



LEGAL, LABOR AND TAX UPDATES

June 2019



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A. NEW LEGAL INSTRUMENT

❖ GOVERNMENT

20 May 2019| Decree No. 44/2019/NĐ-CP providing for adjustments of retirement pensions, social insurance allowances and monthly allowances

From 01 July 2019, the amount of pension, social insurance allowance and monthly allowance increases by 7,19% compared to June 2019 for the following entities:

Public officials, public employees and workers, soldiers, people's police and cipher officers who are on monthly retirement pensions.

Those who are on monthly occupational accident and disease benefits.

Officers of communes, wards and commune-level towns prescribed in Government's Decrees No. 92/2009/NĐ-CP, No. 121/2003/NĐ-CP and No. 09/1998/NĐ-CP who are on monthly retirement pensions and allowances.

Soldiers who are on monthly allowances as prescribed in Decisions No. 142/2008/QĐ-TTg and No. 38/2010/QĐ-TTg of the Prime Minister.

People's police who are on monthly allowances as prescribed in Decision No. 53/2010/QĐ-TTg dated 20 August 2010 of the Prime Minister.

Those who are on monthly work-capacity loss allowance as per the law; those who are on monthly allowance as prescribed in Decisions No. 91/2000/QĐ-TTg, No. 613/QĐ-TTg dated 06 May 2010 of the Prime Minister; rubber workers who are on monthly allowance.

Officers of communes, wards, commune-level towns who are on monthly allowance as prescribed in Decisions No. 130/CP dated 20 June 1975 and No. 111-HĐBT dated 13 October 1981.

Soldiers, people's police, cipher officers on payroll similarly as soldiers, people's police on monthly allowances as prescribed in Decision No. 62/2011/QĐ-TTg.

(This Decree shall take effect from 01 July 2019)

❖ MINISTRY OF INDUSTRY AND TRADE

29 May 2019| Decision No. 1480/QĐ-BCT on the implementation of temporary anti-dumping duty against aluminum products originated from China granted by the Ministry of Industry and Trade

Application of temporary anti-dumping duties on a number of aluminum, alloy or non-alloy products, which are shaped in bars, or rods whether or not getting surface-treated, or additional processed, imported into Vietnam and classified under HS code

7604.10.10, 7604.10.90, 7604.21.90, 7604.29.10, 7604.29.90, originating from the People's Republic of China (case code AD05) shall have the detailed content stated in the Notice attached to this Decision.

(This Decision shall take effect from 05 June 2019)

MINISTRY OF TRADE

28 May 2019| Circular No. 30/2019/TT-BTC proving guidance on registration, depository, listing, transaction and settlement of transactions in the Government's debt instruments, government-backed bonds issued by banks of policies and municipal bonds.

Scope

This Circular provides detailed guidance on the registration, depository, listing, transaction and settlement of transactions in the Government's debt instruments (including government bonds, treasury bill, national construction bonds), government-backed bonds issued by banks of policies and municipal bonds (hereinafter referred to as "debt instruments").

In particular, the publication of periodic information is as follows:

- Special traders who are public companies, large-scale public companies and listed companies, shall disclose periodic information according to the provisions of the Circular No. 155/2015/TT-BTC dated 06 October 2015.
- Special traders who are not the above subjects shall make periodic disclosure of information on the website of the Stock Exchange and their own website as follows:
 - + Disclosure: audited Financial Statements (currently including reviewed Interim Financial Statements, audited Financial Statements and Annual Reports);
 - + Publication period: within 04 months from the balance sheet date (currently not exceeding 90 days from the balance sheet date).

Circular No. 30/2019/TT-BTC shall supersede Circulars No. 234/2012/TT-BTC dated 28 December 2012, No. 10/2017/TT-BTC dated 06 February 2017 and No. 46/2017/TT-BTC dated 12 May 2017.

(This Circular shall take effect from 15 July 2019)

B. GUIDANCE

+ GENERAL TAX DEPARTMENT

13 May 2019 | Official letter No. 1880/TCT-DNL providing guidance on the tax declaration and payment issues for affiliated economic organizations

In case VNPT-IT Company has **dependent units** located in other provinces or cities where the head office is located, if these if these units **do not directly sell goods and generate turnover**, they shall declare VAT at **the Company's head office**.

16 May 2019 | Official letter No. 1959/TCT-DNL on tax policy for financial derivative transactions

Foreign exchange transactions including buying and selling foreign currency forward are **financial derivative transactions**, which are **not subject to VAT**. As the result, foreign contractors who have revenue from these transactions **shall not subject to VAT**.

Circular No. 103/2014/TT-BTC dated 06 August 2014 by the Ministry of Finance has not specified the CIT calculation revenue of foreign contractors in derivative transactions, including foreign currency exchange transactions and foreign currency forward transactions. Therefore, the turnover determination for foreign currency exchange transactions and foreign currency forward transactions of foreign contractor shall follow **regulations at Clause 3, Article 7 and Point a, Clause 1, Article 13, Circular No. 103/2014/TT-BTC**. Regarding the time of determining the foreign contractor's income subject to tax in foreign exchange transactions and buying and selling foreign currencies, the term shall be determined **according to each time of arising**, in compliance with Clause 2, Article 5 Law on Corporate Income Tax No. 14/2008/QH12.

17 May 2019 | Official letter No. 1970/TCT-DNNCN on Personal Income Tax on share transfer abroad

In case **the foreign individual is a Vietnam resident who generates income from a Company share transfer in Japan**, it is determined to be income **from security transfer**. As the result, it is agreed with the Tax Department's proposal that individual shall **declare and pay tax at a rate of 0.1% on the transfer price and submit the tax declaration dossiers at the Tax Department where individual registers his/her residency**.

21 May 2019 | Official letter No. 2009/TCT-CS on the Corporate Income Tax incentives of Avery Dennison RIS Vietnam Company Limited

Since 2009, the law on investment and the law on corporate income tax **has no regulations on relocation of investment project or incentives** for preferential treatment **when enterprises move their business locations.**

Prior to 01 January 2014, CIT incentives were determined based on new project establishment. From 01 January 2014, CIT incentives are determined based on **investment project** regardless the establishment / change of legal representative to implement the project. As the result, although on the business registration certificate of Avery Dennison RIS Vietnam Co., Ltd. (the Company) only changes its head office address, in fact, the Company **has changed its investment project (operating in other provinces/cities and terminating the operation of old projects in Binh Duong)**, so it is not subject to the provisions of Clause 3, Article 10 of Circular No. 96/2015/TT-BTC for the first new investment project.

05 June 2019 | Official letter No. 2294/TCT-CS answering questions on the collection policy of registration fee

According to the presentation of Bien Hoa-Dong Nai Sugar Company Limited in Official letter No. 025/2019/CV-TTCĐN dated 25 February 2019, Bien Hoa Sugar Joint Stock Company merged with Sugar Thanh Cong Tay Ninh Joint Stock Company in the form of stock exchange and converted the Company from Joint Stock to One member Limited Company owned by Sugar Thanh Cong Tay Ninh Joint Stock Company. When Bien Hoa-Dong Nai Sugar Company Limited registers the ownership and use rights of assets previously owned and used by Bien Hoa Sugar Joint Stock Company with competent state agencies, the registration fee must be paid in accordance with Point b, Clause 18, Article 5 of Circular No. 301/2016/TT-BTC..

CONTACT INFO

For more information, please contact:

Head office

Nguyen Ngoc Thanh (Mr.)
Deputy General Director and Consulting Partner
Email: thanh.nn@a-c.com.vn
Mobile: +84 9 0366 0686
Tel: +84 8 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 4 3736 7879 - Ext: 456

Nha Trang Branch

Nguyen Van Kien (Mr.)
Deputy General Director
Director of Nha Trang Director
Email: kien.nv@a-c.com.vn
Mobile: +84 94 508 7979
Tel: +84 58 387 6555 - Ext: 102

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 71 376 4995 - Ext: 106



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❖ Accounting

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