



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

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A. NEW LEGAL INSTRUMENT

❖ GOVERNMENT AND THE PRIME MINISTER

05/05/2020| Decree No. 53/2020/NĐ-CP on regulating environmental protection fee on wastewater

Accordingly, the environmental protection fee on wastewater is exempted in the 03 following circumstances:

- Domestic wastewater of organizations, individuals and households in communes.
- Domestic wastewater of organizations, individuals and households in wards and towns where a clean water supply system is not available.
- Domestic wastewater of nonbusiness individuals and households in wards and towns where a self-exploited clean water supply system is available

In addition, the environmental protection fee on wastewater is exempted for:

- Water discharged from hydropower plants.
- Seawater discharged after being used for salt production.
- Cooling water for machinery and equipment which is not in direct contact with any pollutant and is discharged through a separate conduit.

(This Decree shall take effect from 01 July 2020)

❖ MINISTRY OF FINANCE

05/05/2019| Circular No. 34/2020/TT-BCT Regulating fees and charges in construction and collection, submission thereof

Fees for issuance of certificates of eligibility for construction activities and construction practicing certificates

Submission fees are equal to 50% of the fees specified in Clause 1 Article 4 of Circular No. 172/2016/TT-BTC dated 27 October 2016 of Minister of Finance on fees for issuance of construction practicing certificates and collection, submission thereof (hereinafter referred to as “Circular No. 172/2016/TT-BTC”).

Do not submit fees for issuance of construction practicing certificates and certificates of eligibility for construction activities as specified in Clause 1 Article 4 of Circular No. 172/2016/TT-BTC.

From 01 January 2021 onwards, submit fees for issuance of certificates of eligibility for construction activities and construction practicing certificates as specified in Article 4 of Circular No. 172/2016/TT-BTC.

Fees for appraisal of construction investment projects and fundamental design

Submission fees are equal to 50% of the fees specified in Schedule of fee collection attached to Circular No. 209/2016/TT-BTC

Do not submit fees for appraisal of construction projects and fundamental design according to Schedule of fee collection attached to Circular No. 209/2016/TT-BTC.

From 01 January 2021, submit fees for appraisal of construction projects and fundamental design according to Schedule of fee collection attached to Circular No. 209/2016/TT-BTC.

Fees for appraisal of technical design and construction estimates

Submission fees are equal to 50% of the fees specified in Schedule of fee collection attached to Circular No. 210/2016/TT-BTC.

Do not submit fees for appraisal of technical design and construction estimates according to Schedule of fee collection attached to Circular No. 210/2016/TT-BTC.

From 01 January 2021 onwards, submit fees for appraisal of technical design and construction estimates according to Schedule of fee collection attached to Circular No. 210/2016/TT-BTC.

(This Circular shall take effect from 05 May 2020 to 31 December 2020)

07/05/2020| Circular No. 37/2020/TT-BTC Prescribing fees and charges payable in securities sector

Fees and charges payable within the period from 07 May 2020 to 31 December 2020 shall be equal to 50% of those provided for in the Schedule of fees and charges payable in securities sector enclosed with Circular No. 272/2016/TT-BTC of the Ministry of Finance, except for:

- Fees for processing of applications for issuance, modification or re-issuance of practicing certificates to individuals working at securities companies, securities investment fund management companies, and securities investment companies.
- Fees for supervision of securities activities.

(These two types of fees and charges still comply with the Schedule of fees and charges payable in securities sector prescribed in Circular No. 272).

Since 01 January 2021 onwards, fees and charges in securities sector shall be paid according to the Schedule of fees and charges enclosed with Circular No. 272.

(This Circular shall take effect from 07 May 2020 to 31 December 2020)

B. OFFICIAL INSTRUCTIONS

✚ OFFICIAL DISPATCH ON TAXATION

22 April 2020| Official Dispatch No. 1606/TCT-DNL on VAT on LC services of credit institutions

Regarding Value-Added Tax (VAT) policy for L / C services of credit institutions under Credit Institutions Law No. 47/2010 / QH12 dated 16 June 2010 and VAT Law. **From 01 January 2011 when the Law on Credit Institutions No. 47/2010/QH12 started to have effect, LCs are considered payment services and thus not subject to VAT.**

General Department of Taxation hereby requests that Provincial Departments of Taxation instruct credit institutions in their provinces to declare and pay VAT as per regulations.

04 May 2020| Official Dispatch No. 1744/ TCT-CS on Tax policy

In case TNG Holdings Vietnam Investment Corporation (hereinafter referred to as TNG) provides specialized management and operation support services to customers' companies (including subsidiaries, members and other enterprises) in line with the law (support on management, human resources, supervision, etc.) in the form of contractual agreements, TNG will issue invoices to customers' companies and record revenue as prescribed. If the customer service charges paid to TNG meet the conditions set out in Article 9 of the Law on Corporate Income Tax, guidelines on implement and service charges of associated transactions determined under the provisions of Decree No. 20/2017 / ND-CP, the expenditure monitored in specific accounting (with detailed monitoring documents on the content and volume of work and work efficiency) under the actual nature as prescribed by law, this expense is deemed to be deductibles when determining the CIT of the customers' companies.

In the fiscal year, if TNG and its subsidiaries and members (are related parties as prescribed in Article 5 of Decree No. 20/2017 / ND-CP), has associated transactions mentioned above, these are subject to the Government's Decree No. 20/2017 / ND-CP dated 24 February 2017.

20 May 2020| Official Dispatch No. 5977/BTC-TCT on implementing Decree No. 41/2020 / ND-CP

1. Duration of CIT deferral:

a) The unpaid CIT according to the tax finalization period of 2019 is extended, excluding the provisional quarterly CIT payment specified in Clause 6, Article 4 of Decree No. 91/2014 / ND-CP and Article 17 Circular No. 151/2014 / TT-BTC. Accordingly, the unpaid CIT under the tax finalization period of 2019 is a maximum of 20% of the total payable tax for the whole year.

b) If an enterprise has a **PIT calculation period that does not coincide with the calendar year, the extended tax payment period shall be determined in line with the CIT period.**

c) If the taxpayer supplements the 2019 CIT finalization dossier under the Law on Tax Administration leading increase in the payable CIT and submits to the Tax Authority before the deadline for extension of tax payment, **the extended tax is determined under the principle at Point a thereon, of which the payable tax for the whole year is based on the additional declaration dossier.**

dd) If the Competent Authority inspects the 2019 CIT finalization and **issues a conclusion before the deadline for the extension of tax payment, the total extended tax** (according to the finalization dossier that enterprises shall declare themselves and the additional amount via inspection) **determined under the principle at Point a thereof, of which the payable tax for the whole year according to the tax finalization is based on the inspection results. The extension is 05 months from the end of the deadline for submission of CIT finalization dossier for the tax period of 2019.**

2. Duration of VAT deferral

a) Enterprises and organizations that are entitled to the extension of tax payment and land rents prescribed in Article 2 of Decree No. 41/2020 / ND-CP are allowed to extend the payable VAT specified in Clause 1, Article 3 of the Decree No. 41/2020 / ND-CP **includes the payable VAT at the head office and in the locality where there are out-of-province constructions or interprovincial constructions.**

b) The State Treasury **has not deducted VAT (within the extended period) from the payment of the volume of construction works and work items funded by the state budget and payments from the state budget for capital construction works of Official development assistance (ODA)-funded projects subject to VAT** for cases where contractors are subject to VAT extension.

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