

BẢN TIN LUẬT

A. LUẬT THUẾ, KẾ TOÁN

Circular No. 39/2014/TT-BTC providing guidance on invoices for sales of goods and supply of services

On 31 March 2014, The Ministry of Finance issued Circular No. 39/2014/TT-BTC providing guidance on implementing Decree No.51/2010/ND-CP dated 14 May 2010, Decree No. 04/2014/ND-CP dated 17 January 2014 on the management and usage of invoices for sales of goods and supply of services. Some key points are as follows:

Subjects of using invoices:

1. Companies declaring VAT by the credit method: using VAT invoice
2. Companies declaring VAT by the direct method: using sales invoice
3. Companies in non-tariff zones: using sales invoice (specifying “For organizations and individuals in non-tariff zones”).

Company shall continue to use export invoices issued before 01 June 2014 and registered before 31 July 2014.

Subjects eligible to self-print invoices

- Enterprises with charter capital of 15 (fifteen) billion VND or more actually contributed (formerly, 01 billion VND).
- Enterprises lawfully established in industrial parks, economic zones, export-processing zones and hi-tech zones.
- Public business units engaged in production and business under Law.
- Enterprises established from 01 June 2014 with charter capital under 15 billion VND are manufacturing and services providing enterprises which invest in fixed assets, machinery and equipment valued at 1 billion VND or more recorded on the invoices of purchasing fixed assets, machinery and equipment at the time of issuance and comply with the conditions prescribed.

Conditions for printing invoices on order:

- Enterprises shall send proposal for using printing invoices to Tax Office. After Tax Office issues notification on using printing invoices, enterprises shall order printing invoices.
- The contract of printing order shall include the above notification.

Regulation on abbreviating buyer’s name and address

Regulation on cross out the space on invoices

The space on the invoices self-printed or printed on order made by computer shall not be crossed.

Time limit for reporting invoices usage

- Quarterly report in any case should be reported including the quarter of not using invoices. In this case, the quantity of used invoices in the report shall be zero (=0)
- Newly established enterprises, enterprises using invoices self-printed or printed on order conducting acts of violation, which are not allowed to use invoices self-printed or printed on order, at high risk of taxation and have to purchase invoices of Tax Office under Article 11, Circular No. 39/2014/TT-BTC, shall send the report on invoices usage monthly within 12 months from establishment. Those enterprises shall turn to declare quarterly after receiving Tax Office’s notification.

Using export invoices under the Official Letter No. 1412/TCT-CS was mentioned in our Newsletter No. 01 in May 2014.

Approval on registration for tax deduction method

On 24 April 2014, the General Department of Taxation issued Official Letter No. 1388/TCT-CS providing guidance on approving business's registration for tax deduction method.

- Enterprises established from investment projects before 01 January 2014 in the investment stage, not generating revenue, shall apply tax deduction method in 2014.
- Enterprises established before 01 January 2013, stopping business in 2013 and operating from 2014 shall be instructed on VAT calculation as newly established enterprises in 2014 by the Department of Taxation.
- Enterprises established from investment projects before 01 January 2013, stopping business and operating from 2013, generating revenue in 2013 shall comply with Point b, Clause 2, Article 12, Circular No. 219/2013/TT-BTC and other guiding documents.
- Newly established enterprises from 01 January 2014 having records proving the ownership of assets (assets purchase invoices, capital contribution report, property transfer report, etc.) valued at 1 billion VND or more and assuring the procedure of recording fixed assets shall be approved to spontaneously register for tax deduction method.
- Newly established enterprises from 01 January 2014 implementing investment projects, approved by competent authorities shall spontaneously register for tax deduction method.

CIT on interest income

On 12 May 2014, the General Department of Taxation issued Official Letter No. 1661/TCT-CS providing guidance on CIT on the interest income classified as other income and the interest income offsetting interest expense for capitalization.

- The interest income arising from temporary investment, related to assets in progress shall offset interest expense incurred in the construction investment stage.
- The interest expense incurred in the construction stage shall be capitalized in the investment cost.
- The interest income arising from investment on capital contribution shall be included in other income.

Guidelines on CIT on contributions to local budgets

On 21 April 2014, the General Department of Taxation issued Official Letter No. 1301/TCT-CS providing guidance on contributions to local budgets for CIT calculation purpose.

Contributions to local budgets are not be classified as expenses deductible under CIT law shall not be included in expense when determining taxable income.

A. INVESTMENT, OTHERS

Guidelines on salary payment when resigning or suspending the labor contract

On 07 May 2014, the Ministry of Labor Invalids and Social Affairs issued Official Letter No. 1462/LDTBXH-LDTL providing guidance on salary payment in the period of resigning and suspending the labor contract implementation.

Accordingly, in the case of resigning due to the fault of employer, employee shall be fully paid. If it is the fault of employee, employee shall not be paid; other employees in the same unit shall stop being paid under the agreement by the two parties but not less than the region-based minimum wage as prescribed.

In the case of resigning due to the problem of electricity, water, not the fault of employer, employee or other objective reasons such as natural disasters, fires, harmful epidemics, sabotage, business relocation on the request of state agencies, or economic reasons, wages shall be determined under the agreement by the two parties but not less than region-based minimum wage.

In addition, the Labor Code does not define salary payment in the temporary suspension of the labor contract but encourage employee and employer to negotiate to ensure more favorable conditions for employees over the provisions of the labor law.

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