization and individuals receiving the transferred project must register a new customs declaration for the transferred goods and the transferred goods are exempted from the import duty if satisfying the requirements as regulated.

(The Official Letter No. 3271/TCHQ-TXNK dated 08 August 2022 issued by the General Department of Customs)

Import duty policy levied on leased and borrowed goods of Export Processing Enterprises

If a domestic enterprise rents or borrows goods from an Export Processing Enterprise under the leasing or borrowing contract for manufacturing purpose, the domestic enterprise is not exempted from the import duty as prescribed in point a clause 9, Article 16, Law on Import and Export Duty No. 107/2016/QH13.

Domestic enterprises must declare and pay import duties upon the temporary importation and are not eligible for the refund of paid import duty upon the re-exportation in line with point đ clause 1, Article 19, Law on Import and Export Duty No. 107/2016/QH13.

(The Official Letter No. 3269/TCHQ-TXNK dated 08 August 2022 issued by the General Department of Customs)

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