

MONTHLY BULLETIN
AUGUST & SEPTEMBER

Features

Page 2

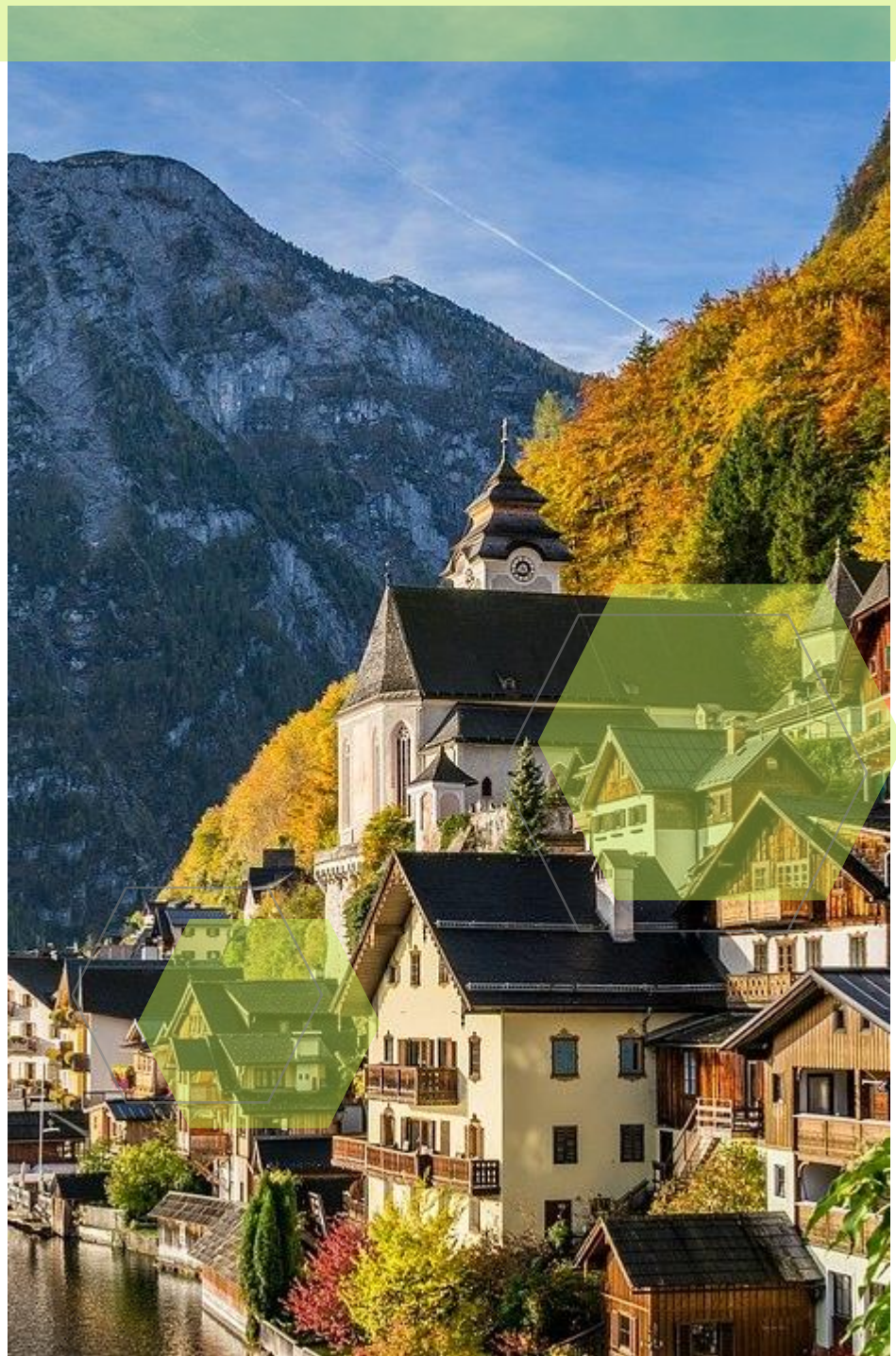
Amending and supplementing regulations on foreign workers working in Vietnam

Page 4

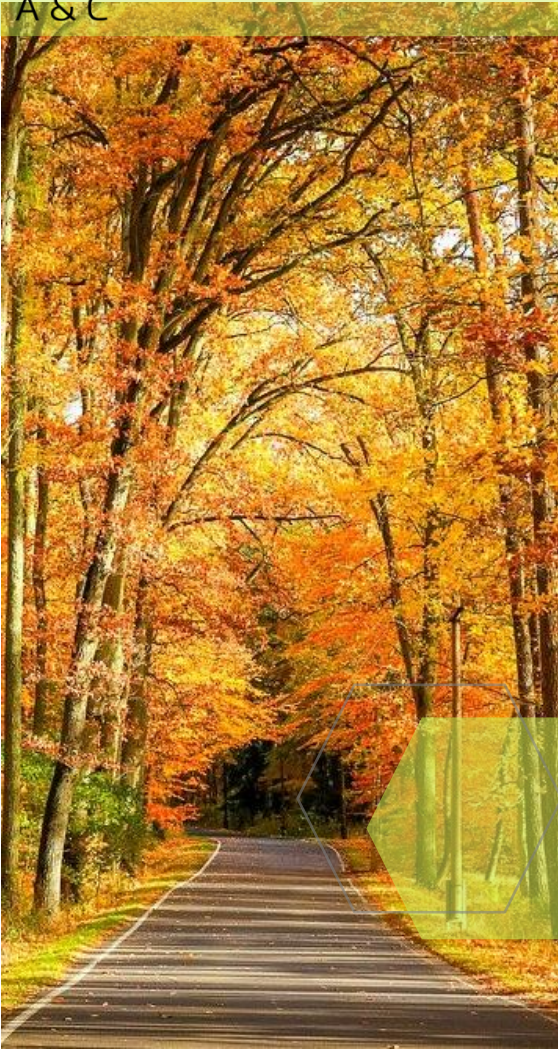
FCT on sample testing services abroad

Page 5

Tax policy for product warranty



LEGAL, LABOR AND TAX
UPDATES IN 2023



AMENDING AND SUPPLEMENTING REGULATIONS ON FOREIGN WORKER WORKING IN VIETNAM

Decree No. 70/2023/NĐ-CP on amendments to the Government's Decree No. 152/2020/ND-CP

Noteworthy issues:

1. Modifications to the concept of expats and executives:
 - ✓ **Expats** who are foreign workers now no longer need to meet the condition of having at least 3 years of experience **"in his/her training field in corresponding with the job position/job assignment"** but instead only need to **"in corresponding with the job position"** that foreign workers intend to work in Vietnam.
 - ✓ Foreign workers can meet the conditions to be considered a CEO to enjoy the corresponding work permit regulations: (1) The head of a branch, representative office, or place of business of the enterprise; or (2) The head who directly administers at least one field of the agency, organization, or enterprise and reports directly to the head of the agency, organization, or enterprise.

2. Regarding announcement on the use of foreign workers

Supplementing regulations on reporting cases for a foreign employer in more than one province to meet the practical needs of foreign workers in Vietnam. Specifically:

- ✓ Implementer: employer
- ✓ Reporting electronically to the Ministry of Labor, War Invalids and Social Affairs and the Department of Labor, War Invalids and Social Affairs where foreign workers come to work according to Form No. 17/PLI Appendix I issued attached to Decree No. 152/2020/ND-CP.
- ✓ Time limit: within 3 working days from the date the foreign worker starts working.
- ✓ VAT reduction and documents amending, supplementing and replacing (if any).



AMENDING AND SUPPLEMENTING REGULATIONS ON FOREIGN WORKER WORKING IN VIETNAM

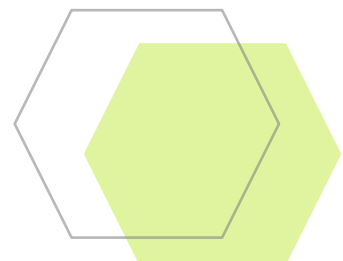
[Decree No. 70/2023/NĐ-CP on amendments to the Government's Decree No. 152/2020/ND-CP](#)

3. Changes to work permits

Some pivotal new points include:

- ✓ Foreigners married to Vietnamese citizens and residing within Vietnamese territory are no longer exempt from the procedure to confirm eligibility for work permit exemption. They are required to undergo the confirmation procedure for those not requiring a work permit at least 10 days from the start of their employment, instead of merely notifying as previously done.
 - ✓ In case a foreign worker works for one employer at more than one location, the application for work permit must fully list their working locations.
 - ✓ Additional documentation for licensing in new special cases: foreign experts or technical workers who have been granted a work permit and have been extended once may apply for a new work permit with the same job position and job title.
 - ✓ New regulations on the format of work permits and e-copies of work permits.
 - ✓ Changes regarding the application process for new, reissued, or extended work permits.
- Additionally, the Decree introduces some changes concerning determining the demand for foreign labor, recruitment announcements, and alterations in the authorities' management and licensing.

This Decree takes effect from 18 September 2023





FCT ON SAMPLE TESTING SERVICES ABROAD

[Official Dispatch No. 3117/TCT-CS dated 25 July 2023 of the General Department of Taxation](#)

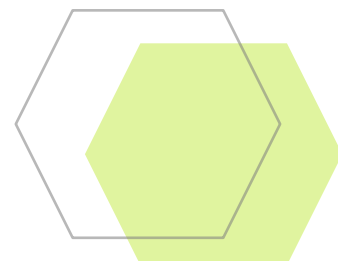
Legal regulations:

- Clause 3, Article 2 of Circular No. 103/2014/TT-BTC of the Ministry of Finance stipulates subjects that do not apply as follows: *"3. Any foreign entity that earns income from services provided and used outside Vietnam....."*

- Clause 1, Article 6, Circular No. 103/2014/TT-BTC dated 6 August 2014 of the Ministry of Finance stipulates: *"Article 6. Subjects subject to VAT:*

1. Services or services attached to goods subject to VAT that are provided by foreign contractors and foreign sub-contractors under main contracts and subcontracts and used for manufacture, sale, and consumption in Vietnam."

If the company signs a contract with Safe Airport Solution Hong Kong **to receive sample testing service for aluminum core composite conductors (ACCC) and accessories before importing them to Vietnam, this such service will be subject to apply FCT in Vietnam.**



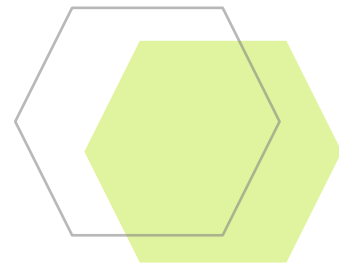


TAX POLICY FOR PRODUCT WARRANTY

Official Dispatch No. 19638/CTBDU-TTHT dated 11 August 2023 of Binh Duong Tax Department

The cases regarding free warranty services for products to customers, as stipulated in warranty agreements with defined timeframes and conditions provided in the warranty accompanying the sales invoice or appropriately detailed in the sales invoice per legal requirements, are processed as follows:

- If replacing components (parts, accessories) within a product or item, the company will use a **delivery note** along with **the sales and purchase contract, warranty, and an acknowledgment receipt of the warranted equipment** signed by both buyer and seller as evidence for accounting. **The warranty must include essential details such as the buyer's name, address, the item covered by the warranty corresponding to the invoice No., code, and invoice date.**
- In cases where the company **provides repair or warranty services** and charges the customer, it **will be required to issue an invoice, declare and pay taxes as per regulations.**



These Legal Updates are general information for internal use merely, and they are not provided to any specific case of any organizations or individuals. Although we endeavor to present as accurate information as possible, we do not assure that the aforesaid information remains its accuracy as at the date on which the readers receive these Legal Updates. You are advised to refer consultants before adopting these Legal Updates for specific cases.

CONTACT INFORMATION

For more information, please contact:

Head office

Nguyen Ngoc Thanh (Mr.)
Deputy General Director –
Consulting and Training Partner
Email: thanh.nn@a-c.com.vn
Mobile: +84 9 0366 0686
Tel: +84 28 3547 2972 - Ext: 203

Ha Noi Branch

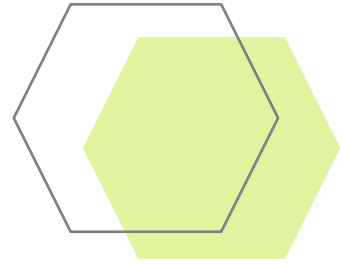
Nguyen Hoang Duc (Mr.)
Deputy General Director
Director of Ha Noi Branch
Email: duc.nh@a-c.com.vn
Mobile: +84 9 1359 2929
Tel: +84 24 3736 7879 - Ext: 456

Nha Trang Branch

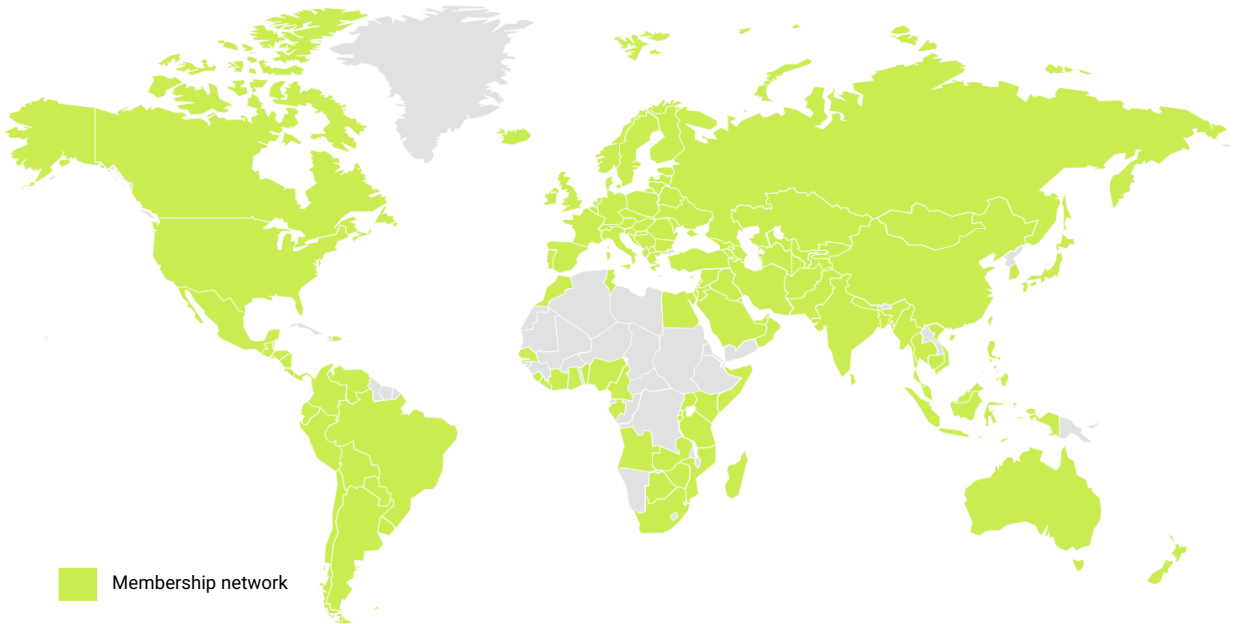
Nguyen Van Kien (Mr.)
Deputy General Director
Director of Nha Trang Branch
Email: kien.nv@a-c.com.vn
Mobile: +84 94 508 7979
Tel: +84 258 246 5151 - Ext: 202

Can Tho Branch

Nguyen Huu Danh (Mr.)
Director of Can Tho Branch
Email: danh.nh@a-c.com.vn
Mobile: +84 91 815 0488
Tel: +84 292 376 4995 - Ext: 106

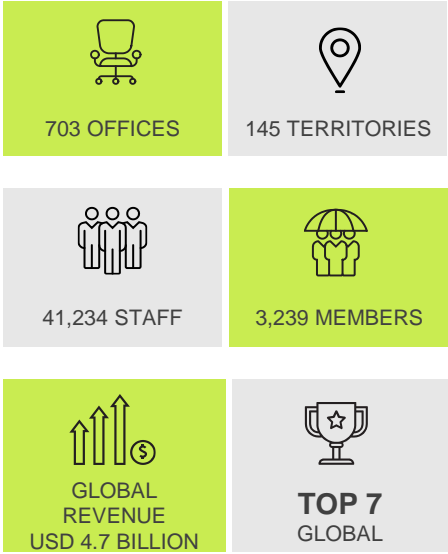


1. INTRODUCTION TO BAKER TILLY A&C



BAKER TILLY INTERNATIONAL, a worldwide organization of professional accounting firms and business advisers, was established in 1987 and has headquartered at Global Office, Juxon House, 100 St Paul's Churchyard, London, EC4M 8BU, United Kingdom.

Baker Tilly A&C is proud to be an independent member of the Baker Tilly network. The international network gives us significant global reach in addition to our substantial national presence. We collaborate to leverage our skills, resources and local expertise with dedication to help our clients grow locally, nationally and globally.



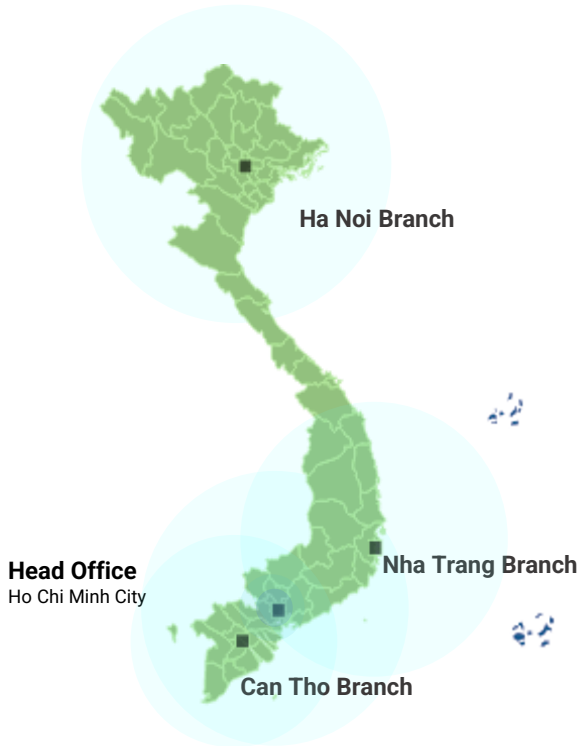
1. INTRODUCTION TO BAKER TILLY A&C



Established in 1992, formerly known as a State-owned enterprise directly under the Ministry of Finance.

A&C specializes in auditing, accounting, consulting, valuation and training, and has been constantly developing and diversifying services.

During 30 years of operation, A&C has successfully developed a branch network in major economic centers in the country.



Baker Tilly A&C's team of more than 500 employees undergoes ongoing training for improving professional expertise, skills and courage as well as updates knowledge on laws, economics, technology, marketing, etc. In addition to local training courses, our auditors and consultants have been seconded in training and practicing courses overseas, such as Malaysia, Singapore, the Philippines, Hong Kong, Great Britain, France, Belgium, Ireland, etc. organized by A&C or supporting programs of Ministry of Finance, Baker Tilly International and other international professional organizations.

A&C has been providing services to more than 2,000 clients working in various operating sectors in Vietnam, including:

- ☉ Vietnamese businesses and FDI ones of all economic sectors including manufacturing, finance, banking, oil and gas, etc.;
- ☉ International and domestic organizations, representative offices, and individuals who are in need of our services;
- ☉ Projects funded by the World Bank, the Asian Development Bank, the European Union, etc.

Collective member of Vietnam Association of Certified Public Accountants (VACPA); Member of Vietnam Business Club (VBC) and Collective member of Vietnam Tax Advisory Association (VTCA).

Why is Baker Tilly A&C credible?

<p>TOP 6 Vietnam</p>	<p>Capable workforce and intensive experience</p>	<p>Local understanding of the Vietnamese country, people and law</p>	<p>Co-operation with competent authorities</p>	<p>Worldwide membership network</p>	<p>Nationwide network</p>	<p>Dedication and profession</p>
---------------------------------	---	--	--	-------------------------------------	---------------------------	----------------------------------



2. INTRODUCTION TO CONSULTING SERVICES

TAX SERVICES

- Support with tax declaration and finalization;
- Review on tax returns and advises on tax compliance;
- Support with tax inspection and tax audit;
- Assisting to work with tax authorities in case of tax inspection;
- Tax retainer;
- Tax health check;
- Review and advises on tax incentive application;
- Advises on application of Double Taxation Avoidance Agreements (DTAAs);
- Support with VAT Refund;
- Tax planning;
- Tax strategy planning.
- Consultancy on tax procedures for business dissolution.
- Tax due diligence.
- Assist in checking and confirming the implementation of tax obligations of enterprises.

TRANSFER PRICING DOCUMENTATION SERVICES

- Consulting transfer pricing documentation (Local File, Master File, Appendix, explanatory letter on the CbCR);
- Consulting risks, planning to manage associated transaction prices;
- Consulting and supporting in explanation during associated transactions inspection period;
- Consulting profit rates according to business activities; Consulting the rate of management fee, royalty fee; Advising on borrowing and lending interest rates...;
- Advising on pricing policy for internal transactions and archival documentation.

RISK MANAGEMENT

- Internal audit;
- Risk management;
- Control system advisory;
- Sarbanes-Oxley compliance.

BUSINESS FINANCIAL CONSULTATION

- Planning capital budget;
- Advise on financial strategies and cash flow management;
- Analyzing finance and operational performance.

APPRAISAL ADVISORY

- Determining the Owner's equity value for the purpose of M&A, investment, capital contribution, determination of the Allocation Purchase Price (PPA), etc.;
- Determining the enterprise value for the purpose of administration, dissolution, liquidation, restructuring, etc.;
- Determining the value of intangible assets such as brands, trademarks, goodwill, etc.

INVESTMENT PROJECT VALUATION

- Assist with feasibility report preparation for investment project;
- Assist with preparation of performance assessment report for investment project;
- Economic - technical justification of investment projects;
- Determining the value of investment projects;
- Support with project competency profile.

BUSINESS RESTRUCTURING

- Advise on Holdings model;
- Advise on personnel restructuring and operations;
- Develop strategy to optimize tax and business operation.

M & A CONSULTANCY

- Legal due diligence;
- Financial due diligence;
- Tax due diligence;
- Business valuation advisory;
- M&A plan advisory.

ASSESSMENT AND CONSULTANCY ON SETTING UP MANAGEMENT INFORMATION SYSTEMS & DIGITAL TRANSFORMATION

- Assess information systems and technology;
- Consult on information technology risk management;
- Consult on developing processes, policies and procedures for operation and control of IT activities;
- Consult on digital transformation and IT application in business activities;
- Consult on application of specialized legal regulations in the field of IT and information security;
- Consult on information security deployment and security testing.

LEGAL CONSULTANCY ON INVESTMENT AND INCORPORATION

- Register for business establishment and investment projects of foreign investors;
- Consult on setting up representative offices of foreign traders in Vietnam;
- Consult on granting business licenses for goods trading activities of FDI enterprises;
- Consult on and implement capital transfer procedures;
- Consult on dissolution of enterprises and termination of investment projects;
- Consult on dissolution of representative offices of foreign traders in Vietnam;
- Legal advisory on labor;
- Legal advisory on trade;
- Consult, review and draft contracts;
- Other legal advisory at the request of the Client.

ACCOUNTING CONSULTANCY

- Bookkeeping, preparing financial statements, tax reports and other reports at the request of customers;
- Reviewing and evaluating the enterprise accounting system;
- Accounting advice in the case of corporate restructuring, separation and merger;
- Accounting consulting on Business Consolidation;
- Advising on the conversion of the Accounting System and Financial Statements applied according to VASs to International Financial Reporting Standards ("IFRS") and vice versa;
- Consultancy on salary calculation and labor registration.

3. INTRODUCTION TO TRAINING SERVICES

SEMINAR

- Organizing periodically on the last Friday of each month, including 11 topics/ year.
- Updating and explaining newly promulgated or effective legal documents;
- Seminar on carefully selected topics to provide promptly knowledge and practical working skills for the Client;
- The team of lecturers and speakers are experts who have a ton of expertise and practical experience in both work and teaching activities;
- Professional and friendly learning environment with up-to-date facilities;
- The program is designed flexibly, so that Customers could possibly appoint different personnel to engage in each topic of seminar.

SPECIALIZED TRAINING

- Being organized monthly, including many topics such as accounting, finance, auditing and internal audit, IFRS, preparing and presenting consolidated financial statements, tax optimization, basic construction, legal, etc.;
- The training topics are organized according to the requirements of customers in order to equip and broaden knowledge and job skills for the accounting and financial staff at the enterprises, contributing to the sustainable and effective development;
- Lecturers are experts with a bunch of experiences working and teaching in the subject in charge; always enthusiastic to answer the enquires of learners.
- The program is designed diversely, richly and oriented towards practical application.

TRAINING ON REQUEST

Depending on the practical demands of the business, our experts will build training topics to match your needs and expected results.

- On-demand training topics are interested by numerous businesses and organizations:
 - ✓ *Planning for tax and social insurance;*
 - ✓ *Internal audit practice;*
 - ✓ *Accounting practice in accordance with IFRS;*
 - ✓ *Guidance for preparing and presenting the consolidated financial statements;*
 - ✓ *Associated transactions, foreign contractor tax (FCT) and double tax avoidance agreement (DTAA);*
 - ✓

TRAINING – GUIDING

- The program is designed to equip all levels of corporate personnel with the capabilities to plan, execute and control key issues in accounting, finance, auditing, tax and legal operations. effectively. Knowledge and practical skills will be transmitted via practical training and guiding methods. Accordingly, learners will easily absorb and practice knowledge directly on their current work, in order to optimization the effectiveness of training;

