
TAX BULLETIN August 2024

1. CIT applied to bank deposit interest of representative offices (Official letter No. 3227/TCT-CS dated 26th July 2024 of the General Department of Taxation)

If generating income from deposit interest which is subject to Corporate Income Tax (CIT), representative offices shall declare and pay CIT according to Article 11, Decree No. 218/2013/ND-CP dated 26th December 2013 of the Ministry of Finance.

2. Tax treatment of golf fees (Official letter No. 39488/CTHN-TTHT dated 4th July 2024 of Hanoi Tax Department)

In case where the Company incurs golf fees for its employees to build up the relationship with clients:

- If invoices and receipts of golf fees are issued under the Company's name, these fees will be not considered as income received by the employee, and therefore, not be taxable income for Personal Income Tax purpose.
- If a golf card is issued to a registered nominee who is an employee of the Company, the golf fees will be taxable income of that employee.

3. Foreign tax credit under Double Taxation Agreement (Official letter No. 38921/CTHN-TTHT dated 2nd July 2024 of Hanoi Tax Department)

If an individual taxpayer who is a resident of Vietnam paid tax in a foreign country which concluded Double Taxation Agreement (DTA) with Vietnam and the tax paid amount is in accordance with law of that country as well as provisions of the DTA, such an individual shall be entitled to credit of the tax paid amount (or an amount considered as a tax paid amount) in such a foreign country against tax payable amount in Vietnam, specifically:

- The foreign tax credit shall comply with provisions of DTA(s) and principles as provided for in Article 48, Circular No. 205/2013/TT-BTC dated 24th December 2013 of Ministry of Finance.
- The procedure for foreign tax credit is complied with guidelines in Clause 3, Article 62, Circular No. 80/2021/TT-BTC dated 29th September 2021 of Ministry of Finance.

4. CIT incentives in case of changing in investment purpose (Official letter no 2678/TCT-CS dated 24th June 2024 of General Department of Taxation)

Pursuant to the current provisions, in principle, in case where an enterprise has an investment project resulted from converting the ownership, such an enterprise shall be allowed to inherit CIT incentives of the before-being-converted investment project. Accordingly, if the investment project of AP Tech Vietnam Co., Ltd. was granted the second adjusted Investment Registration Certificate dated 27th February 2023 in which the whole purpose of the project

was changed from manufacturing, processing, assembling automatic modules of electronic components as inscribed in the first certificate of investment to manufacturing electronic components and business form of the Company was change from an export processing enterprise (EPE) to non-EPE.

In addition, in the third adjusted Investment Registration Certificate dated 3rd October 2023, new purposes of the project was added, the size and implementing progress of the project changed, and at the same time, the information on the investor changed to become Nano Vision Company, the investment project mentioned above of the Nano Vision Company shall not be entitled to CIT incentives in accordance with provisions in Clause 3, Article 10, Circular No. 96/2015/TT-BTC dated 22nd June 2015 of Ministry of Finance.

5. Tax treatment of an e-invoice with nonconcurrent time of invoicing and digitally signing (Official letter No. 18797/CTBDU-TTHT dated 15th July 2024 of Binh Duong Tax Department)

In case where an e-invoice for sale of goods or provision of services is issued, but digital signature is not made concurrently, the issued e-invoice will be considered as a legal e-invoice only if the digitally signing date is the same or after the date of invoice issuing. Then the VAT declaration will be instructed as follows:

- The seller shall declare and pay VAT based on the e-invoice issuing date
- The purchaser shall declare and pay VAT based on the receiving date of the e- invoice provided that form and contents of such an issued electronic invoice must fully, correctly comply with provisions in the Article 10, Decree No. 123/2020/NĐ-CP dated 19th October 2020 of Government.