

## BẢN TIN LUẬT

### A. LUẬT THUẾ, KẾ TOÁN

#### **Guidelines on VAT declaration for company's branches**

On 10 April 2014, The General Department of Taxation issued Official Letter No. 1155/TCT-KK providing guidance on centralized VAT declaration.

- If the Company has a head office in Hanoi, branches in other provinces, and the branches are granted a 13-digit tax code as prescribed, they shall submit VAT declarations to their supervisory tax authorities. The method to calculate VAT shall comply with Article 12 and Article 13 of Circular No. 219/2013/TT-BTC dated 31 December 2013.
- If the branches does not sell goods and services, and does not generate revenue, the Company shall declare VAT at the head office; branches shall adjust business registration information, tax registration information at Business Registration Department in accordance with their actual operation.

#### **Guidelines on CIT incentives for preferential investment projects**

On 03 April 2014, The General Department of Taxation issued Official Letter No. 1099/TCT-CS providing guidance on CIT incentives for preferential investment projects.

- After receiving the Certificate of Preferential Investment, the Company shall send the official copy of the certificate to its supervisory tax authority within 10 business days of the date of issuing.
- Based on the Certificate of Preferential Investment, tax authorities shall determine the amount of CIT incentives as prescribed.

#### **Guidelines on PIT declaration for individuals with two sources of income**

On 28 March 2014, The Department of Taxation in Ho Chi Minh City issued Official Letter No. 2047/CT-TTHT providing guidance on PIT declaration for individuals with two sources of income.

- During the tax year, the foreigner is a resident in Vietnam and receives salaries from the company in Vietnam and the parent company in Japan. If the Vietnam company has to reimburse the paid amount to the parent company, the Vietnam company shall deduct, declare and pay PIT on the entire income from two sources of the employee using form 02/KK-TNCN.
- For bonus paid by the parent company in Japan (which shall not be reimbursed by the company in Vietnam), the foreign employee is responsible for declaring and paying PIT directly to tax authority using form 07/KK-TNCN.
- The company in Vietnam shall issue tax deduction certificate to foreign employees at the end of the year. The foreign employees shall finalize their PIT liability with the tax authority using form 09/KK-TNCN.

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