



**LEGAL, LABOR AND
TAX UPDATES
November 2020**

THIS UPDATE INCLUDES THE FOLLOWING CONTENTS

NEW LEGAL INSTRUMENTS

15 November 2020 | Decree No. 134/2020/NĐ-CP amending and supplementing a number of articles of the Decree No. 84/2016/ND-CP defining criteria and conditions for certified public accountants, audit organizations approved to audit entities with public interests

30 October 2020 | Circular No. 88/2020/TT-BTC amending and supplementing Article 26 of the Circular No. 68/2019/TT-BTC on guiding the implementation of a number of articles of the Decree No. 119/2018/ND-CP on prescribing e-invoices for goods sale and service provision

OFFICIAL INSTRUCTIONS

15 October 2020 | Official Letter No. 4342/TCT-CS on CIT incentives of new investment projects of enterprises established in industrial zones

21 October 2020 | Official Letter No. 4433 / TCT-CS on VAT policy applicable to transfer of investment project

A. NEW LEGAL INSTRUMENT

❖ GOVERNMENT

15/11/2020| Decree No. 134/2020/NĐ-CP amending and supplementing a number of articles of the Decree No. 84/2016/ND-CP defining criteria and conditions for certified public accountants, audit organizations approved to audit entities with public interests

Decree No. 134 amends and supplements Article 4 of the Decree No. 84/2016/ND-CP as follows:

“Article 4. Entities with public interests

- 1. Entities with public interests are the entities prescribed in Article 53 of the Law on Independent Audit, including entities with public interests in the securities field and other entities with public interests.*
- 2. Entities with public interests in the securities field are the entities prescribed in Clause 2, Article 21 of the 2019 Law on Securities.*
- 3. Other entities with public interests are entities with public interests specified in Article 53 of the Law on Independent Audit, except for the ones in the securities field prescribed in Clause 2 of this Article”*

(This Decree shall take effect since 01 January 2021)

30/10/2020| Circular No. 88/2020/TT-BTC amending and supplementing Article 26 of the Circular No. 68/2019/TT-BTC on guiding the implementation of a number of articles of the Decree No. 119/2018/ND-CP on prescribing e-invoices for goods sale and service provision

Circular No. 88 amending the effect of Circular No. 68 as follows:

The Ministry of Finance prolongs the effective duration of the following circulars and decisions until the end of 30 June 2022:

- a) Circular No. 32/2011/TT-BTC dated 14 March 2011 guiding the creation, issuance and use of e-invoices for selling goods and providing services.
- b) Circular No. 191/2010/TT-BTC dated 01 December 2010 guiding the management and use of transportation invoices.
- c) Circular No. 39/2014/TT-BTC dated 31 March 2014 of Minister of Finance (amended and supplemented by the Circular No. 119/2014/TT-BTC dated 25 August 2014 and the Circular No. 26/2015/TT-BTC dated 27 February 2015).
- d) Decision No. 1209/QD-BTC dated 23 June 2015 of the Minister of Finance on the pilot use of e-invoices with tax identification codes issued by tax agencies. Decision No. 526/QD-BTC dated 16 April 2018 of the Minister of Finance on expanding the scope of pilot use of e-invoices with tax identification codes issued by tax agencies.
- dd) Decision No. 2660/QD-BTC dated 14 December 2016 of the Minister of Finance on extending the term for implementing the Decision No. 1209/QD-BTC dated 23 June 2015;

e) Circular No. 37/2017/TT-BTC dated 27 April 2017 amending and supplementing the Circular No. 39/2014/TT-BTC dated 31 March 2014 of the Minister of Finance (amended and supplemented by the Circular No. 119/2014/TT-BTC dated 25 August 2014 and the Circular No. 26/2015/TT-BTC dated 27 February 2015).

(This Decree took effect since 01 November 2020)

B. OFFICIAL INSTRUCTIONS

+ OFFICIAL DISPATCH ON TAXATION

15/10/2020 | Official Letter No. 4342/TCT-CS on CIT incentives of new investment projects of enterprises established in industrial zones

In case an enterprise's new investment project is established in an industrial park in an area with difficult socio-economic conditions, new investment projects of enterprises meet two conditions simultaneously incentives are incentives based on the conditions of the industrial park area are exempted from tax for 2 years and reduced 50% of the tax payable amount for the next 4 years and incentives according to geographical areas with difficult socio-economic are preferential tax rate of 17% within 10 years, exemption 2 years and 50% of the tax payable in the next 4 years. Enterprises are selected 1 in 2 above incentives to apply throughout the course of incentives.

In case an enterprise's new investment project is only established in an industrial park that is not in an area eligible for investment incentives, they will be entitled to tax incentives at the rate applicable to the investment project in the industrial park in accordance with the Law on CIT as exemption 2-year tax and 50% reduction of payable tax amount for the next 4 years, not applicable to the preferential CIT rate of 17%.

21/10/2020 | Official Letter No. 4433 / TCT-CS on VAT policy applicable to transfer of investment project

Bayer Vietnam Limited (Company) transferred the investment project "***veterinary drug and aquatic products factory of the Company***" to invest in the production and trading of goods and services both subject to VAT and not subject to VAT for another legal entity in Vietnam; For projects meeting the conditions for investment projects under the Law on Investment, the Transferee continues to perform without changing the investment objectives.

If the Company is **unable to separate the part of the investment project for manufacturing the products subject to VAT from the part of which not subject to VAT, the Company must declare and pay VAT on the transfer of investment project at a 10% tax rate.**

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A&C is specialized in providing accounting, auditing and consulting services for the sectors of accounting, finance, investment, management and capital construction, including:

❖ **Audit**

- Financial statements.
- Finalized investment accounts.
- Estimates and finalized accounts of construction projects.
- Report funding project.

❖ **Accounting.**

❖ **Financial inspection.**

❖ **Property appraisal.**

- ❖ **Consultancy** in respect of legality, investment, privatization, taxation, enterprise finance, business administration, transfer pricing, etc.

- ❖ **Training and improving** competency of workforce in auditing, accounting, finance, taxation and other topics in respect of market and economy.



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