

VIETNAM BULLETIN

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Highlights of Vietnam's technical updates in July 2021

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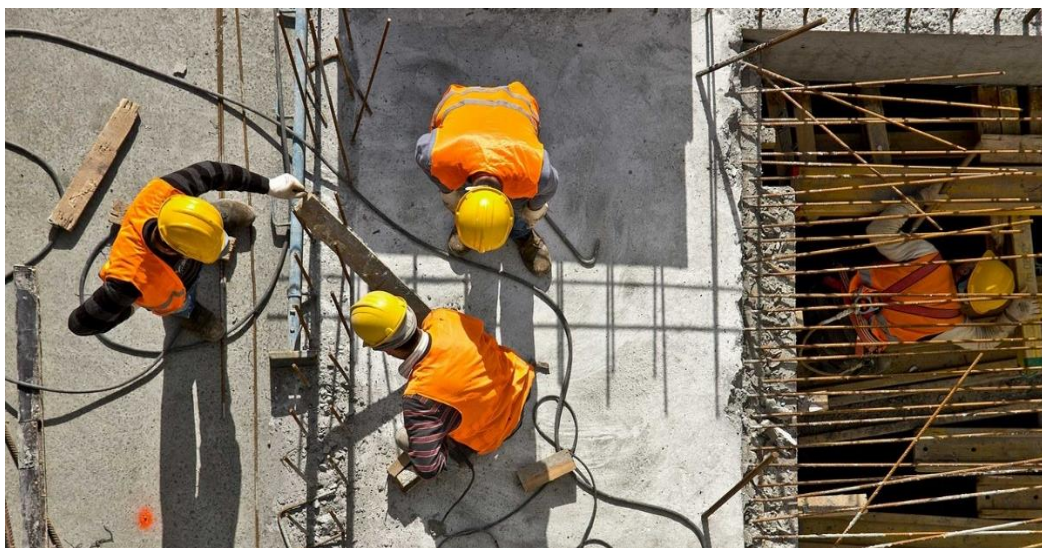
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Please refer to our following edition for further details.

CORPORATE TAX

▶ Tax Administration

1. Official Letter No. 6770/CTTPHCM-KK dated 19 July 2021 by the Ho Chi Minh Tax Department ("HCMTD") on submission of tax returns during the implementation of Directive No. 16/CT-TTg and Official Letter No. 29592/CTHN-KK dated 29 July 2021 by the Hanoi Tax Department ("HNTD") on submission of tax returns during the implementation of Directive 17/CT-UBND.

Accordingly, for organisations and individual taxpayers with head offices and addresses (permanent or temporary residence) located in quarantine zones or blockaded areas as well as individuals who are isolated under the decisions or notices by the competent authorities due to the Covid-19 pandemic, when there is an obligation to submit tax returns during the quarantine period (including the period of social distancing, regional quarantine under the decisions or notices by the competent authorities) and they are unable to submit the tax returns leading to late submission, administrative sanctions will not be imposed.

▶ Value Added Tax ("VAT")

2. Official Letter No. 6139/CTTPHCM-TTHT dated 21 June 2021 by HCMTD on issuing invoice and VAT for insurance brokerage commissions.

Where a company provides insurance brokerage services and earns insurance brokerage commissions which are not subject to VAT, the seller issues VAT invoices with the brokerage amount and commission amount clearly stated, and the line items for tax rate and VAT amount left blank and crossed out.

3. Official Letter No. 23122/CTHN-TTHT dated 25 June 2021 by HNTD guiding on invoices and VAT for providing services overseas by export processing enterprises (“EPE”)

Accordingly, where an EPE provides design, market research and product management consulting services overseas (outside the territory of Vietnam), such services are not subject to VAT. For the above provision of service, the company can use commercial invoices as prescribed in Clause 7, Article 3 of Circular No. 119/2014/TT-BTC dated 25 August 2014 by the Ministry of Finance.

4. Official Letter No. 26246/CTHN-TTHT dated 09 July 2021 by HNTD on Special consumption tax (“SCT”) and VAT for importing helicopters

- Regarding SCT:

- ✓ Where the imported aircraft (helicopter) is used for the purpose of transporting goods, passengers and tourists or security and defence, it is not subject to SCT as prescribed in Clause 4, Article 3 of Circular No. 195/2015/TT-BTC by the Ministry of Finance.

- ✓ Where the imported aircraft (helicopter) is not used for the purpose of transporting goods, passengers and tourists or security and defence, it is subject to SCT.

- Regarding VAT:

- ✓ Where the imported aircraft (helicopter) is used for lease, if the conditions specified in Clause 17, Article 4 of Circular 219/2013/TT-BTC are satisfied, it is not subject to VAT.

5. Official Letter No. 3595/TCHQ-TXNK dated 16 July 2021 by the General Department of Customs (“GDC”) providing guidance on VAT policy for goods declared as imported herbal ingredients.

Imported goods which are herbal ingredients that are certified and approved for importation by the Ministry of Health (“MoH”) according to Decree No. 54/2017/ND-CP, included in the list of imported herbal ingredients in Appendix I promulgated with Circular No. 48/2018/TT-BYT by the MoH, and managed under the regulations of the pharmaceutical sector, are subject to the VAT rate of 5% according to Point 1, Clause 2, Article 8 of Law on VAT (No. 13/2008/QH12) dated 03 June 2008.

► Special Consumption Tax (“SCT”)

6. Official Letter No. 3335/TCHQ-TXNK dated 02 July 2021 by GDC on Special Consumption Tax (“SCT”) for pick-up cars that are used for both people and cargoes transportation.

Where an enterprise imports cars that are used for both people and cargo transportation as stipulated in Law on SCT (No. 27/2008/QH12), amended and supplemented by Law No. 106/2016/QH13, and satisfy the requirements for cars designed to carry both people and cargo as prescribed by the Ministry of Science and Technology, the SCT rates specified at Point 4d, Article 7 of Law on SCT shall apply.



CUSTOMS

1. Official Letter No. 3153/TCHQ-TXNK dated 22 June 2021 by the GDC on Export tax on products from recycling and waste treatment.
2. Official Letter No. 3245/TCHQ-TXNK dated 28 June 2021 by the GDC on the notification of the list of tax exemptions on VNACCS system.
3. Official Letter No. 3250/TCHQ-TXNK dated 28 June 2021 by the GDC on the exemption of fines and late payment interest in case of force majeure.
4. Official Letter No. 3634/TCHQ-TXNK dated 19 July 2021 by the GDC providing guidance on the customs value of products manufactured by EPE.



LABOUR

1. Official Letter No. 264/QHLDLTL-TL dated 15 July 2021 by the Ministry of Labour, Invalids and Social Affairs (“MOLISA”) regarding payment of wages to employees during work stoppage due to the Covid-19 pandemic.

If an employee has to stop working due to quarantine or lockdown, the salary for work stoppage shall be agreed upon by the employee and employer but the salary for the first 14 days of employment cessation must not be lower than the statutory minimum wage.

2. Decision No. 3642/QD-UBND dated 21 July 2021 by the People's Committee of Hanoi on the implementation of a number of policies to support employees and employers facing difficulties due to the Covid-19 pandemic in Hanoi.
3. Official Letter No. 583/LDLT-TC dated 26 July 2021 by the Labour Confederation of Ho Chi Minh City providing guidance on the necessary documents to apply for assistance during the Covid-19 pandemic from the Labour Confederation of Ho Chi Minh City.
4. Decision No. 777/QD-LDTBXH dated 9 July 2021 by the MOLISA announcing the procedures to support businesses and employees facing difficulties due to the Covid-19 pandemic.
5. Decision No. 23/2021/QD-TTg dated 7 July 2021 by the Prime Minister specifying the beneficiaries, conditions, level of assistance, and procedures for approving support policies for businesses and employees facing difficulties due to the Covid-19 pandemic according to Resolution No. 68/NQ-CP dated 1 July 2021.

SOCIAL INSURANCE (“SHUI”)

1. [Circular No. 06/2021/TT-BLDTBXH dated 07 July 2021 by the MOLISA amending and supplementing a number of articles of Circular No. 59/2015/TT-BLDTBXH, effective from 1 September 2021.](#)

This Circular amends and supplements several important social insurance (“SI”) regulations such as:

- Subjects participating in the compulsory SI scheme;
- Rate of entitlement to sickness benefits when not taking a full month off;
- One-time allowance upon childbirth for male employees;
- Guidance for cases where the maternity leave period coincides with the annual leave;
- Convalescence and health rehabilitation after maternity;
- Monthly salary on which SI premiums are based to calculate pension enjoyment;
- Cases eligible for monthly survivorship allowance; and
- Payments subject to/exempted from SI contribution calculation.

2. [Official Letter No. 2511/CV-BCD dated 28 July 2021 by the Steering Committee for COVID-19 Prevention and Control of Ho Chi Minh City on the 5th vaccination.](#)

Accordingly, only those who participate in the compulsory SI scheme at the agencies, units, and enterprises of the city can register for vaccination this time.

3. [Notice No. 2846/TB-BHXH dated 28 July 2021 by the Social Insurance Department \(“SID”\) of Ho Chi Minh City on suspending printing of health insurance \(“HI”\) cards for those receiving unemployment benefits.](#)

Accordingly, employees who are eligible for the unemployment allowance shall install the VssID application and use the HI card images on VssID for medical check-up and treatment instead of the paper HI cards.

4. [Official Letter No. 2834/BHXH-QLT dated 26 July 2021 by the SID of Ho Chi Minh City regarding the renewal of household HI cards.](#)

The SID of Ho Chi Minh City allows issuance and renewal of HI cards using electronic transactions via:

- Application on mobile devices, online banking at Joint Stock Commercial Bank for Investment and Development of Vietnam (“BIDV”) and Joint Stock Commercial Bank for Foreign Trade of Vietnam (“Vietcombank”);
- National Public Service Portal (dichvucong.gov.vn);
- Web portal of Vietnam Social Insurance (dichvucong.baohiemxahoi.gov.vn)

5. [Official Letter No. 2645/BHXH-QLT dated 12 July 2021 by the SID of Ho Chi Minh City on the conditions for approving support policies for businesses relating to SI.](#)

The Official Letter provides instructions on the conditions and procedures for handling the support policies for businesses related to SHUI as per Decision No. 23/2021/QĐ-TTg. Enterprises which are eligible for the grace period for payments to the retirement and survivorship fund in 2020 due to the pandemic can postpone such payments again in 2021 if the prescribed conditions are satisfied. In addition, the period of reduction in insurance premiums for occupational accident and disease fund (i.e. 12 months from 1 July 2021 to 30 June 2022) is still counted for the enjoyment of occupational accident and disease insurance benefits.

6. [Official Letter No. 5488/BYT-KCB dated 9 July 2021 by the Ministry of Health on guidelines for health monitoring after vaccination against Covid-19.](#)

Accordingly, those participating in the Covid-19 vaccination need to monitor their health after the vaccination for at least 28 days (especially the first 7 days) for symptoms listed in Appendix 2 and should immediately contact the mobile emergency teams or hospitals if one of these symptoms occurs.

7. [Decision No. 3355/QĐ-BYT dated 8 July 2021 by the Ministry of Health providing that employees and foreign experts shall be given priority to inject the Covid-19 vaccine.](#)

Specifically, employees and foreign experts working in epidemic-hit provinces and cities, key economic regions, industrial areas, etc. are given priority for vaccination against Covid-19.

8. **Official Letter No. 2062/BHXH-TST dated 15 July 2021 by the Vietnam Social Security providing that the SID shall notify the reduced amount of occupational accident and disease insurance premiums for enterprises to spend on epidemic prevention** (temporarily estimated by multiplying the reduced amount in July 2021 by 12 months).
9. **Notification No. 2728/TB-BHXH dated 16 July 2021 by the SID of Ho Chi Minh City on new procedures under the one-counter mechanism for handling dossiers of supporting employees and employers facing difficulties due to the Covid-19 epidemic, effective from 21 July 2021.**

ENTERPRISE

1. **Circular No. 64/2021/TT-BTC dated 29 July 2021 by the Ministry of Finance providing guidance for estimation, management, use, and finalisation of state budget funding for legal support activities for small and medium-sized enterprises (“SMEs”), effective from 01 October 2021.**

This Circular provides guidance on the estimation, management, use and finalisation of state budget funding for legal support activities for SMEs of ministries, ministerial-level agencies and provincial-level local governments.

2. **Circular No. 12/2021/TT-NHNN dated 30 July 2021 by the State Bank of Vietnam prescribing credit institutions and foreign bank branches’ trading of promissory notes, treasury bills, deposit certificates, and bonds domestically issued by other credit institutions and foreign bank branches, effective from 27 October 2021.**

This Circular provides regulations on the trading by credit institutions and foreign bank branches of promissory notes, treasury bills, deposit certificates and bonds which are domestically issued by other credit institutions and foreign bank branches and unmatured, whereby buyers receive the ownership of financial instruments without a commitment to re-sell or re-purchase those financial instruments or reserving rights of recourse.

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