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| http://www.cni-net.com/wp-content/uploads/2012/07/ICPartners_logo.122x100-e1361356307760.png  **IC&PARTNERS VIETNAM**  ***Supporting***  ***Business Worldwide*** | **TAX NEWSLETTER**  JULY, 2024 |
| * **Headquarters in Hanoi:**   4th Floor, COWAELMIC Building, No. 198 Nguyen Tuan Street, 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](http://www.icpartners.it)  Email: info@icpartnersvietnam.com | **IN THIS ISSUE**   * + ***Taxation*** * Amending and supplementing regulations on administrative violations in tax transactions by electronic methods * Policy of reducing value-added tax by 2% applied from July 01, 2024 to December 31, 2024 * Official Letter responding to the proposal on the advance pricing agreement (APA) determination method * Amending Vietnam's special preferential import tax rates in line with the ASEAN-Korea Free Trade Agreement * Extension of deadline for submitting special consumption tax with domestically manufactured and assembled cars   + ***Insurance*** * The health insurance premium for an individual from July 01, 2024   + ***Enterprise*** * Regional minimum wage and regulations on the application of the regional minimum wage * Priority for investing, renting, purchasing products, and information technology services produced domestically * Regulations on the premature termination of a financial leasing contract |

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| * + ***Taxation*** * **Amend regulations on administrative violations in tax transactions by electronic methods** * Policy of reducing value-added tax by 2% * The APA determination method * Amend ASEAN-Korea Free Trade Agreement * Extend the deadline for special consumption tax for cars manufactured, assembled domestically   + ***Insurance*** * The health insurance premium for individual from July 01, 2024   + ***Enterprise*** * Regional minimum wage and regulations on applying the regional minimum wage * Priority for investing, renting, purchasing, and IT services produced domestically * Regulations relate to the premature termination of a financial leasing contract | ***Amending and supplementing regulations on administrative violations in tax transactions by electronic methods***  On July 09, 2024, The Minister of Finance issued 46/2024/TT-BTC amending 19/2021/TT-BTC guiding electronic transactions in the tax sector, effective from August 28, 2024 as follows:  **Amending Point a, Clause 1 Article 32** **Circular 19/2021/TT-BTC:**  Taxpayers who violate the deadlines for tax registration; tax information notification deadlines; deadlines for reporting temporary suspension of business activities; and notifying changes in business registration information before the deadline, tax authorities will base on the submission date of documents as stipulated in point b clause 1 Article 8 Circular 19/2021/TT-BTC and the deadlines stipulated in Law on Tax Administration to determine the number of late submission days and issue administrative tax violation penalty minutes to send to taxpayers.  **Amending Point b Clause 3 Article 32 Circular 19/2021/TT-BTC:**  After the deadline for explanation, the tax authority shall base on the administrative tax violation of the taxpayer as stated in the Minutes of Administrative Tax Violation and the supplementary explanation documents, including information on any mitigating circumstances of the taxpayer (if any), to issue a decision on administrative penalties for tax violations and send it to the taxpayer as prescribed in Clause 2, Article 5 of Circular 19/2021/TT-BTC.  In cases the explanation and supplementary information provided by the taxpayer is not accepted, the tax authority shall issue a Notice of non-acceptance of the explanation and supplementary information (in the form 01-3/TB-TDT attached to Circular 19/2021/TT-BTC) and a Decision on administrative tax penalties for the taxpayer as stipulated in Clause 2 Article 5 of Circular 19/2021/TT-BTC.  *Detail:*  Law on Tax Administration  Circular 46/2024/TT-BTC, Circular 19/2021/TT-BTC |

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| * + ***Taxation*** * Amend regulations on administrative violations in tax transactions by electronic methods * **Policy of reducing value-added tax by 2%** * The APA determination method * Amend ASEAN-Korea Free Trade Agreement * Extend the deadline for special consumption tax for cars manufactured, assembled domestically   + ***Insurance*** * The health insurance premium for individual from July 01, 2024   + ***Enterprise*** * Regional minimum wage and regulations on applying the regional minimum wage * Priority for investing, renting, purchasing, and IT services produced domestically * Regulations relate to the premature termination of a financial leasing contract | ***Policy of reducing value-added tax by 2% applied from July 01, 2024 to December 31,2024***  On June 30, 2024, the Government issued Decree No. 72/2024/ND-CP on value-added tax (VAT) reduction policies, effective from July 01, 2024 toDecember 31, 2024 as follows:   1. **VAT reduction rate:**   Business establishments that calculate VAT using the deduction method may apply the 8% VAT rate for goods and services eligible for VAT reduction.  In cases goods or services are not subject to VAT or subject to 5% VAT as prescribed in the Law on Value-Added Tax, they shall be governed by the provisions of the Law on Value-Added Tax.  Business establishments that calculate VAT using the percentage-on-revenue method are entitled to a 20% reduction in the percentage rate to calculate VAT when issuing invoices for goods and services eligible for value added tax reduction.   1. **Procedure for reducing value-added tax is as follows:**   ***For business establishments calculating VAT by deduction method:***  When issuing VAT invoices, write “*8%*” in the VAT rate column. Based on the VAT invoice, businesses declare the deduction of input VAT according to the reduced amount stated on the VAT invoice.  ***For business establishments (including household and individual business) calculating VAT by percentage of revenue:***  When issuing sale invoices, in the "*Total amount*" column, write the full price of goods or services before discounting, and in the "*Total goods, services cost*" line, write the amount after applying a 20% discount on the revenue percentage. Also, include a note: "*has reduced... (amount) equivalent to a 20% rate to calculate value-added tax in according to Resolution No. 142/2024/QH15*"..  *Detail:*  Law on Value-Added Tax, Decree 72/2024/ND-CP,  Resolution 142/2024/QH15 |

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| * + ***Taxation*** * Amend regulations on administrative violations in tax transactions by electronic methods * Policy of reducing value-added tax by 2% * **The APA determination method** * Amend ASEAN-Korea Free Trade Agreement * Extend the deadline for special consumption tax for cars manufactured, assembled domestically   + ***Insurance*** * The health insurance premium for individual from July 01, 2024   + ***Enterprise*** * Regional minimum wage and regulations on applying the regional minimum wage * Priority for investing, renting, purchasing, and IT services produced domestically * Regulations relate to the premature termination of a financial leasing contract | ***Official Letter responding to the proposal on the advance pricing agreement (APA) determination method***  On July 03, 2024 The General Department of Taxation issued Official Letter No. 2839/TCT-DNL in response to the proposal on the APA mechanism sent to the Japanese Business Association in Vietnam as follows:   * APA is applied on the basis of cooperation between the tax authorities and taxpayers or between the Vietnamese tax authorities and the tax authorities of the partner country, and taxpayers work together, exchange, and negotiate on the application of legal provisions on implementing corporate income tax obligations for related-party transactions within the scope of APA in accordance with principles. * Applying APA aims to enhance tax management efficiency, reduce compliance costs, determine related-party transactions of MNCs in accordance with the principles of analysis and comparison with independent transactions and the principle, the tax determination transactions determine the tax obligations to identify the nature of related-party transactions, the corporate income tax obligations to be paid by taxpayers as in transactions between independent parties and prevent double taxation and tax evasion, minimize disputes over the pricing of related-party transactions. * The request to apply APA of the taxpayers shall be resolved based on the dossier as stipulated in Clause 3 Article 41 of Decree No. 126/2020/NĐ-CP. * The analysis, comparison, selection of independent comparison subjects, and methods used to compare and determine the prices of related-party transactions within the scope of APA are conducted in accordance with the regulations in Decree No. 132/2020/NĐ-CP. * The application of the APA mechanism must ensure compliance with the principles stipulated in Article 6 of the Law on Tax Administration 2019.   *Detail:*  Law on Tax Administration, Decree 132/2020/ND-CP,  Decree 126/2020/ND-CP, Official Letter 2839/TCT-DNL |

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| * + ***Taxation*** * Amend regulations on administrative violations in tax transactions by electronic methods * Policy of reducing value-added tax by 2% * The APA determination method * Amend ASEAN-Korea Free Trade Agreement * **Extend the deadline for special consumption tax for cars manufactured, assembled domestically**   + ***Insurance*** * The health insurance premium for individual from July 01, 2024   + ***Enterprise*** * Regional minimum wage and regulations on applying the regional minimum wage * Priority for investing, renting, purchasing, and IT services produced domestically * Regulations relate to the premature termination of a financial leasing contract | ***Extension of deadline for submitting special consumption tax with domestically manufactured and assembled cars***  On June 17, 2024, the Government issued Decree No. 65/2014/ND-CP extending the deadline for paying special consumption tax on domestically produced and assembled cars, effective from June 17, 2024 to December 31, 2024 as follows:   * The deadline for paying special consumption tax arising from the May, June, July, August, September 2024 tax period is November 20, 2024. * For cases where taxpayers submit supplementary tax returns for the extended tax period that result in an increase in the amount of Special Consumption Tax payable and send it to the tax authorities before the extended tax payment deadline, the extended tax amount includes the additional tax payable due to the supplementary declaration * The Decree 65/2024/NĐ-CP also stipulates that if taxpayers are eligible for an extension in filing and paying the Special Consumption Tax declaration according to current laws, they are not required to pay the Special Consumption Tax due as declared in the Special Consumption Tax declaration during the extension period. * For cases where businesses have branches or affiliated units that separately file Special Consumption Tax returns with the tax authorities directly managing the branches or affiliated units, these branches and affiliated units are also eligible for the extension of Special Consumption Tax payment. However, if the branches or affiliated units do not engage in automobile production or assembly, they are not eligible for the extension of Special Consumption Tax payment.   *Detail:*  Decree 65/2024/ND-CP |

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| * + ***Taxation*** * Amend regulations on administrative violations in tax transactions by electronic methods * Policy of reducing value-added tax by 2% * The APA determination method * Amend ASEAN-Korea Free Trade Agreement * Extend the deadline for special consumption tax for cars manufactured, assembled domestically   + ***Insurance*** * **The health insurance premium for individual from July 01, 2024**    + ***Enterprise*** * Regional minimum wage and regulations on applying the regional minimum wage * Priority for investing, renting, purchasing, and IT services produced domestically * Regulations relate to the premature termination of a financial leasing contract | ***The health insurance premium for an individual from July 01, 2024***  On June 30, 2024, the Government issued Decree 73/2024/ND-CP stipulating new base salary levels for officials, public servants, civil servants, and armed forces, thereby changing the health insurance contribution rate for individuals, effective from July 01, 2024 as follows   * According to the provisions of Decree 73/2024/ND-CP, the new base salary level is 2,340,000 VND per month, replacing the current level of 1,800,000 VND per month. * In Conclusion 83-KL/TW dated June 21, 2024, the Politburo decided to increase the base salary for officials, public servants, civil servants, and armed forces from 1.8 million VND per month to 2.34 million VND per month, effective from July 01, 2024. * At the same time, according to Point d, Clause 1, Article 7 of Decree 146/2018/ND-CP, the monthly health insurance contribution rate for other subjects will be 4.5% of the base salary. * Therefore, if purchasing voluntary health insurance for one person, the annual health insurance contribution is 1,263,000 VND (an increase of 291,000 VND), and the monthly contribution is 105,300 VND.   *Detail:*  Decree 73/2024/ND-CP, Decree 146/2018/ND-CP,  Conclusion 83-KL/TW |

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| http://www.cni-net.com/wp-content/uploads/2012/07/ICPartners_logo.122x100-e1361356307760.png  **IC&PARTNERS VIETNAM**  ***Supporting***  ***Business Worldwide*** | Ảnh có chứa dưới nước, nước, ảnh chụp màn hình, ngành động vật có ruột khoang  Mô tả được tạo tự động  **TAX NEWSLETTER**  JULY, 2024  **ENTERPRISE** |
| * + ***Taxation*** * Amend regulations on administrative violations in tax transactions by electronic methods * Policy of reducing value-added tax by 2% * The APA determination method * Amend ASEAN-Korea Free Trade Agreement * Extend the deadline for special consumption tax for cars manufactured, assembled domestically   + ***Insurance*** * The health insurance premium for individual from July 01, 2024   + ***Enterprise*** * Regional minimum wage and regulations on applying the regional minimum wage * Priority for investing, renting, purchasing, and IT services produced domestically * **Regulations relate to the premature termination of a financial leasing contract** | ***Regulations on the premature termination of a financial leasing contract***  On July 01, 2024, the Governor of the State Bank of Vietnam issued Circular 26/2024/TT-NHNN regulating the financial leasing activities of financial companies and leasing companies, effective from July 01, 2024 as follows:  **A financial lease contract may be terminated early in the event of one of the following circumstances:**   1. The lessor discovers that the lessee has provided false information, violated the terms of the contract, financial lease agreement, or security agreement; 2. The leased asset is lost, damaged beyond repair, and cannot be replaced; 3. The lessor violates any of the terms or conditions that constitute grounds for terminating the financial lease contract, as specified in the lease agreement; 4. Circumstances for early termination of the financial lease contract according to legal regulations and the lease agreement.  * In the case where one party unilaterally terminates the financial lease contract, the terminating party must immediately notify the other party of the contract termination. The content of the unilateral termination notice and the timing of the early termination must be agreed upon by both parties in the financial lease contract and comply with legal regulations. * The handling of early termination of the financial lease contract shall be in accordance with the provisions of Article 21 of Circular 26/2024/TT-NHNN and relevant legal regulations.   *Detail:*  Circular 26/2024/TT-NHNN |

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| * **Headquarters in Hanoi:**   4th Floor, COWAELMIC Building, No. 198 Nguyen Tuan Street, 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](http://www.icpartners.it)  Email: info@icpartnersvietnam.com | **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, 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) * Tax 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!* |