

1. Law on Tax administration
2. Law on Value Added Tax
3. Law on Personal Incomes
4. Law on Enterprise Income Tax
5. Law on Excise tax (Law on special consumption Tax)
6. Law on Severance tax (Law on Natural Resources)
7. Law on Enviromental Protection Tax
8. Law on Non Agricultural Use Tax

**THE NATIONAL
ASSEMBLY**

SOCIALIST REPUBLIC OF VIETNAM
Independence - Freedom - Happiness

Law No. 38/2019/QH14

Hanoi, June 13, 2019

LAW
ON TAX ADMINISTRATION

*Pursuant to the Constitution of the Socialist Republic of Vietnam;
The National Assembly promulgates the Law on Tax administration.*

Chapter I

GENERAL PROVISIONS

Article 1. Scope of amendments

This Law provides for administration of taxes and other amounts payable to the state budget.

Article 2. Regulated entities

1. Taxpayers include:

- a) Organizations, households, household businesses and individuals paying taxes in compliance with provisions on taxation;
- b) Organizations, households, household businesses, individuals paying other amounts to the state budget;
- c) Organizations and individuals deducting tax from income.

2. Tax authorities, including:

- a) General Department of Taxation, Departments of Taxation of provinces, and Sub-departments of Taxation of districts;
- b) General Department of Vietnam Customs, Departments of Customs, Post Clearance Audit Departments, Sub-department of Customs.

3. Tax officials and customs officials (hereinafter referred to as “tax officials”).

4. Other relevant state agencies, organizations and individuals.

Article 3. Definitions

In this Law, the undermentioned terms shall be defined as follows:

1. “*tax*” means a compulsory amount payable to the state budget by organizations, households, household businesses, individuals as prescribed by tax laws.
2. *Other amounts payable to the state budget collected by tax authorities include:*
 - a) Fees and charges prescribed in the Law on Fees and charges;
 - b) Land levies payable to the state budget;
 - c) Rents for land and water surface;
 - d) Payment for the mining permit;
 - dd) Payment for the water resources exploitation permit;
 - e) Amounts payable to the state budget derived from revenue from sale of property on lands, transfer of land use rights as prescribed in the Law on Management and use of public property;
 - g) Fines for administrative tax offences and customs offences;
 - h) Late payment interest and other revenues as prescribed by law.
3. *Other amounts payable to the state budget not collected by tax authorities include:*
 - a) Payments for dumping at sea prescribed in the law on natural resources, environment of sea and islands;
 - b) Fees for protection and development of paddy soils in compliance with provisions on land;
 - c) Fines for administrative violations in accordance with provisions on imposition of penalties for administrative violations other than administrative tax offences and customs offences;
 - d) Amounts payable to the state budget in accordance with provisions on management, use of public property collected from the management, use, exploitation of public property for purposes of business, renting, joint venture, association, after completion of tax, fee and charge liabilities;
 - dd) Foreign aids;
 - e) Other revenues as prescribed by law.

4. “*premises*” of the taxpayer means the location where the taxpayer partially or fully operate their business, including the headquarters, branches, stores, factories, goods storage, asset storage; residences or places where tax is incurred.
5. “*tax identification number*” or “*TIN*” means a series of 10 or 13 digits and other characters assigned by tax authorities to taxpayers to serve tax administration.
6. “*tax period*” means a period of time used to determine tax liabilities that must be paid towards the state budget in accordance with provisions on taxation.
7. “*tax return*” means a document stipulated by the Minister of Finance and used by taxpayers to declare information for the purpose of determining tax liabilities.
8. “*customs declaration*” means a document stipulated by the Minister of Finance and used as a tax return for imported or exported goods.
9. “*tax dossier*” is either an application for taxpayer registration, tax declaration, tax refund, tax exemption, tax reduction, late payment interest exemption, late payment interest cancellation, extension of tax payment deadline, tax payment by installments, tax cancellation; customs dossier; application for tax debt freezing; application for cancellation of tax debts, late payment interest, penalties.
10. “*Tax statement*” means the calculation of tax accrued in a tax year or over the period from the beginning of a tax year to the termination of taxable activities, or over the period during which taxable activities occur as prescribed by law.
11. “*Tax year*” is determined based on the Gregorian calendar, from January 01 to December 31; in case the fiscal year is different from the Gregorian year, the tax year will be the fiscal year.
12. “*Tax liability fulfillment*” means full payment of tax liabilities, late payment interest, penalties of tax violations and other amounts payable to the state budget.
13. “*tax enforcement*” means the application of measures specified in this Law and other relevant provisions to enforce taxpayers’ fulfillment of their tax liabilities.
14. “*tax risk*” means the risk of non-compliance from taxpayers leading to loss of the state budget revenue.

15. “*risk management in tax administration*” means the systematic application of provisions and professional procedures to determine, evaluate and categorize the risks that may have negative impacts on the efficiency and validity of tax administration, providing a basis for tax authorities to reasonably allocate resources and apply effective management measures.

16. “*advance pricing agreement*” means a documented agreement between tax authorities and taxpayers or between tax authorities, taxpayers and tax authorities of foreign countries and territories with whom Vietnam signed and acceded to agreements on prevention of double taxation and tax evasion for income tax within a time limit. Taxing bases, methods of pricing or pricing based on market rate are specified in this agreement. Advance pricing agreement is established before taxpayers file their taxes.

17. “*tax debt*” means the tax and other amounts payable to the state budget that the taxpayer has yet to pay to the state budget by the deadline prescribed by law.

18. “*commercial database*” means a system of commercial information and data of enterprises that are organized, arranged and updated, and are provided to tax authorities by business organizations as prescribed by law.

19. “*taxpayer information*” means information on taxpayers and their tax liabilities provided by taxpayers or collected by tax authorities during the process of tax administration.

20. “*tax administration information system*” includes systems for tax statistical and accounting information and other information in service to tax administration.

21. “*related parties*” means parties directly or indirectly participating in the management, control, capital contribution of enterprises; parties under direct or indirect management, control of an organization or individual; parties whose capitals are contributed to by one organization or individual; enterprises managed, controlled by close-knit individuals of a family.

22. “*related-party transaction*” means a transaction between related parties.

23. “*independent transaction*” means a transaction between unrelated parties.

24. “*regulations of independent transaction*” means regulations implemented in tax declaration and pricing determination for taxpayers with related-party transactions so as to reflect the transaction conditions of related-party transactions equivalent to those of independent transactions.

25. “*regulations of tax liabilities determined by nature of activities and transactions*” means regulations implemented in tax administration to analyze business transactions and activities of taxpayers so as to determine tax liabilities corresponding to values generated by the nature of those business transactions and activities.

26. “*supreme parent company*” of a conglomerate means a legal entity with direct or indirect owner’s equity in other legal entities of a multinational conglomerate, not owned by any other legal entity, with its consolidated financial statements remaining separate from financial statements of other legal entities worldwide.

27. “*Force majeure events*” include:

- a) Taxpayers suffering from physical damage caused by natural disasters, catastrophes, epidemics, fire, sudden accidents;
- b) Other force majeure situations as prescribed by the Government.

Article 4. Contents of tax administration

1. Taxpayer registration, tax declaration, tax payment, tax liability imposition.
2. Tax refund, tax exemption, tax reduction, tax cancellation.
3. Tax debt charge off; cancellation of tax debts, late payment interest, penalties; late payment interest and penalty exemption; late payment interest cancellation; extension of tax payment deadline; tax payment by installments.
4. Administration of taxpayer information.
5. Administration of invoices and records.
6. Tax audit, tax document examination and implementation of preventive measures against tax violations.
7. Tax enforcement.
8. Actions against tax-related administrative violations.
9. Settlement of tax-related complaints, denunciations.

10. Tax-related international cooperation.
11. Propagation and assistance for taxpayers.

Article 5. Rules for tax administration

1. All organizations, households, household businesses, individuals shall pay their taxes in compliance with the law.
2. Tax authorities and other State agencies tasked with revenue administration shall implement tax administration as prescribed in this Law and other relevant provisions, ensuring publicity, transparency, equality and ensuring legitimate rights and benefits of taxpayers.
3. Agencies, organizations, individuals are responsible for participating in tax administration as prescribed by law.
4. Implement reform of administrative procedures and application of modern information technology to tax administration; apply tax administration rules in accordance with international practice, including regulations of tax liabilities determined by nature of activities and transactions, regulations of risk management in tax administration and other regulations suitable with Vietnamese conditions.
5. Take priority measures when carrying out tax-related procedures for imported and exported goods in compliance with provisions on customs and Governmental provisions.

Article 6. Prohibited activities in tax administration

1. Collusion, connection, cover-up between taxpayers and tax officials, tax authorities for price transfer and/or tax evasion.
2. Inconvenience, burden to tax payers.
3. Taking advantage to seize or put tax money to illegal use.
4. Deliberate avoidance of declaration or inadequate, late, inaccurate declaration of tax liabilities.
5. Obstructing operations of tax officials.
6. Using tax identification numbers of other persons to conduct violations against the law or allowing other persons illegal use of one's tax identification number.

7. Selling goods and providing services without issuance of invoices as prescribed by law, using illegal invoices and using invoices illegally.

8. Alteration, misuse, illegal access or destruction to taxpayer information system.

Article 7. Currencies in tax declaration and tax payment

1. The currency for tax declaration and payment is the Vietnamese Dong, except for cases where tax declaration and payment in foreign convertible currencies are allowed.

2. Taxpayers who do bookkeeping in foreign currencies in accordance with the Accounting Law must exchange such bookkeeping into the Vietnamese dong based on the exchange rates applicable when the transaction is conducted.

3. For imported and exported goods, the currency for tax payment is the Vietnamese Dong, except for cases where tax declaration and payment in foreign convertible currencies are allowed. Exchange rates used for taxation shall follow provisions on customs.

4. The Minister of Finance shall stipulate the currencies of tax declaration and payment using foreign convertible currencies prescribed in clause 1, clause 3 and real exchange rates prescribed in clause 2 of this Article.

Article 8. E-transactions in taxation

1. Taxpayers, tax authorities, state management agencies, organizations, individuals meeting requirements on e-transactions in taxation must carry out e-transactions with tax authorities as prescribed by this Law and provisions on e-transactions.

2. Taxpayers who have carried out e-transactions in taxation shall not have to use another transaction method.

3. When receiving, announcing results of settlement of tax administrative procedures to taxpayers who make e-transactions, tax authorities must confirm the completion of e-transactions to taxpayers, ensuring the rights of taxpayers as prescribed in Article 16 of this Law.

4. Taxpayers must comply with requirements from tax authorities announced via electronic notifications, decisions and documents in the same way as via physical notifications, decisions and documents.

5. Electronic records used in e-transactions must have electronic signatures in accordance with provisions on e-transactions.

6. Agencies and organizations whose electronic information is shared with tax authorities must use electronic records during transactions with tax authorities; use electronic records issued by tax authorities to settle administrative procedures for taxpayers and shall not request physical records from taxpayers.

7. Tax authorities organizing electronic information systems shall have the responsibility to:

a) Provide guidelines, assist taxpayers, providers of e-transaction services in taxation, banks and relevant organizations in carrying out e-transactions in taxation;

b) Develop, manage, operate the electronic tax information receipt and processing system, ensuring security, safety, confidentiality and continuation;

c) Develop information sharing systems, provide information on amount of tax paid to the state budget, on electronic tax payments by taxpayers to relevant agencies, organizations, individuals so as to process administrative procedures for taxpayers as prescribed by law;

d) Update, manage, provide information on registration of electronic tax transactions of taxpayers; verify e-transactions between taxpayers collecting organizations so as to implement administration of tax and of revenues of the state budget;

dd) Process administrative tax procedures electronically;

e) In case electronic records of taxpayers are already available in databases of tax authorities, tax authorities and tax officials shall use such data and must not request taxpayers to submit physical tax dossiers or tax payment records.

8. The Minister of Finance shall specify documents and procedures for electronic tax transactions.

Article 9. Risk management in tax administration

1. Tax authorities shall implement risk management in taxpayer registration, tax declaration, tax payment, tax debts, tax enforcement, tax refund, tax audit, tax inspection, management and use of invoices, records and other tax administration tasks.

2. Customs authorities shall implement risk management in tax declaration, tax refund, tax cancellation, tax audit, tax inspection and other tax administration tasks.
3. Implementation of risk management mechanism in tax administration includes collecting, processing information, data related to taxpayers; formulating criteria of tax administration; evaluating regulatory compliance of taxpayers; categorizing levels of risk in tax administration and organizing the implementation of suitable tax administration measures.
4. Evaluation of regulatory compliance of taxpayers and categorization of levels of risk in tax administration:
 - a) Assessment of regulatory compliance of taxpayers shall be conducted based on systems of criteria, information on work history of taxpayers, compliance processes and cooperating relationships with tax authorities in implementing tax provisions, and rate of tax violations;
 - b) Categorization of levels of risk in tax administration shall be conducted based on the regulatory compliance of taxpayers. During the categorization of risk levels, tax authorities shall consider relevant contents, including information on risk signs; signs, actions of tax administration violations; information from results of operations of tax authorities, other relevant authorities as prescribed in this Law;
 - c) Tax authorities shall use the results of evaluation of taxpayers' regulatory compliance and categorization of levels of risk in tax administration to implement suitable measures of tax administration.
5. Tax authorities shall utilize information technology systems so as to automatically integrate and process data for the application of risk management in tax administration.
6. c) The Minister of Finance shall stipulate criteria for evaluation of taxpayers' regulatory compliance, categorization of risk levels and application of risk management in tax administration.

Article 10. Building tax administration force

1. The tax administration force shall be built with transparency and strength; equipped with and proficient in modern techniques, operating with validity and efficiency.

2. Tax officials are persons meeting requirements on recruitment, appointment into ranks, posts, titles in tax authorities; receiving training and professionally upgrading, managed and employed in accordance with provisions on officials.

3. Regulations on service, titles, standards, salary, other preferential rewards, insignias and uniforms of tax officials shall be implemented as prescribed by law.

4. Tax authorities shall be responsible for training and building the force of tax administration officials so as to perform the functions of tax administration as prescribed by law.

Article 11. Modernization of tax administration

1. Tax administration shall be modernized in terms of management methods, administrative procedures, apparatus, official and public employee force; widely apply modern techniques and information technology to accurate information databases on taxpayers so as to control all taxable entities and tax bases; ensure fast and accurate estimation of revenues of the state budget; identify and take action against tax-related difficulties, violations timely; improve validity and efficiency of tax administration.

Based on the socio-economic development of each period of time, the State shall ensure sufficient financial resources for the implementation of the provisions in this clause.

2. The State shall enable organizations and individuals to participate in the development of advanced technology and techniques with a view to applying modern methods of tax administration, carrying out e-transactions and electronic tax administration; boosting the development of payment services via commercial bank systems and other credit institutions in order to gradually limit cash transactions from taxpayers.

3. Tax authorities shall build information technology systems according to the requirements on the modernization of tax administration, technical standards and data formats of electronic invoices, records and tax dossiers with an aim to carrying out e-transactions between taxpayers and tax authorities and between tax authorities and relevant authorities, organizations and/or individuals.

Article 12. Tax-related international cooperation by tax authorities

Tax authorities shall have the following responsibilities ex officio:

1. Advising the Minister of Finance on proposing negotiation, signing and exercising rights and duties, and ensuring the interest of the Socialist Republic of Vietnam according to international treaties signed or acceded by the Socialist Republic of Vietnam;
2. Negotiating, signing and organizing the implementation of bilateral or multilateral agreements with foreign tax authorities;
3. Organizing the development and exchange of information and professional cooperation with foreign tax authorities, relevant international organizations. Exchanging information on taxpayers and on parties related to foreign tax authorities so as to support tax administration regarding related-party transactions;
4. Implementing measures of support for tax collection in accordance with international conventions signed or acceded by the Socialist Republic of Vietnam, including:
 - a) Requesting foreign tax authorities and authorities to support the collection of Vietnamese tax debts in foreign countries when the taxpayers are no longer in Vietnam;
 - b) Following requests of foreign tax authorities, carrying out the support for foreign tax debt collection in Vietnam by means of expediting tax debt collection in accordance with provisions of this Law and appropriate to the realities of tax administration in Vietnam.

Article 13. Tax accounting and statistics

1. Tax authorities shall carry out bookkeeping of taxes, late payment interest, penalties and other amounts payable to the state budget that must be collected, have been collected, are exempted, reduced, remitted, cancelled and/or refunded by tax authorities in compliance with provisions on accounting and law on the state budget.
2. Tax authorities shall carry out statistical work on the amount of tax that receives preferential treatment, exemption and/or reduction and other statistical information on taxes and taxpayers in accordance with provisions on statistics and law on taxation.
3. Annually, tax authorities shall submit a report on tax bookkeeping and statistics to authorities and implement publicity of information as prescribed by law.

Chapter II

DUTIES, POWERS AND RESPONSIBILITIES OF AUTHORITIES, ORGANIZATIONS AND INDIVIDUALS IN TAX ADMINISTRATION

Article 14. Duties and powers of the Government

1. Unifying state management of tax administration, ensuring close cooperation between regulatory bodies and local governments in tax administration.
2. Extending tax payment deadlines for business entities, sectors and professions in case of special difficulties in each specific period of time.
3. Reporting the state of tax administration to the National Assembly, the Standing Committee of the National Assembly and the President upon request.

Article 15. Duties, powers and responsibilities of Ministries, Ministry-level agencies, Governmental agencies

1. The Ministry of Finance shall be the authority in charge of assisting the Government in unifying state management of tax administration and have the following duties and powers:
 - a) Promulgating as authorized or proposing legislative documents on tax administration to a competent authority;
 - b) Organizing tax administration in accordance with this Law and other relevant provisions;
 - c) Organizing the formulation and implementation of the collection of state budget revenue;
 - d) Organizing audits and inspections on compliance with tax regulations and other relevant provisions;
 - dd) Acting against regulatory violations and settling complaints and denunciations related to the implementation of tax regulations as authorized;
 - e) Organizing tax-related international cooperation;
 - g) Cooperating with the Ministry of Planning and Investment and other relevant Ministries in providing guidance on independent appraisal of value of machinery, equipment and technological lines as prescribed in the Law on Investment.
2. The Ministry of Public Security shall have the following responsibilities:

a) Sharing and receiving information from tax authorities on the fulfillment of tax liabilities incurred from registration of ownership and right to use of road vehicles as prescribed by law;

b) Organizing the receipt, processing and handling of crime reports and petitions to press charges; receipt of documents forwarded from tax authorities due to detection of tax violations; investigating and handling tax criminals as prescribed by law; in case no charge is brought against a case or investigation is suspended, the reasons shall be informed in writing to tax authorities and the documents shall be sent back to tax authorities for further handling as authorized.

3. The Ministry of Industry and Trade shall have the following responsibilities:

a) Directing and providing guidelines to authorities on sharing and providing related information so as to cooperate with the Ministry of Finance in tax administration of enterprises and individuals involved in activities of e-commerce, commercial rights transfer and related activities.

b) Directing and providing guidelines on the cooperation between competent authorities and tax authorities in conforming to regulations on the trading of commercial goods and services in the market and other fields as prescribed by law.

4. The Ministry of Information and Communications shall have the following responsibilities:

a) Directing and providing guidelines on the cooperation between competent authorities and tax authorities in tax administration for provision and use of Internet services, online information and online games;

b) Directing and providing guidelines on the cooperation between competent authorities and tax authorities in sharing and providing information related to organizations and individuals directly participating or involving in management, provision and use of Internet services, online information and online games;

5. The State Bank of Vietnam shall have the following responsibilities:

a) Directing and providing guidelines to credit institutions on sharing and providing information related to banking transactions made by organizations and/or individuals to

tax authorities; cooperating with tax authorities in enforcing tax decisions as prescribed in this Law;

b) Building and developing systems for national e-commerce payment, integrated electronic payment utilities so as to widely implement e-commerce models.

c) Establishing managing and supervising mechanism for payment transactions, assisting tax administration for cross-border service provision in e-commerce.

6. The Ministry of Planning and Investment shall have the following responsibilities:

a) Directing and providing guidelines on the cooperation between competent authorities and tax authorities in granting and revoking certificates of enterprise registration, business registration, investment registration, taxpayer registration and other registrations of taxpayers via the interlinked single-window system;

b) Directing and providing guidelines to competent authorities on increasing the appraisal of investment projects so as to prevent price transfer and tax avoidance;

c) Directing and providing guidelines to competent authorities on increasing the inspection, audit and appraisal of quality and value of machinery, equipment and technology in service to operations of investment projects;

d) Directing and providing guidelines on the cooperation between competent authorities and tax authorities in conforming to regulations on preferential rewards for investment appropriate to tax regulations.

7. The Ministry of Natural Resources and Environment shall have the following responsibilities:

a) Directing and providing guidelines on the cooperation between competent authorities and tax authorities in managing revenues related to land, property attached to land and natural resources;

b) Providing taxpayer information managed by natural resources and environment authorities and related to tax administration per requests from tax authorities.

8. The Ministry of Transport shall have the following responsibilities:

a) Directing and providing guidelines to competent authorities on sharing and providing information related to tax administration of enterprises and individuals operating in the field of cargo and/or passenger transport.

b) Sharing and providing information on technical criteria related to revenue administration for vehicles subject to registration of ownership and right to use.

9. The Ministry of Labor - War Invalids and Social Affairs shall be responsible for directing and providing guidelines to competent authorities on sharing and providing information related to work permits of foreign workers working in Vietnam and Vietnamese workers working overseas to tax authorities.

10. The Ministry of Health shall be responsible for directing and providing guidelines on the cooperation between competent authorities and tax authorities in sharing and providing information on pharmacies and healthcare establishments.

11. Ministries, Ministry-level agencies, Governmental agencies shall be responsible for cooperating with the Ministry of Finance in performing the duties of state management of tax administration as prescribed by the Government's regulations.

Article 16. Rights of taxpayers

Taxpayers have the right to:

1. Receive assistance and guidance when paying tax; provide information and/or materials to fulfill tax liabilities and exercise tax rights.
2. Receive documents related to tax liabilities from competent authorities upon inspections, reviews and/or audits.
3. Request tax authorities to explain tax calculation and/or tax liability imposition; request assessment of quantity, quality, types of imported and/or exported goods.
4. Have confidentiality of information protected, except information that must be provided for competent authorities or tax-related public information as prescribed by law.
5. Enjoy tax incentives and/or tax refund in accordance with tax regulations; be informed of tax refund schedule, non-refundable tax and legal bases of non-refundable tax.
6. Sign contracts with tax agents and/or customs agents.

7. Receive tax decisions, tax audit/inspection records; request explanation for contents of tax handling decisions; having opinions recorded in audit/inspection records; receive audit/inspection conclusion documents and tax decisions after inspections/audits by tax authorities.
8. Receive compensation for damage caused by tax authorities and/or tax officials as prescribed by law.
9. Request tax authorities to confirm the fulfillment of their tax liabilities.
10. File complaints, initiate legal proceedings against administrative decisions and/or actions related to their legitimate rights and benefits.
11. Enjoy exemption from penalties for administrative tax offences, exemption from late payment interest for cases where taxpayers comply with guidelines and handing decisions of tax authorities and/or state authorities on determination of their tax liabilities.
12. Report violations committed by tax officials, other organizations and/or individuals in accordance with provisions on reporting.
13. Access and print all electronic records that taxpayers have sent to web portals of tax authorities as prescribed in this Law and law on e-transactions.
14. Use electronic records in transactions with tax authorities and relevant organizations and/or individuals.

Article 17. Responsibilities of taxpayers

1. Apply for taxpayer registration and use TINs as prescribed by law.
2. Declare tax accurately, honestly and adequately and submitting tax dossiers on time; take legal responsibility for the accuracy, honesty and adequacy of tax dossiers.
3. Pay tax, late payment interest and/or penalties fully, on schedule and at the right location.
4. Conform to regulations on accounting, statistics and management, use of invoices and records as prescribed by law.
5. Truthfully and fully record the taxable activities and transactions.

6. Issue and deliver invoices and records to buyers with the correct quantity, type and actual payment amount when selling goods and/or providing services as prescribed by law.
7. Provide information and/or materials related to the determination of tax liabilities accurately, fully and promptly, including information on investment value; transaction IDs and contents of accounts opened at commercial banks and/or other credit institutions; explain declared tax and/or tax payment as requested by tax authorities.
8. Comply with decisions, notifications and requests of tax authorities, tax officials as prescribed by law.
9. Take responsibility for the fulfillment of tax liabilities as prescribed by law in case the taxpayer's legal representative or authorized representative fails to follow tax procedures.
10. Taxpayers operating businesses in areas with available information technology infrastructure must declare and pay tax and carry out transactions with tax authorities electronically as prescribed by law.
11. Based on the availability of information technology equipment, the Government shall specify the documents that regulatory authorities already have and thus can be excluded from tax declarations, applications for tax refund and other tax dossiers.
12. Develop, manage and operate systems of technical infrastructure so as to ensure e-transactions with tax authorities; sharing information related to the fulfillment of tax liabilities with tax authorities
13. Taxpayers who have entered into related-party transactions have the responsibility to create, retain, declare and provide documents on taxpayers and their related parties, including information on related parties residing in foreign countries or territories according to the Government's regulations.

Article 18. Duties of tax authorities

1. Organize collection of tax and other amounts payable to the state budget in accordance with tax regulations and other relevant provisions.
2. Disseminate and provide guidelines on tax regulations; publish tax procedures on tax authorities' premises and websites and via mass media.

3. Provide explanation and information related to the determination of tax liabilities to taxpayers; take responsibility for publicly announcing tax rates of household and individual businesses in communes.
4. Protect confidentiality of information of taxpayers, except for information provided to competent authorities or publicly announced as prescribed by law.
5. Consider tax exemption; tax reduction; cancellation of tax debts, late payment interest, penalties; late payment interest and penalty exemption; late payment interest cancellation; extension of tax payment deadline; tax payment by installments; tax debt freezing, tax cancellation; settlement of overly paid tax, late payment interest, penalties; tax refund as prescribed in this Law and other relevant provisions.
6. Confirm tax liability fulfillment of taxpayers upon request as prescribed by law.
7. Settle complaints and denunciations related to the implementation of tax regulations as authorized.
8. Provide tax-related records, conclusions and/or tax decisions after tax audits/inspections for taxpayers and provide explanation upon request.
9. Compensate taxpayers in accordance with provisions on the State's compensation responsibilities.
10. Carry out assessment to determine tax liabilities of taxpayers as requested by State authorities.
11. Develop and organize the electronic information systems and apply information technology to e-transactions in taxation.

Article 19. Powers of tax authorities

Tax authorities have the right to:

1. Request taxpayers to provide information and/or materials related to the determination of tax liabilities, including information on investment value; transaction IDs and contents of accounts opened at commercial banks and/or other credit institutions and explaining tax calculation, tax declaration and/or tax payment.

2. Request relevant organizations and/or individuals to provide information and/or materials related to the determination of tax liabilities and cooperate with tax authorities in implementing provisions on taxation.
3. Conduct tax audits/inspections as prescribed by law.
4. Impose fixed tax.
5. Enforce tax decision.
6. Impose penalties for administrative violations of tax administration as authorized; publish tax-related regulatory violations on mass media.
7. Implement preventive measures and ensuring that actions are taken against tax-related administrative violations.
8. Delegate collection of some taxes to agencies, organizations and/or individuals in accordance with the Government's provisions.
9. Apply advance pricing agreement to taxpayers and tax authorities of foreign countries and territories with whom Vietnam signed and acceded to agreements on prevention of double taxation and tax evasion for income tax.
10. Purchase information, materials and data from domestic and foreign providers to serve tax administration; pay for delegation of tax collection from collected tax or from budget of tax authorities as prescribed in the Government's provisions.

Article 20. Duties and powers of People's Councils and People's Committees of all levels

1. People's Councils of all levels shall ex officio make decisions on duties of annual budget collection and supervise the implementation of tax regulations in localities.
2. People's Committees of all levels shall have the following responsibilities ex officio:
 - a) Directing relevant local agencies to cooperate with tax authorities in formulating cost estimate and organizing the collection of tax and other amounts payable to the state budget in localities;
 - b) Cooperating with the Ministry of Finance, tax authorities and other competent authorities in managing and implementing tax regulations;

c) Acting against administrative violations and settling complaints and denunciations related to the implementation of tax regulations as authorized.

Article 21. Duties and powers of the State Audit Office

1. Conducting audits on operations of tax authorities in accordance with regulations on state audit, on taxation and other relevant provisions.

2. Proposals offered by the State Audit Office related to the fulfillment of tax liabilities of taxpayers:

a) In case the State Audit Office directly conducts an audit on a taxpayer as prescribed in the Law on the State Audit Office, if there is any request on the payment of amounts payable to the state budget, the State Audit Office must send an audit record or report to the taxpayer, and the taxpayer shall be responsible for fulfilling such request. In case the taxpayer disagrees with the request, they may file a complaint against it;

b) In case the State Audit Office directly conducts an audit at a tax authority instead of on a taxpayer, if there is any request on tax liability fulfillment in the audit report, the State Audit Office shall send a copied excerpt containing the request to the taxpayer. The tax authority shall be responsible for organizing the fulfillment of the request from the State Audit Office. In case the taxpayer disagrees with the stated tax liabilities, they may file a request for the tax authority and the State Audit Office to review such liabilities. Based on the taxpayer's request, the State Audit Office shall take charge and cooperate with the tax authority in determining the taxpayer's correct tax liabilities and be answerable as prescribed by law.

Article 22. Duties and powers of the Government Inspectorate

1. Conducting inspections on operations of tax authorities in accordance with regulations on inspection, on taxation and other relevant provisions.

2. Conclusions of the Government Inspectorate related to tax liabilities of taxpayers:

a) In case the Government Inspectorate directly conducts an inspection on a taxpayer as prescribed in the Law on Inspection, if there is any conclusion related to the payment of amounts payable to the state budget, the Government Inspectorate must send an inspection record or conclusion to the taxpayer, and the taxpayer shall be responsible for

fulfilling such conclusion. In case the taxpayer disagrees with the conclusion, they may denounce it;

b) In case the Government Inspectorate directly conducts an inspection at a tax authority instead of on a taxpayer, if there is any request related to tax liabilities in the inspection conclusion, the Government Inspectorate shall send a copied excerpt containing the conclusion to the taxpayer. The tax authority shall be responsible for organizing the fulfillment of this conclusion. In case the taxpayer disagrees with the stated tax liabilities, they may file a request for the tax authority and the Government Inspectorate to review such liabilities. Based on the taxpayer's request, the Government Inspectorate shall take charge and cooperate with the tax authority in determining the taxpayer's correct tax liabilities and be answerable as prescribed by law.

Article 23. Duties and powers of investigating bodies, Procuracies and Courts

Investigating bodies, Procuracies and Courts shall ex officio be responsible for receiving, processing and handling crime reports and petitions to press charges, for bringing charges against, investigating, prosecuting and trying tax-related criminals timely and justly, as prescribed by law, and announcing the handling results to tax authorities.

Article 24. Duties and powers of the Vietnamese Fatherland Front

1. The Vietnamese Fatherland Front shall propagate and mobilize all people's classes to properly conform to regulations on taxation.
2. The Vietnamese Fatherland Front shall supervise and socially criticize taxation; report to and request state authorities to consider and resolve tax-related issues as prescribed by law.

Article 25. Duties and powers of social political - professional organizations, social organizations and socio - professional organizations

1. Social political - professional organizations, social organizations and socio - professional organizations shall cooperate with tax authorities in propagating, disseminating and teaching tax regulations to their members.

2. Social political - professional organizations, social organizations and socio - professional organizations shall cooperate with tax authorities in providing information related to tax administration.

Article 26. Duties and powers of information and press authorities

1. Information and press authorities shall propagate and disseminate tax policies and regulations, set organizations and individuals complying with tax regulations as examples, report and criticize tax violations.

2. Information and press authorities shall cooperate with tax authorities in uploading and providing information as prescribed by law.

Article 27. Duties and powers of commercial banks

1. Commercial banks cooperating in collecting tax and other amounts payable to the state budget shall have the responsibility to:

a) Cooperate with tax authorities and the State Treasury in implementing electronic tax payment and tax refund for taxpayers; process, compare and review electronic data about tax payment and tax refund;

b) Transmit and receive records of electronic tax payment, of transfer of amounts payable to the state budget to the State Treasury fully, accurately and timely as prescribed by law;

c) Assist taxpayers with electronic tax payment;

d) Protect confidentiality of information of taxpayers and customs declarants as prescribed by law.

2. Provide information on account IDs based on the TINs of taxpayers when they open new accounts.

3. Deduct and pay tax in compliance with provisions on taxation of overseas organizations and individuals whose e-commerce activities generate income in Vietnam.

4. Deduct tax from taxpayers' accounts, freeze accounts of taxpayers as requested by tax authorities under tax enforcement decisions.

5. In case a taxpayer has obtained guarantee and fails to pay tax, late payment interest, penalties and other amounts payable to the state budget on schedule, the guaranteeing bank shall pay such amounts on behalf of the guaranteed taxpayer.

6. The Government shall elaborate this Article.

Article 28. Tax consulting councils of communes

1. Based on number and scale of household and individual businesses in localities, Chairpersons of commune-level People's Committees shall make decisions on the establishment of Tax consulting councils of communes as requested by Heads of Sub-departments of Taxation of provinces or Heads of Sub-departments of Taxation of districts.

2. Tax consulting councils of communes shall perform the duties of advising tax authorities on revenues and tax rates of household and individual businesses paying local poll tax and cooperating with tax authorities in expediting household and individual businesses to fulfill their tax liabilities as prescribed by law.

3. Budget for operations of Tax consulting councils of communes shall be allocated from the state budget for taxation by tax authorities.

4. The Minister of Finance shall stipulate the operation, powers and responsibilities of Tax consulting councils of communes.

Article 29. Duties and powers of other organizations and individuals

1. Providing information related to the determination of tax liabilities as requested by tax authorities.

2. Cooperating with tax authorities in implementing handling decisions on tax-related administrative violations.

3. Reporting tax-related regulatory violations to tax authorities or state authorities.

4. Requesting sellers and/or service providers to deliver invoices and records of goods and/or services with the correct quantity, type and actual payment amount when purchasing goods and/or services.

Chapter III

TAXPAYER REGISTRATION

Article 30. Applying for taxpayer registration and TIN issuance

1. Taxpayers must apply for taxpayer registration and shall be issued with TINs by tax authorities before beginning their business operations or incurring amounts payable to the state budget. The following entities shall apply for taxpayer registration:

a) Enterprises, organizations and/or individuals shall apply for taxpayer registration through the interlinked single-window system together with enterprise, cooperative or business registration (hereinafter referred to as “business registration”) as prescribed in the Law on Enterprises and other relevant regulations;

b) Organizations and individuals beside those stipulated in Point a of this clause shall register directly with tax authorities as regulated by the Minister of Finance.

2. Types of TINs:

a) 10-digit TINs shall be issued to enterprises and organizations that are legal persons; representatives of households, household businesses and other individuals;

b) 13-character TINs shall be issued to dependent units and other entities;

c) The Minister of Finance shall elaborate this clause.

3. Issuance of TINs:

a) Each enterprise, business organization or other organization is issued with 01 unique TIN to use throughout its entire operation, from the date of taxpayer registration to the date of TIN deactivation. A taxpayer’s branches, representative offices and/or dependent units that pay their own tax shall be issued with separate TINs. In case an enterprise, organization, branch, representative office or dependent unit combines taxpayer registration via the interlinked single-window system with business registration, the number of the certificate of enterprise registration, cooperative registration and/or business registration (hereinafter referred to as “business registration certificate”) is also the TIN;

b) Each individual is issued 01 unique TIN to use throughout their whole life. Any dependant of that individual shall be issued with a TIN for the purpose of claiming personal exemption for personal income taxpayers. The TIN issued to the dependant is also his/her personal TIN, which is used when paying his/her tax;

- c) Enterprises, organizations and individuals responsible for deducting and paying tax on behalf of taxpayers shall be issued with separate TINs for use when deducting tax;
- d) Issued TINs shall not be reissued to another taxpayer;
- dd) TINs of enterprises, business organizations and other organizations shall remain unchanged after they are converted, sold, gifted or inherited;
- e) TIN issued to a household, household business or individual business is issued to the individual representing the household, household business or individual business.

4. Taxpayer registration includes:

- a) First-time taxpayer registration;
- b) Notifying changes to taxpayer registration information;
- c) Notifying suspension of business operation;
- d) TIN deactivation;
- dd) TIN reactivation.

Article 31. Application for first-time taxpayer registration

1. For taxpayers who combine taxpayer registration with business registration, taxpayer registration application is the application for business registration as prescribed by law.

2. If the taxpayer is an organization registering directly with the tax authority, the taxpayer registration application shall include:

- a) The taxpayer registration form;
- b) Copies of valid establishment and operation license, establishment decision, investment registration certificate or equivalent documents granted by competent authorities;
- c) Other relevant documents.

3. If the taxpayer is a household, household business or individual business directly registered with the tax authority, the taxpayer registration application shall include:

- a) The registration form or tax return;
- b) Copy of the identity card or passport;
- c) Other relevant documents.

4. Sharing of information between state management agencies and tax authorities for receipt of taxpayer registration applications and TIN issuance via the interlinked single-window system on portals shall be implemented as prescribed by law.

Article 32. Receiving authorities

1. For taxpayers who combine taxpayer registration with business registration, the taxpayer registration application and the business registration application shall be submitted to the same authority as prescribed by law.

2. Taxpayers directly registered with tax authorities shall submit their applications as follows:

a) Organizations, household businesses and individual businesses shall submit their applications to tax authorities of the areas where their headquarters are located;

b) Organizations and individuals responsible for withholding and paying tax on taxpayers' behalf shall submit their applications to their supervisory tax authorities;

c) Non-business households and individuals shall submit their taxpayer registration applications to tax authorities where taxable income is incurred, where permanent residence or temporary residence is registered or where amounts payable to the state budget are incurred.

3. Individuals authorizing their income payers to apply for taxpayer registration of themselves and their dependants shall submit their taxpayer registration applications to the income payers. The income payers shall be responsible for preparing and submitting such taxpayer registration applications to their supervisory tax authorities.

Article 33. Time limit for first-time taxpayer registration

1. For taxpayers who combine taxpayer registration with business registration, the time limit for taxpayer registration is the time limit for business registration as prescribed by law.

2. For taxpayers directly registered with tax authorities, the time limit for taxpayer registration is 10 working days starting from the day on which:

a) the certificate of household business registration, establishment and operation license, investment registration certificate or establishment decision is granted;

- b) the taxpayer inaugurates business operation for organizations that are not required to apply for business registration and household businesses and individual businesses that are required to apply for business registration but yet to be granted the business registration certificate;
- c) the responsibility to deduct and pay tax on behalf of individuals arises; organizations paying tax on behalf of individuals according to business cooperation contracts and/or agreements;
- d) the contract with the foreign contractor and/or subcontractors who directly declare and pay tax to tax authorities; the petroleum contract or agreement is concluded;
- dd) personal income tax is incurred;
- e) tax refund is claimed;
- g) other amounts payable to the state budget are incurred.

3. In case an individual does not have a TIN, his/her income payer shall apply for taxpayer registration on his/her behalf in no later than 10 working days starting from the date tax liabilities are incurred; in case a dependant of a taxpayer does not have a TIN, the income payer shall apply for taxpayer registration for the dependant in no later than 10 working days starting from the date the taxpayer applies for dependant exemption as prescribed by law.

Article 34. Issuance of taxpayer registration certificate

1. Tax authorities shall issue taxpayer registration certificates to taxpayers within 03 working days starting from the date of receipt of taxpayers' satisfactory taxpayer registration application as prescribed by law. Information on a taxpayer registration certificate shall include:

- a) Name of the taxpayer;
- b) TIN;
- c) Number, date of the business registration certificate or establishment and operation license or investment registration certificate for business organizations and individuals; number, date of the establishment decision for organizations not required to apply for

business registration; information of identity card, citizen identification or passport for individuals not subject to business registration;

d) Supervisory tax authority.

2. Tax authorities shall inform TINs to taxpayers instead of taxpayer registration certificates in the following cases:

a) An individual authorizes his/her income payer to apply for taxpayer registration on behalf of the individual and his/her dependants;

b) An individual applies for taxpayer registration through the tax declaration dossier;

c) An organization or individual applies for taxpayer registration so as to deduct and pay tax on taxpayers' behalf;

d) An individual applies for taxpayer registration for his/her dependant(s).

3. In case the taxpayer registration certificate or TIN notification is lost or damaged, tax authorities shall reissue it within 02 working days starting from the date of receipt of the satisfactory application from the taxpayer as prescribed by law.

Article 35. Use of TINs

1. Taxpayers must include their TINs in invoices, records and/or materials when making business transactions; opening deposit accounts at commercial banks and/or other credit institutions; declaring tax, pay tax, applying for tax exemption, tax reduction, tax refund and/or tax cancellation; filing customs declarations and making other tax-related transactions for all amounts payable to the state budget, including the case where taxpayers' businesses operate across different locations.

2. Taxpayers must provide their TINs to relevant agencies and/or organizations or include their TINs in their applications when following administrative procedures of tax authorities via the interlinked single-window system.

3. Tax authorities, the State Treasury and commercial banks and other organizations authorized by tax authorities to collect tax shall use TINs of taxpayers for the purpose of tax administration and tax collection.

4. Commercial banks and other credit institutions must include TINs in the taxpayers' applications for opening accounts and in records of transactions via accounts.

5. Other organizations and individuals participating in tax administration shall use TINs of taxpayers when providing information related to the determination of tax liabilities.
6. When a Vietnamese party makes a payment to an organization/individual whose cross-border business is based on a digital intermediary platform outside of Vietnamese territories, it must use the TIN assigned to this organization/individual to deduct and pay tax on behalf of such organization/individual.
7. Personal identification numbers shall replace TINs when they are issued to the whole population.

Article 36. Notification of changes to taxpayer registration information

1. Upon any change to taxpayer registration information, taxpayers who combine taxpayer registration with business registration shall notify the changes to taxpayer registration information together with changes to business registration information as prescribed by law.

In case taxpayers' change of address leads to change of supervisory tax authorities, taxpayers must complete tax procedures with supervisory tax authorities as prescribed in this Law before registering with business registration authorities for change of information.

2. When there is any change to taxpayer registration information, taxpayers directly registered with tax authorities must notify their supervisory tax authorities within 10 working days starting from the date of changes to information.

3. In case individuals authorizing their income payers to register changes to taxpayer registration information for themselves and their dependants, they must notify the income payers in no later than 10 working days starting from the date of changes to information; the income payers shall be responsible for notifying tax authorities of the changes in no later than 10 working days starting from the date of authorization from taxpayers.

Article 37. Notification of suspension of operation/business

1. When organizations, household and individual businesses subject to business registration suspend from operation/business within a fixed period of time or continue to operate/do business before the notified time as prescribed in the Law on Enterprises and

other relevant regulations, tax authorities shall conduct tax administration based on notifications from taxpayers or state authorities during the operation/business suspension or during the continuation of operation/business of the taxpayers as prescribed in this Law.

2. Organizations, household and individuals businesses not required to apply for business registration shall notify their supervisory tax authorities in no later than 01 working day before suspending operation/business or resumption of operation/business ahead of schedule.

3. The Government shall stipulate tax administration for taxpayers during operation/business suspension or resumption of operation/business ahead of schedule.

Article 38. Taxpayer registration in case of enterprise reorganization

1. Upon enterprise reorganization, taxpayers who combine taxpayer registration with business registration shall apply for taxpayer registration together with business registration as prescribed by law.

2. Upon enterprise reorganization, taxpayers directly registered with tax authorities shall deactivate TINs of transferor, acquired or consolidating enterprises or update information on transferor organizations after partial division and register anew or update information on new organizations after full/partial division, acquisition/merger or consolidation.

Article 39. TIN deactivation

1. Taxpayers who combine taxpayer registration with business registration shall have their TINs deactivated in one of the following cases:

- a) Shutdown or dissolution, bankruptcy;
- b) Revocation of certificate of enterprise registration, cooperative registration and/or business registration;
- c) Full division, acquisition/merger, consolidation.

2. Taxpayers directly registered with tax authorities shall have their TINs deactivated when one of the following cases takes place:

- a) Shutdown, termination of tax liabilities for non-business organizations;
- b) Revocation of business registration certificate or equivalent license;

- c) Full division, acquisition/merger, consolidation;
- d) Notified by tax authorities that taxpayers do not operate at registered locations;
- dd) An individual is dead, missing or incapacitated as prescribed by law;
- e) A foreign contractor completes or terminates the contract;
- g) Contractors, investors entering into petroleum agreements complete or terminate the agreements or transfer of all rights to enter petroleum agreements.

3. Rules for deactivation of TINs:

- a) TINs shall not be used in business transactions starting from the date on which tax authorities announce their deactivation;
- b) TINs of organizations shall not be reused once they are deactivated, except for the cases prescribed in Article 40 of this Law;
- c) When the TIN of a household or individual business is deactivated, the TIN of the representative of such household business will not be deactivated and shall be used to fulfill other tax liabilities of that individual;
- d) The income earners' TINs will be deactivated when their income payer's TIN is deactivated.
- dd) When a managing unit's TIN is deactivated, TINs of their dependent units must also be deactivated.

4. An application for requesting TIN deactivation shall include:

- a) The written request for TIN deactivation;
- b) Other relevant documents.

5. Taxpayers who combine taxpayer registration with business registration shall register for dissolution or shutdown at business registration authorities as prescribed by law.

Before such registration at business registration authorities, taxpayers shall fulfill their tax liabilities to their supervisory tax authorities in accordance with this Law and other relevant provisions.

6. Taxpayers directly registered with tax authorities shall submit the application for TIN deactivation to their supervisory tax authorities within 10 working days starting from the date of issuance of the decision on operation/business shutdown or contract termination.

Article 40. TIN reactivation

1. TINs of taxpayers who combine taxpayer registration with business registration shall be reactivated together with as their legal status is reactivated.
2. For taxpayers directly registered with tax authorities, the application for TIN reactivation shall be submitted to their supervisory tax authorities in the following cases:
 - c) The competent authority revokes the decision on revocation of business registration certificate or equivalent license;
 - b) The taxpayer wishes to resume their business operations after the TIN deactivation application has been sent to the tax authority, but the tax authority has yet to issue a notification on TIN deactivation;
 - c) The tax authority has issued an announcement that the taxpayer does not have business operation at the registered address but has not revoked the licence or deactivated the TIN.
3. The use of a TIN may be resumed from the effective date of the decision to restore legal status issued by the business registration authority or the date the tax authority reactivates the TIN.
4. An application for TIN reactivation shall include:
 - a) The written request for TIN reactivation;
 - b) Other relevant documents.

Article 41. Responsibilities of the Minister of Finance and tax authorities in taxpayer registration

1. The Minister of Finance shall specify the documents, procedures and forms of taxpayer registration prescribed in article 31, 34, 36, 37, 38, 39 and 40 of this Law.
2. Tax authorities shall receive taxpayer registration applications from taxpayers:
 - a) in person at tax authorities;
 - b) by post; or
 - c) electronically via portals of tax authorities and via the National business registration portal.
3. Tax authorities shall process taxpayer registration applications as follows:

- a) In case the application is complete, announce the acceptance, and process the application within 03 working days starting from the date of receipt;
 - b) In case the application is incomplete, notify the taxpayer within 02 working days starting from the date of receipt.
4. In case an application for taxpayer registration is submitted together with the application for business registration on the National business registration portal, the receiving authority shall send it to tax authorities for processing and inform the result to the taxpayer as prescribed in this Law and other relevant regulations.

Chapter IV

TAX DECLARATION AND TAX CALCULATION

Article 42. Rules for tax declaration and tax calculation

1. Taxpayers shall fully and accurately provide information on the tax return provided by the Minister of Finance and submit adequate documents to the tax authority.
2. Taxpayers shall calculate the tax payable themselves, except for the cases in which tax has to be calculated by the tax authority as specified by the Government.
3. Taxpayers shall declare tax at the local tax authority in charge of the area in which their headquarters are based. A taxpayer that does accounting mainly at the headquarters and has dependant units in other provinces shall declare tax in the province in which the headquarters are based and distribute tax incurred in each province. The Minister of Finance shall elaborate this Clause.
4. Regarding electronic commerce, digital business and other services provided by overseas providers without permanent establishments in Vietnam, the overseas providers shall directly or authorize representatives to apply for taxpayer registration, declare and pay tax in Vietnam in accordance with regulations of the Minister of Finance.
5. Rules for declaring and calculating taxable prices in related-party transactions:
 - a) Values of related-party transactions shall be determined and declared by analyzing and comparing with independent transactions, the nature of operation and nature of the transaction, in order to determine tax liability in the same manner as that of transactions between independent parties;

- b) Values of related-party transactions shall be adjusted according to independent transactions to declare tax in order that in taxable income is not decreased;
- c) Taxpayers whose businesses are small in scale and pose low tax risk are exempt from compliance to provisions of Point a and Point b of this Clause and may apply simplified related-party transaction declaration procedures.

6. Rules for declaring tax with predetermined taxable price calculation method:

- a) Predetermined taxable price calculation methods shall be applied on the basis of request of the taxpayers, consensus between the tax authorities and the taxpayer under unilateral, bilateral and multilateral agreements between tax authorities, taxpayers and tax authorities of relevant countries or territories;
- b) Predetermined taxable price calculation methods shall be applied according to information provided by the taxpayers and legally verified commercial database;
- c) Application of predetermined taxable price calculation methods is subject to approval by the Minister of Finance. Regulations of law on international treaties and international agreements shall apply to bilateral and multilateral agreements participated in by foreign tax authorities.

Article 43. Tax declaration

1. The tax declaration dossier of taxes that are declared and paid monthly is the monthly tax return.
2. The tax declaration dossier of taxes that are declared and paid quarterly is the quarterly tax return.
3. The tax declaration dossier of taxes that are declared and paid annually is:
 - a) The annual tax declaration dossier, which consists of the annual tax return and other documents relevant to the tax payable; or
 - b) The terminal tax declaration dossier, which consists of the annual tax statement, the annual financial statement, the declaration of related-party transactions and other documents relevant to tax statement.
4. The tax declaration dossier of taxes that are declared and paid every time they are incurred consists of:

- a) The tax return;
 - b) Invoices, contracts and other documents relevant to the tax liability as prescribed by law.
5. Customs dossiers of exports and imports specified by the Law on Customs shall be used as tax declaration dossiers.
6. The tax declaration dossier upon shutdown, contract termination, business conversion or business re-arrangement consists of:
- a) The terminal tax return;
 - b) The financial statement up to the time of shutdown, contract termination, business conversion or business re-arrangement;
 - c) Other documents relevant to tax statement.
7. Multinational profit report if the taxpayer is the supreme parent company of a corporation in Vietnam and has transboundary related-party transactions and a global profit exceeding the limit, or the taxpayer has a supreme parent company in a foreign country in which it has the legal responsibility to submit the multinational profit report.
8. The government shall provide detailed guidance on tax declaration dossiers mentioned in this Article, taxes declared monthly, quarterly, annually and upon incurrence, terminal tax declaration; declaration of fees and charges collectable by overseas representative agencies of Socialist Republic of Vietnam; declaration, provision, exchange and use of information about multinational profit reports; identification of taxpayers eligible for quarterly declaration.

Article 44. Deadlines for submission of tax declaration dossiers

1. Deadlines for submission of tax declaration dossiers of taxes declared monthly and quarterly:
- a) For taxes declared monthly: the 20th of the month succeeding the month in which tax is incurred;
 - b) For taxes declared quarterly: the last day of the first month of the succeeding quarter.
2. For taxes declared annually:

- a) For annual tax statement dossiers: the last day of the 3rd month from the end of the calendar year or fiscal year. For annual tax declaration dossiers: the last day of the first month from the end of the calendar year or fiscal year
 - b) For annual personal income tax statements prepared by income earners: the last day of the 4th month from the end of the calendar year;
 - c) For fixed tax declarations prepared by household businesses and individual businesses: the 15th of December of the preceding year. For new household businesses and individual businesses: within 10 days from the date of commencement of the business.
3. For declaration of taxes that are declared and paid upon incurrence: the 10th day from the day on which tax is incurred.
 4. For tax declaration dossiers upon shutdown, contract termination, business conversion or business re-arrangement: the 45th day from the occurrence of the event.
 5. The Government shall specify the deadlines for submission of statements of farming land levies, non-farming land levies; land levies; land rents, water surface rents; mineral extraction licensing fee; water resource extraction licensing fee; registration fee; licensing fees; other amounts payable to state budget in accordance with regulations of law on management and use of public property; multinational profit reports.
 6. Deadlines for submission of customs dossiers of exports and imports are specified by the Law on Customs.
 7. In case a taxpayer declares tax electronically on the last day of the time limit for declaration and the information portal of the tax authority is not functional, the taxpayer may submit the electronic declaration on the next day after the online portal is functional again.

Article 45. Receiving authorities

1. Taxpayers shall submit tax declaration dossiers at their supervisory tax authorities.
2. Receiving authorities of tax declaration dossiers submitted through the single-window system shall be specified by the regulations of the single-window system.
3. Receiving authorities of customs dossiers of exports and imports are specified by the Law on Customs.

4. The Government shall specify receiving authorities of tax declaration dossiers submitted by:

- a) A taxpayer who has more than one business activities;
- b) A taxpayer who is running business in more than one administrative division; tax declared upon incurrence
- c) Taxpayers who incur tax on revenue from land; grant of the right to water resource extraction or mineral extraction;
- d) Taxpayers who have to complete their own personal income tax returns;
- dd) Taxpayers who declare tax electronically, and other cases.

Article 46. Deadline extension

1. In case a taxpayer is unable to submit the tax declaration dossier by the deadline due to a natural disaster, epidemic, fire or accident, the head of the supervisory tax authority will consider extending the deadline for submission.

2. The deadline shall be extended for up to 30 more days for monthly, quarterly, annual declarations and declaration upon tax incurrence; 60 more days for terminal tax declaration.

3. The taxpayer shall send a written request for deadline extension to the tax authority before the deadline, provide explanation and confirmation by the People's Committee or police authority of the commune in which the event mentioned in Clause 1 of this Article occurred.

4. Within 03 working days from the day on which the taxpayer's request is received, the tax authority shall inform the taxpayer in writing of whether such request is granted.

Article 47. Tax dossier supplementation

1. In case the tax declaration dossier submitted to the tax authority is erroneous or inadequate, supplementary documents may be provided within 10 years from the deadline for submission of the erroneous or inadequate tax declaration dossier but before the tax authority or a competent authority announces a decision on tax document examination.

2. When the tax authority or a competent authority has announced the decision on tax inspection or tax audit on the taxpayer's premises, the taxpayer is still allowed to provide

supplementary documents; the tax authority shall impose administrative penalties for the violations specified in Article 142 and 143 of this Law.

3. After the tax authority or competent authority issues a conclusion or tax decision when the inspection is done:

a) The taxpayer may provide supplementary tax documents if they increase the tax payable or reduce the deductible tax, exempted tax or refundable tax, and shall face administrative penalties for the violations specified in Article 142 and Article 143 of this Law;

b) If the supplementation leads to a decrease in the tax payable or an increase in the deductible tax, exempted tax or refundable tax, the taxpayer shall follow procedures for filing tax-related complaints.

4. Supplementary documents include:

a) The supplementary tax return;

b) The explanation for the supplementation and relevant documents.

5. Supplementary tax documents on exports and imports shall be provided in accordance with customs laws.

Article 48. Responsibilities of tax authorities for receiving tax declaration dossiers

1. Tax authorities shall receive tax declaration dossiers submitted by taxpayers:

a) in person at the tax authorities;

b) by post;

c) electronically through online portals or tax authorities.

2. Receiving authorities shall send notices of receipt of tax declaration dossiers; inform the taxpayer within 03 working days from the date of receipt if the tax declaration dossier submitted is not legitimate, not adequate or not valid.

Chapter V

TAX IMPOSITION

Article 49. Tax liability imposition rules

1. Tax shall be imposed on the basis of tax administration rules, tax calculation methods and bases specified by tax laws and customs laws.

2. Tax authorities shall impose tax payable, separate elements or tax calculation bases.

Article 50. Tax liability imposition in case of tax offences

1. Tax liability will be imposed if the taxpayer:

- a) fails to apply for taxpayer registration; fails to declare tax; fails to provide supplementary tax documents at the request of the tax authority; fails to declare fully and/or accurately the tax calculation bases;
- b) fails to record or fully and/or accurately record data on the accounting books;
- c) fails to present the accounting books, invoices and necessary documents relevant to the determination of tax payable within a certain time limit;
- d) fails to comply with the tax inspection or tax audit decision;
- dd) buys, sells, trades goods and record values thereof against their market prices;
- e) buys or trades goods using illegal invoices; illegally uses invoices for real goods from which revenue has been declared for tax calculation as investigated by a competent authority;
- g) is suspected of absconding or selling assets to evade tax;
- h) makes false transactions to reduce tax liability; or
- i) fails to fulfill the responsibility to declare and value related-party transactions; fails to provide information about enterprises having related-party transactions according to tax administration laws.

2. Bases for tax liability imposition:

- a) The database of the tax authorities and commercial database;
- b) Comparison between the tax payable by providers of the same goods or services on the same scale in the same area (or in another area if such similar providers are not available in the same area).
- c) Unexpired inspection results and documents;
- d) The ratio of tax on revenue in the corresponding field according to tax laws.

3. Separate elements relevant to determination of tax payable shall be imposed in the following cases:

- a) Through inspection of the tax declaration dossier, the tax authority has reasonable grounds to believe that the taxpayer did not fully or accurately declare the elements serving as the basis for tax calculation and fails to provide supplementary documents as requested by the tax authority;
- b) Through inspection of the accounting books and invoices relevant to tax calculation, the tax authority is able to prove that the taxpayer failed to accurately or truthfully record the tax calculation elements;
- c) Selling prices of goods/services were inaccurately recorded in order to reduce the taxable revenue; buying prices of raw materials, goods and services were inaccurately recorded in order to increase expense or deductible VAT and thus reduce the amount of tax payable;
- d) The taxpayer failed to determine the elements or fails to calculate the tax payable after the elements are determined. separate elements or tax calculation bases.

4. In cases other than those specified in Clause 3 of this Article, a taxpayer shall have proportional tax imposed on their revenue if the tax authority finds that their accounting books, invoices and documents are inadequate or illegal, or tax is not accurately declared and their maximum revenue is equal to the maximum revenue of a microenterprise defined by regulations of law on assistance for small and medium enterprises.

5. The Government shall elaborate this Article.

Article 51. Flat tax payable by household businesses and individual businesses

- 1. Tax authorities shall determine the flat tax payable by household businesses and individual businesses who fail to comply with or fully comply with regulations on accounting, invoices and documents, except for the cases in Clause 5 of this Article.
- 2. Tax authority shall impose flat tax according to declarations of household businesses and individual businesses, the database of tax authorities, and comments of Tax Advisory Council of the commune.
- 3. Flat tax shall be imposed by calendar year (or by month for seasonal business). Flat tax shall be published in the commune. The taxpayers shall inform the tax authority when

changing their business lines or scale, suspend or shut down the business in order to adjust the flat tax.

4. The Minister of Finance shall specify the bases and procedures for determination of flat tax payable by household businesses and individual businesses.

5. Household businesses and individual businesses whose revenues and employees reach the upper limit for extra-small enterprises prescribed by regulations of law on small and medium enterprises shall do accounting and declare tax.

Article 52. Imposition of tax on exports and imports

1. Customs authorities shall impose tax liability on exports and imports in the following cases:

a) The declarant declares tax according to illegal documents; fails to declare or accurately and fully declare information serving tax calculation;

b) The declarant fails to provide, refuses to provide or delays providing accounting books, documents and data relevant to tax calculation;

c) The declarant fails to prove, explain or fails to explain in the tax calculation as prescribed by law; fails to comply with the customs authority's inspection decision;

d) The declarant fails to record or fully and accurately record data on the accounting books to calculate tax;

dd) The customs authority has evidence to that the declared value is false;

e) The transaction is falsely carried out in a manner that affects the amount of tax payable;

g) The declarant fails to calculate the amount of tax payable themselves;

h) Other cases of unconformable tax declaration discovered by customs authorities.

2. The customs authority shall impose tax according to the exports or imports in reality; the tax calculation bases and methods; the tax administration database and commerce database; customs declarations; other documents and information relevant to the exports and imports.

3. The Government shall elaborate this Article.

Article 53. Responsibilities of tax authorities for tax liability imposition

1. The tax authority shall inform the taxpayer of the reasons and basis for tax liability imposition, the amount of tax imposed and the deadline for paying tax.
2. In case tax liability is imposed after a tax audit or tax inspection, the reasons and basis for tax liability imposition, the amount of tax imposed and the deadline for paying tax shall be written in the audit or inspection record or and tax decision.
3. If the tax imposed by the tax authority is greater than the tax payable under a dispute settlement decision issued by a competent authority or a court decision or court judgment, the tax authority shall refund the difference.
4. If the tax imposed by the tax authority is smaller than the tax payable under a dispute settlement decision issued by a competent authority or a court decision or court judgment, the taxpayer shall pay the difference. Tax authorities for be responsible for tax liability imposition.

Article 54. Responsibilities of tax authorities for paying tax imposed

Taxpayers shall pay the tax imposed by tax authorities under tax decisions, even if they do not concur with it, in which case they may request explanation from the tax authority or file a complaint or lawsuit against the tax liability imposition decision. Taxpayers shall provide documents to support their complaints or lawsuits.

Chapter VI

TAX PAYMENT

Article 55. Tax payment deadlines

1. In case tax is calculated by the taxpayer, the tax payment deadline is the deadline for submission of the tax declaration dossier. In case of submission of supplementary tax documents, the tax payment deadline is the deadline for submission of the erroneous tax declaration dossier.

The deadline for paying corporate income tax, which is paid quarterly, is the 30th of the first month of the next quarter.

The deadline for paying resource royalty and corporate income tax on crude oil is 35 days from the date of selling domestically or the date of customs clearance in case of export.

Resource royalty and corporate income tax on natural gas shall be paid monthly.

2. In case tax is calculated by the tax authority, the tax payment deadline shall be specified in the tax authority's notice.
3. The deadlines for paying other amounts payable to state budget from land, grant of the right to water resource extraction or mineral extraction, registration fees and licensing fees shall be specified by the Government.
4. For taxable exports and imports, deadlines for tax payment are specified in the Law on Export and import duties. In case tax is incurred after customs clearance or conditional customs clearance:
 - a) The deadline for submission of supplementary documents and fulfillment of the imposed tax liability is the same as that on the initial customs declaration;
 - b) The Minister of Finance shall specify deadlines for paying tax on goods that need to under analysis to determine tax payable, goods without official prices when the customs declaration is registered; goods for which the payment; goods for which payments and added amounts to the customs value are unknown when the customs declaration is registered.

Article 56. Receiving authorities

1. Taxpayers shall pay tax:
 - a) at State Treasuries;
 - b) At the tax authorities that receive the tax declaration dossiers;
 - c) via a organization authorized by the tax authority to collect tax; or
 - d) via a commercial bank or credit institution or service provider as prescribed by law.
2. State Treasuries, commercial banks, credit institutions and service providers shall prepare their premises, equipment and personnel to collect tax.
3. Every organization that collects or deduct tax shall provide tax payment documents to taxpayers.
4. Within 08 working hours from the tax collection, the collecting organization shall transfer the collected tax to state budget. The Minister of Finance shall specify the time limit for transfer of tax collected in cash in remote and isolated areas, islands, areas where travel is difficult or collection time is limited.

Article 57. Order for payment of tax, late payment interest and fines

1. Tax, late payment interest and fines shall be paid in chronological order and in the order specified in Clause 2 of this Article.
2. Order for payment of tax, late payment interest and fines:
 - a) Overdue tax, fines and late payment interest subject to enforcement;
 - b) Overdue tax, fines and late payment interest that are yet to subject to enforcement;
 - c) Recently incurred tax, late payment interest and fines.

Article 58. Determination of tax payment date

1. In case of non-cash payment of tax, the tax payment date is the date on which the State Treasury, commercial bank, credit institution or service provider extracts the tax from the taxpayer's account or the authorized person's account and written on the tax payment document.
2. In case of payment of tax in cash, the tax payment date is the date on which the State Treasury, tax authority or authorized collecting organization issues the tax payment document.

Article 59. Handling of late tax payment

1. Late payment interest shall be charged in the following cases:
 - a) The taxpayer pays tax behind deadline, the extended deadline, the deadline written in the tax authority's notice, tax liability imposition decision or handling decision;
 - b) If the supplementation of the tax declaration dossier leads to an increase in the amount of tax payable, or the tax authority or inspecting authority finds that tax is understated, late payment interest shall be charged on the increase in tax over the period from the day succeeding the initial deadline or the deadline for tax payment of the initial customs declaration;
 - c) If the supplementation of the tax declaration dossier leads to a decrease in the amount of refundable tax, or the tax authority or inspecting authority finds that refundable tax is smaller than the refunded tax, late payment interest shall be charged on the excessively refunded tax, which has to be paid back to state budget, over the period from the day on which tax is refunded;

- d) The cases in which outstanding debt may be paid by installments as prescribed in Clause 5 Article 124 of this Law;
- dd) The cases in which administrative penalties are not imposed due to expiration of the time limit for penalty imposition but outstanding tax has to be collected as prescribed in Clause 3 Article 137 of this Law;
- e) The cases in which administrative penalties are not imposed specified in Clause 3 and Clause 4 Article 142 of this Law;
- g) The organization that is authorized by the tax authority to collect tax but fails to transfer the tax, late payment interest and fines paid by taxpayers to state budget in a timely manner shall pay an interest on such amount.

2. Calculation of late payment interest:

- a) The rate of late payment interest is 0,03% per day on the overdue amount;
- b) The period over which late payment interest is charged is a continuous period from the day succeeding the day on which late payment interest is charged as specified in Clause 1 of this Article to the day preceding the date of payment of the outstanding tax, refunded tax, increase in tax, imposed tax.

3. Taxpayers shall calculate the late payment interest themselves in accordance with Clause 1 and Clause 2 of this Article and pay it to state budget as prescribed. Overpaid tax, late payment interest and fines shall be handled in accordance with Clause 1 Article 60 of this Law.

4. In case the taxpayer fails to pay tax, late payment interest and fines within 30 days from the deadline for making such payment, the tax authority shall inform the taxpayer of the amount payable and the number of days behind schedule.

5. Late payment interest shall not be charged in the following cases:

- a) The taxpayer provides goods/services which are covered by state budget, including sub-contractors in the contract with the investor, and are directly paid for by the investor. If such goods/services are not yet to be paid for, late payment interest will not be charged. The outstanding tax exempt from late payment interest is the tax on the amount that is yet to be paid by state budget;

b) In the cases specified in Point b Clause 4 Article 55 of this Law, late payment interest shall not be charged pending the analysis result, official price, actual payment or additional customs value.

6. Late payment interest shall not be charged in case of chargeoff specified in Article 83 of this Law.

7. If the supplementation of the tax declaration dossier leads to a decrease the tax payable or the tax authority discovers a decrease in the tax payable, the late payment interest may be adjusted accordingly.

8. Taxpayers may be exempt from paying the late payment interest specified in Clause 1 of this Article in the force majeure events specified in Clause 27 Article 3 of this Law.

9. The Minister of Finance shall provide for handling of late tax payment.

Article 60. handling of overpaid tax, late payment interest and fines

1. If the tax, late payment interest or fine paid by a taxpayer is greater than the amount payable, the overpaid amount may be offset against the outstanding tax, late payment interest or fine, or against the tax, late payment interest or fine payable next time, or may be refunded if the taxpayer no longer has outstanding tax, late payment interest or fine.

In case the taxpayer wishes to have the overpaid amount be offset against the outstanding tax, late payment interest or fine, late payment interest shall not be charged over the period from the date on which the overpaid amount is paid to the day on which these amounts are offset by the tax authority.

2. In case the taxpayer claims a refund, the tax authority shall issue a refund decision or, if the claim is rejected, provide explanation within 05 working days from the receipt of the.

3. The overpaid tax, late payment interest or fine shall not be refunded in the following cases:

In case the taxpayer fails to pay tax, late payment interest and fines within 30 days from the deadline for making such payment, the tax authority shall inform the taxpayer of the amount payable and the number of days behind schedule.

b) The taxpayer no longer operates at the registered address, the overpaid amount has been announced through mass media and the taxpayer does not claim the refund within 01 years from the date of announcement.

c) The overpaid amount has been paid for more than 10 years and the taxpayer does not request an offsetting or refund.

4. In case the taxpayer no longer runs business at the address which has both overpaid and outstanding tax, late payment interest or fine, the tax authority shall offset the overpaid amount against the outstanding amount.

5. The Minister of Finance shall provide for the power and procedures for handling of overpaid tax, late payment interest and fines mentioned in this Article.

Article 61. Paying tax during settlement of complaints and lawsuits

1. The time limit for settling complaints and lawsuits filed by taxpayers shall be decided by tax authorities. The taxpayers still have to pay the tax, late payment interest and fines unless a competent authority issues a decision to suspend the tax decision or tax liability imposition decision issued by the tax authority.

2. If the paid tax, late payment interest or fine is greater than that determined by the court decision, judgment or the complaint settlement decision issued by a competent authority, the overpaid amount will be refunded.

The taxpayer is entitled to request the tax authority to pay an interest at 0,03% per day on the overpaid amount. The interest shall be paid by central government budget in accordance with regulations of law on state budget.

3. Procedures for handling overpaid tax, late payment interest or fine mentioned in Clause 2 of this Article are specified in Clause 5 Article 60 of this Law.

Article 62. Tax deferral

1. A taxpayer may apply for tax deferral in one of the following cases:

a) The taxpayer's business suffers damage due to a force majeure events specified in Clause 27 Article 3 of this Law;

b) The taxpayer has to relocate the business location as requested by a competent authority and such relocation affects the business performance.

2. A taxpayer eligible for tax deferral mentioned in Clause 1 of this Article may have part or all of the tax deferred.
3. Tax may be deferred:
 - a) For up to 02 years in the cases specified in Point a Clause 1 of this Article;
 - b) For up to 01 year in the cases specified in Point b Clause 1 of this Article.
4. The taxpayer will not incur fines and late payment interest on the outstanding tax during the deferral period.
5. In consideration of the application for tax deferral, the head of the tax authority shall decide the amount of tax deferred and the deferral period.

Article 63. Tax deferral in special cases

The Government shall decide tax deferral for entities or business lines facing special difficulties in specific periods of time. Tax deferral must not lead to changes to the estimated state budget revenues decided by the National Assembly.

Article 64. Application for tax deferral

1. A taxpayer eligible for tax deferral as prescribed in this Law shall prepare and send an application for tax deferral to the supervisory tax authority.
2. An application for tax deferral consists of:
 - a) An application form specifying the reasons for deferral, the amount of tax and the deferral period;
 - b) Documents supporting the reasons for deferral.
3. The Minister of Finance shall specify the composition of the application for tax deferral.

Article 65. Receipt and processing of application for tax deferral

1. Tax authorities shall receive applications for tax deferral:
 - a) in person at the tax authorities;
 - b) by post;
 - c) electronically through online portals or tax authorities.
2. The tax authority shall process an application for tax deferral as follows:

- a) If the application is valid, send a notice of eligibility for tax deferral to the taxpayer within 10 working days from the receipt of the application;
- b) If the application is invalid, send a notice to the taxpayer within 03 working days from the receipt of the application.

Chapter VII

RESPONSIBILITY FOR FULFILLMENT OF TAX LIABILITY

Article 66. Fulfillment of tax liability upon taxpayer's exit

1. Taxpayers against whom tax decisions are enforced, Vietnamese citizens exiting Vietnam to reside overseas, Vietnamese people residing overseas, foreigners exiting Vietnam shall fulfill their tax liability before the exit. Otherwise, they shall be suspended from exit in accordance with immigration laws.
2. Tax authorities shall inform immigration authorities of the cases specified in Clause 1 of this Article.
3. The Government shall elaborate this Article.

Article 67. Fulfillment of tax liability upon dissolution, bankruptcy and shutdown

1. Tax liability shall be fulfilled upon enterprise dissolution in accordance with regulations of law on enterprises, credit institutions, insurance business and relevant laws.
2. Tax liability shall be fulfilled upon bankruptcy in accordance with bankruptcy laws.
3. When a enterprise shuts down or leaves the registered location before it fulfills its tax liability, the outstanding tax shall be paid by the owner of the sole proprietorship, single-member limited liability company, shareholders, partners or general partners (depending on the type of business entity).
4. When a household business or individual businesses ceases business operation before its tax liability is fulfilled, the outstanding tax shall be paid by its owner.
5. In the cases where a branch or dependent unit of a taxpayer shuts down without fully paying its tax and other amounts payable to state budget, the taxpayer shall incur such debts.

Article 68. Fulfillment of tax liability upon enterprise rearrangement

1. A fully divided enterprise shall fulfill its tax liability before the division. Otherwise, it shall be fulfilled by the new enterprises established from the division.
2. A partially divided enterprise, consolidating enterprise or acquired enterprise shall fulfill its tax liability before the division. Otherwise, it shall be fulfilled by both the partially divided enterprise and the new enterprise, the consolidated enterprise or the acquirer.
3. An enterprise that is converted into another type of business entity shall fulfill its tax liability before the conversion. Otherwise, it shall be fulfilled by the enterprise after conversion.
4. The rearrangement does not change the time for tax payment by the rearranged enterprise. The rearranged enterprise or the new enterprise(s) that fails to fully pay tax by the deadline will face penalties as prescribed by law.

Article 69. Fulfillment of tax liability upon a taxpayer's death or court declaration that a taxpayer is dead, missing or incapacitated

1. In the cases where a taxpayer is dead or declared death by the court, his/her inheritor shall fulfill his/her tax liability within the inheritance to which the inheritor is entitled. In case there is no inheritor or all of the inheritors reject the inheritance, tax liability of the dead person or the person whose death is declared by the court shall be fulfilled in accordance with civil law.
2. Tax liability of a person who is declared missing or incapacitated by the court shall be fulfilled by his/her property manager within the property.
3. In case the court issues a decision to revoke the declaration that a person is dead, missing or incapacitated, the cancelled debt of tax, late payment interest and fine mentioned in Article 85 of this Law shall be restored. However, late payment interest will not be charged over the effective period of the aforesaid declaration.

Chapter VIII

TAX REFUND PROCEDURES

Article 70. Cases of tax refund

1. Tax authorities shall refund tax in the cases specified by tax laws.

2. Tax authorities shall refund overpaid amounts in accordance with Clause 1 Article 60 of this Law.

Article 71. Tax refund application

1. Taxpayers who have refundable tax may submit tax refund claims to competent tax authorities.

2. A tax refund claim consists of:

- a) The claim form;
- b) Documents relevant to the refund claim

Article 72. Receipt and processing of tax refund claims

1. Tax authorities shall process tax refund claims as follows:

a) Supervisory tax authorities of taxpayers shall receive tax refund claims in accordance with tax laws. Collecting tax authorities shall receive claims for refund of overpaid amounts. In case of refund of overpaid amounts under an annual/terminal statement of corporate income tax or personal income tax, the tax authority that received the statement shall provide the refund.

b) Collecting customs authorities shall receive tax refund claims in accordance with tax laws. Customs authorities where exit procedures are followed shall receive tax refund claims submitted by foreigners and Vietnamese people residing overseas.

2. Tax refund claims may be submitted:

- a) in person at tax authorities;
- b) by post;
- c) electronically through online portals or tax authorities.

3. Within 03 working days from the day on which the claim is received, the tax authority shall inform the taxpayer in writing of whether the claim is granted or rejected.

4. The Minister of Finance shall elaborate this Article.

Article 73. Classification of tax refund claims

1. A tax refund claim might be eligible for refund before inspection or subject to inspection before refund.

2. The following tax refund claims are subject to inspection before refund:

- a) Tax refund claims submitted for the first time in the cases specified by tax laws. If a taxpayer's first tax refund claim is rejected, the next claim will be considered the first.
 - b) Any claim submitted within 02 years from the day on which the penalties on the taxpayer's tax evasion is imposed;
 - c) Claims submitted by organizations that are dissolved, bankrupt, shut down, sold or transferred to state-owned enterprises;
 - d) High-risk claims as classified by the risk management system;
 - dd) Any tax refund claim eligible for refund before inspection but the taxpayer fails to provide explanation or documents proving the declared tax, or the explanation or documents provided by the taxpayer is not convincing enough;
 - e) Claims for refund of taxes on exports or imports that are not paid for via a commercial bank or credit institution as prescribed by law;
 - g) Claims for refund of tax on exports or imports subject to inspection before refund prescribed by the Government.
3. Claims other than those in the cases specified in Clause 2 of this Article shall be eligible for refund before inspection
4. The Minister of Finance shall elaborate this Article.

Article 74. Inspection place

- 1. Claims eligible for refund before inspection shall be inspected at tax authorities.
- 2. Claims subject to inspection before refund shall be inspected at the premises of the taxpayers or relevant entities.

Article 75. Time limits for processing tax refund claims

- 1. In case a claim is eligible for refund before inspection, within 06 working days from the day on which the tax authority issues the notice of receipt of the claim, the tax authority shall decide whether to provide the refund, demand inspection before refund in the cases mentioned in Clause 2 Article 73 of this Law, or reject the claim if it is unqualified.

In case information on the tax refund claim is different from that of the tax authority, the tax authority shall request the taxpayer in writing to provide explanation and additional

information. The time needed for providing explanation and additional information shall not be included in the time limit for processing tax refund claims.

2. In case a claim is subject to inspection before refund, within 40 working days from the day on which the tax authority issues the notice of receipt of the claim, the tax authority shall decide whether to provide the refund or reject the claim.

3. If the tax authority fails to issue the tax refund decision by the deadline specified in Clause 1 and Clause 2 of this Article, the tax authority shall pay an interest at 0,03% per day on the refundable and the number of days late. The interest shall be paid by central government budget in accordance with regulations of law on state budget.

Article 76. Power to decide tax refund

1. The Director of the General Department of Taxation, Directors of Provincial Departments of Taxation shall decide tax refund in eligible cases as prescribed by tax laws.

2. The heads of tax authorities receiving claims for refund of overpaid tax shall decide refund of overpaid tax in accordance with this Law.

3. The Director of the General Department of Customs, Directors of Customs Departments and Sub-departments of Customs to which tax is overpaid shall decide tax refund in accordance with tax laws.

4. The Minister of Finance shall provide for tax refund procedures.

Article 77. Post-refund inspection

1. Tax authorities shall inspect claims eligible for refund before inspection according to tax-related risk management within 05 years from the issuance of the tax refund decisions.

2. Procedures, power and responsibility of tax authorities for inspection of tax refund claims are specified in this Law and the Law on Inspection.

Chapter IX

TAX CANCELLATION, TAX REMISSION; CHARGE OFF; CANCELLATION OF OUTSTANDING TAX, LATE PAYMENT INTEREST AND FINES

Section 1. TAX CANCELLATION, TAX REMISSION

Article 78. Cancellation of tax on exports and imports

1. Cancellation of export and import duties shall be carried out in accordance with regulations of law on export and import duties.
2. The Minister of Finance shall provide for tax cancellation procedures.

Article 79. Tax remission

1. Tax remission shall comply with tax laws and Clause 2 of this Article.
2. Cases of tax exemption:
 - a) Households and individuals whose annual non-farming land levy is VND 50.000 or smaller;
 - b) Individuals whose annual personal income tax payable on salary or wage is VND 50.000 or smaller;

Article 80. Application for tax remission

1. In case the exempted or reduced tax eligible for remission is calculated by the taxpayer, the application for tax remission consists of:
 - a) The tax return;
 - b) Documents supporting the calculation of the exempted or reduced tax.
2. In case the tax remission is decided by the tax authority, the application for tax remission consists of:
 - a) A written request for tax exemption or tax reduction which specifies the tax, the reason for exemption or reduction, and the amount of tax exempted or reduced;
 - b) Documents supporting the calculation of the exempted or reduced tax.
3. The tax authority shall compile the list of households and individuals eligible for tax exemption in the cases specified in Point a Clause 2 Article 79 of this Law according to the tax books. The taxpayer shall calculate the amount of tax exempted in the cases specified in pt b Clause 2 Article 79 of this Law according to the annual personal income tax statement.
4. The Ministry of Finance shall specify the composition of the application for tax remission mentioned in this Article, the cases in which the tax exempted or reduced is determined by taxpayers and by tax authorities.

Article 81. Submission and receipt of tax remission applications

1. In case the tax exempted or reduced is determined by the taxpayer, the tax remission application shall be submitted together with the tax declaration dossier mentioned in Chapter IV of this Law.

2. In case the tax remission is decided by a tax authority, the tax remission application shall be submitted as follows:

a) For export duties, import duties and other taxes relevant to exports and imports, the application shall be submitted to the customs authority in charge in accordance with regulations of the Government;

b) Applications for remission of other taxes shall be submitted to supervisory tax authorities.

3. Tax remission applications may be submitted:

a) in person at tax authorities;

b) by post;

c) electronically through online portals or tax authorities.

4. Receiving authorities shall send notices of receipt of tax remission applications; inform the taxpayer within 03 working days from the date of receipt if the application submitted is not legitimate, not adequate or not valid.

Article 82. Time limits for processing tax remission applications in case the tax remission is decided by tax authorities

1. Within 30 working days from the day on which the valid application is received, the tax authority issue a tax exemption or reduction decision or inform the taxpayer in writing if the application is rejected.

2. In case an inspection visit is necessary to decide tax remission, the tax authority shall decide whether to grant tax remission and inform the taxpayer within 40 days from the receipt of the valid application.

Section 2. TAX CHARGEOFF

Article 83. Cases of tax chargeoff

1. The taxpayer is dead or declared dead, missing or incapacitated by the court.

The chargeoff date is the issuance date of the death certificate or an equivalent document as prescribed by civil registration laws, or the court's declaration that the taxpayer is dead, missing or incapacitated.

2. The taxpayer submits a dissolution decision to the tax authority or business registration authority, the business registration authority has posted a notice on the national business registration portal but the taxpayer has not completed the dissolution procedures.

The chargeoff date is the day on which the business registration authority posts the aforementioned notice on the national business registration portal.

3. The taxpayer has filed for bankruptcy or requested to file for bankruptcy in accordance with bankruptcy laws.

The chargeoff date is the day on which the court issues the notice of receipt of the bankruptcy filing or the day on which the taxpayer files for the bankruptcy to the tax authority in accordance with the Law on Bankruptcy.

4. The taxpayer no longer does business at the registered address, the tax authority and the People's Committee of the commune has confirmed that the taxpayer is no longer present in the area and made a nationwide announcement that the taxpayer or the taxpayer's legal representative is not present at the registered address.

The chargeoff date is the day on which the aforesaid announcement is made.

5. The taxpayer's certificate of business registration, certificate of enterprise registration, certificate of cooperative registration, license for establishment and operation or practice certificates has been revoked by a competent authority, whether such revocation is requested by the tax authority or not.

The chargeoff date is the date on which the certificate of business registration, certificate of enterprise registration, certificate of cooperative registration, license for establishment and operation or practice certificates is revoked by a competent authority.

Article 84. Chargeoff procedures, documents, time and power

1. The Government shall provide for chargeoff procedures, documents, time.

2. Heads of supervisory tax authorities of taxpayers shall decide the chargeoff cases.

3. Tax authorities shall keep monitoring the charged-off tax debts and cooperate with relevant authorities in collecting the debts whenever the taxpayers are capable, or cancel the debts in accordance with Article 85 of this Law.

Section 3. CANCELLATION OF TAX, LATE PAYMENT INTEREST AND FINES

Article 85. Cases of cancellation of outstanding tax, late payment interest and fines

1. An enterprise or cooperative is declared bankrupt and, after making the payments in accordance with bankruptcy laws, has no other assets to pay tax, late payment interest or fines.

2. An individual is dead or declared dead or incapacitated by the court and does not have any assets, including inheritance, to pay the outstanding tax, late payment interest or fines.

3. The tax authority fails to collect the taxpayer's outstanding tax, late payment interest in cases other than those specified in Clause 1 and Clause 2 of this Article within 10 years despite the implementation of enforcement measures specified in Point g Clause 1 Article 125 of this Law.

An taxpayer that is an individual, individual businesses, householder, household business owner, sole proprietor or owner of a single-member limited liability company has had the outstanding tax, late payment interest and fines cancelled before resuming the business operation or establishing a new business shall pay such debts must be paid to the State.

4. In the force majeure events in which late payment interest is exempted according to Clause 8 Article 59 of this Law, the taxpayer's business is still irrecoverable and thus tax, late payment interest and fines cannot be paid even after tax deferral is granted according to Point a Clause 1 Article 62 of this Law.

5. The Government shall provide for cooperation between tax authorities, business registration authorities and local authorities in making sure cancelled tax, late payment interest and fines are paid to state budget in accordance with Clause 3 of this Article before the certificate of business registration or certificate of enterprise registration is issued; elaborate Clause 4 of this Article.

Article 86. Application for cancellation of outstanding tax, late payment interest and fines

1. The supervisory tax authorities of taxpayers eligible for cancellation of outstanding tax, late payment interest and fines (hereinafter referred to as “tax debt cancellation”) shall prepare and submit applications for debt cancellation to competent authorities or competent persons.

2. An application for tax debt cancellation consists of:

- a) The written request for tax debt cancellation prepared by the supervisory tax authority;
- b) The decision to declare bankruptcy in case the enterprise or cooperative is declared bankrupt;
- c) Documents relevant to the request for tax debt cancellation.

3. The Minister of Finance shall elaborate this Article.

Article 87. Power to decide tax debt cancellation

1. Presidents of the People’s Committees of provinces shall decide tax debt cancellation in the following cases:

- a) The cases specified in Clause 1 and Clause 2 Article 85 of this Law;
- b) The households, household businesses, individual businesses and individuals in the cases specified in Clause 3 Article 85 of this Law;
- c) The enterprises and cooperatives in the cases specified in Clause 3 Article 85 of this Law whose outstanding tax, late payment interest and fines is below VND 5.000.000.000.

2. The Director of the General Department of Taxation, the Director of the General Department of Customs shall decide cancellation of debts from VND 5.000.000.000 to under VND 10.000.000.000 owed by enterprises and cooperatives in the cases specified in Clause 3 Article 85 of this Law.

3. The Minister of Finance shall decide cancellation of debts from VND 10.000.000.000 to under VND 15.000.000.000 owed by enterprises and cooperatives in the cases specified in Clause 3 Article 85 of this Law.

4. The Prime Minister shall decide cancellation of debts from VND 15.000.000.000 and above owed by enterprises and cooperatives in the cases specified in Clause 3 Article 85 of this Law.

5. Presidents of the People's Committees of provinces shall submit reports on tax debt cancellation to the People's Committees of the same provinces during the first meeting of the year. The Minister of Finance shall submit consolidated reports on tax debt cancellation to the Government, which will report to the National Assembly when preparing the annual state budget statement.

Article 88. Responsibility for processing applications for tax debt cancellation

1. If the application is incomplete, the competent authority or person that receives the application shall inform the sending authority within 10 working days from the date of receipt.

2. The competent person shall decide whether to grant or reject the application within 60 days from the receipt of the application and send a notice to the sending authority.

Chapter X

APPLICATION OF ELECTRONIC INVOICES AND DOCUMENTS

Article 89. Electronic invoices

1. An electronic invoice means an invoice in the form of electronic data, issued by the goods seller or service provide to record the goods sale or service provision in accordance with regulations of law on electronic accounting and tax, including the invoices generated by cash registers that are digitally connected to tax authorities.

2. Electronic invoices include VAT invoices, sale invoices, electronic stamps, electronic tickets, electronic cards, electronic receipts, electronic delivery notes and other electronic documents.

3. Authenticated electronic invoices are electronic invoices that bear by tax authorities' authentication codes before goods/services are sold to buyers.

The authentication code on an electronic invoice is a unique serial number generated by the tax authority's system and a series of encoded characters based on information on the invoice.

4. Unauthenticated electronic invoices are electronic invoices that sent to buyers without tax authorities' authentication codes.

5. The Government shall elaborate this Article.

Article 90. Rules for issuance, management and use of electronic invoices

1. When selling goods/services, the seller shall issue and send electronic invoices to buyers. The electronic invoices shall follow standard formats and contain sufficient information in accordance with tax laws and accounting laws, regardless of the value of each sale.

2. The sellers that use cash registers shall register to use electronic invoices generated by cash registers that are digitally connected to the tax authorities.

3. The registration, management and use of electronic invoices in sale of goods/services shall comply with regulations of law on electronic transactions, accounting and tax.

4. Electronic invoices shall be authenticated by tax authorities according to information provided on the invoices by the enterprises, business organizations, other organizations, household businesses and individual businesses. Enterprises, business organizations, other organizations, household businesses and individual businesses are held responsible for the accuracy of information on their invoices.

5. The Government shall elaborate this Article.

Article 91. Use of electronic invoices in sale of goods and services

1. Enterprises and business organizations shall use authenticated electronic invoices when selling their goods/services, regardless of the value of each sale, except for the cases specified in Clause 2 and Clause 4 of this Article.

2. Enterprises operating in the field of electricity, oil and gas, post and telecommunications, clean water supply, credit, insurance, health, e-commerce, supermarket, commerce, air/road/rail/sea/inland waterway transport; enterprises and business organizations that have been or will conduct electronic transactions with tax authorities, develop information technology infrastructure, have software for accounting, issuance, access and storage of electronic invoices, and ensure the transmission of electronic invoice data to buyers and tax authorities may use unauthenticated electronic

invoices when selling goods/services, regardless of the value of each sale, unless tax-related risks are high as prescribed by the Minister of Finance or they wish to use authenticated electronic invoices.

3. The household businesses and individual businesses in the cases specified in Clause 5 Article 51 of this Law and other cases of determinable revenue from sale of goods/services may use authenticated electronic invoices.

4. Regarding household businesses and individual businesses that are not qualified to use authenticated electronic invoices as prescribed in Clause 1 and Clause 3 of this Article, enterprises, business organizations and other organizations that need to provide electronic invoices for their customers, tax authorities shall issue separate authenticated electronic invoices for individual sales, provided tax is declared and paid before such electronic invoices are issued.

Article 92. Electronic invoice-related services

1. Electronic invoice-related services include provision of unauthenticated electronic invoice-related solutions, transmission of unauthenticated electronic invoices from taxpayers to tax authorities, and services related to authenticated electronic invoices.

2. Providers of electronic invoice-related services include providers of electronic invoice-related solutions, electronic invoice transmission and storage services, and services related to authenticated electronic invoices

3. The Government shall elaborate this Article; provide for the cases of charged and free-of-charge use of authenticated electronic invoices, the cases in which unauthenticated electronic invoices may be used through providers of electronic invoice-related services.

4. The Minister of Finance shall specify criteria for selection of providers of authenticated electronic invoice-related services, electronic invoice transmission and storage services, and relevant services.

Article 93. Electronic invoice database

1. Tax authorities shall organize the development and management of the database and infrastructure of the invoice information system; organize the collection and processing of information and management of the invoicing database; ensure the maintenance,

operation, security and safety of the invoice information system; establish standard invoice formats.

The electronic invoice database is used to serve tax administration and provision of electronic invoice information for relevant organizations and individuals.

2. The enterprises and business organizations that are mentioned in Clause 2 Article 91 of this Law and use unauthenticated electronic invoices shall provide electronic invoice data in accordance with regulations of the Minister of Finance.

3. The Ministry of Industry and Trade, the Ministry of Natural Resources and Environment, the Ministry of Public Security, the Ministry of Transport, the Ministry of Health and relevant authorities shall share relevant information and data to the Ministry of Finance, which contribute to the development of the electronic invoice database.

4. When inspecting goods being sold with electronic invoices, competent authorities and competent persons shall check information about the electronic invoices on the web portals of tax authorities and must not request physical invoices. Relevant authorities shall use their devices to access the electronic invoices database.

5. The Minister of Finance shall provide electronic stamp templates; promulgate regulations on management of electronic stamps, access, provision and use of electronic invoice information; provision of electronic invoice information in case the online invoice database is inaccessible due to force majeure events.

Article 94. Electronic documents

1. Electronic documents include documents and receipts in electronic forms provided for taxpayers by tax authorities or tax-deducting organizations while following tax procedures or collecting other state budget revenues, and other electronic documents and receipts.

2. The Government shall specify the types of electronic documents mentioned in this Article, the management and use thereof.

Chapter XI

TAXPAYER INFORMATION

Article 95. Taxpayer information system

1. Taxpayer information system is a collection of information and data about taxpayers, which are collected, arranged and used in accordance with this Law.
2. Taxpayer information is the basis for tax administration, development of tax policies, assessment of taxpayers' compliance with law, prevent and discover tax offences.

Article 96. Development, processing and management of the taxpayer information system

1. Tax authorities shall organize the development and management of the database and infrastructure of the taxpayer information system, the tax administration information system, establish units specialized in collection, processing, analysis and management of the database, ensure the continuous operation of the taxpayer information system and the tax administration information system.
2. Tax authority shall implement necessary measures for collecting, exchanging and processing domestic and overseas information, official information provided by foreign competent authorities and tax authorities under international treaties to which Vietnam is a signatory, international agreement on tax and customs.
3. Tax authorities shall cooperate with relevant organizations and individuals in exchanging information and connecting to their online networks.
4. The Minister of Finance shall elaborate regulations on information collection and analysis, and management of the taxpayer information system.

Article 97. Responsibilities of taxpayers for providing information

1. Fully, accurately provide information in the tax dossier and information serving determination of tax liability at the request of tax authorities.
2. Provide information in writing or through the network of the tax authorities as requested.

Article 98. Responsibilities of relevant entities for providing information

1. The following authorities have the responsibility to provide taxpayer information for tax authorities:
 - a) Issuers of investment registration certificates, certificates of enterprise registration and licenses for establishment and operation shall provide information about such certificates

and licenses to the tax authorities within 07 working days from their issuance dates and other information requested by tax authorities;

b) State Treasuries shall provide information about the amount of tax paid and refunded.

2. The following entities have the responsibility to provide taxpayer information at the request of tax authorities:

a) Commercial banks shall provide information about transactions and account balance of taxpayers within 10 working days from the day on which the tax authority's request is received;

c) Land and housing authorities shall provide information about use of land and ownership of houses of organizations, households, household businesses, individuals and individual businesses;

c) Police authorities shall provide and exchanges information about tax offences; entry and exit, registration and management of vehicles;

d) Income payers shall provide information about payment of incomes and tax deducted from the taxpayers' income at the request of tax authorities;

dd) Trade authorities shall provide information about management of exports, imports and transited goods of Vietnam and other countries; market surveillance information.

3. Relevant authorities shall provide online taxpayer information for tax authorities through the taxpayer information system or National Single-window Information Portal.

4. Other entities relevant to taxpayers shall provide physical or electronic information at the request of tax authorities.

5. The Government shall elaborate this Article.

Article 99. Taxpayer information security

1. Tax authorities, tax officials, former tax officials, authorities that provide and exchange taxpayer information, tax agents shall protect the confidentiality of information about taxpayers in accordance with law, except in the cases specified in Clause 2 of this Article and Article 100 of this Article.

2. Tax authorities shall provide taxpayer information for the following authorities to facilitate their proceedings, inspection, and audit process:

- a) Investigating authorities, Procuracies, Courts;
- b) State inspectorates and state audit organizations;
- c) Other regulatory bodies prescribed by law;
- d) Foreign tax authorities under international tax treaties to which Vietnam is a signatory.

Article 100. Publishing taxpayer information

1. Tax authorities may publish information about a taxpayer if such taxpayer:
 - a) evades tax; delays paying tax and other amounts payable to state budget; owes overdue tax and other amounts payable to state budget;
 - b) commits a tax offence that affects interests and tax liability of another organization or individual;
 - c) fails to comply with the tax authorities' request as prescribed by law.
2. The Government shall elaborate this Article.

Chapter XII

TAX AGENTS AND CUSTOMS AGENTS

Article 101. Tax agents

1. A provider of tax services (hereinafter referred to as "tax agent") is an enterprise that is established and operates in accordance with enterprise laws and provides services for taxpayers under agreements.
2. Enterprises qualified for operating as tax agents shall submit applications for the certificate of eligibility to provide tax services to Provincial Departments of Taxation.

Article 102. Requirements for issuance of the certificate of eligibility to provide tax services

An enterprise will be granted the certificate of eligibility to provide tax services if:

1. It is established in accordance with law.
2. At least 02 of its full-time employees are granted the tax agent certification.

Article 103. Issuance of the certificate of eligibility to provide tax services

1. An application for the certificate of eligibility to provide tax services consists of:
 - a) The application form;
 - b) Photocopies employees' tax agent certifications.

- b) Photocopies employment contracts with the employees mentioned in (b).
2. The Provincial Department of Taxation shall issue the certificate of eligibility to provide tax services to the enterprise within 05 working days from the day on which the satisfactory application is received. A written notice and explanation shall be sent if the application is rejected.

Article 104. Provision of tax services

1. Services provided for taxpayers by tax agents under contracts include:
- a) Procedures for taxpayer registration, tax declaration, tax payment, tax settlement, application for tax remission, application for tax refund, and other tax-related procedures the taxpayers have to follow;
 - b) Tax counseling;
 - c) Tax services for microenterprises prescribed in Article 150 of this Law.
- Microenterprises shall be identified in accordance with regulations of law on assistance for small and medium enterprises.
2. Rights and obligations of tax agents:
- a) Provide services for taxpayers under contracts;
 - b) Comply with this Law, tax laws and relevant laws during their operation;
 - c) Take legal responsibility and responsibility to taxpayers for the services provided.
3. The Minister of Finance shall provide for management of tax agents' operation.

Article 105. Tax agent certifications

1. In order to be granted the tax agent certification, a person shall:
- a) have full legal capacity;
 - b) have at least a bachelor's degree in economics, finance, accounting, audit or another major specified by the Minister of Finance;
 - c) have at least 36 months' experience of work in finance, accounting or audit after graduation;
 - d) pass the examination for the practising certificate for tax services, which consists of two tests: tax and accounting.

2. Holders of the auditor certification or accountant certification issued by competent authorities will be granted the tax agent certification without having to pass the exam.
3. The person who has the tax agent certification and works for a tax agent is called a tax agent employee. Tax agent employees must fully participate in refresher training programs.
4. The following persons must not work as tax agent employees:
 - a) Officials and public employees; commissioned and non-commissioned officers, career military personnel, military workers, military public employees, non-commissioned police officers and police workers.
 - b) Any person who is being banned from providing tax, accounting or audit services under an effective court judgment or court decision; people who are facing criminal prosecution;
 - c) Any person who has been convicted of any of the crimes related to tax, finance or accounting and has not have his/her criminal record expunged; any person who is put under supervision by commune authority or put into a correctional institution or rehabilitation center;
 - d) Any person who incurs an administrative penalty for accounting- or audit-related offence over the last 06 months (for warnings) or 12 months (for other penalties).
5. The Minister of Finance shall promulgate regulations on organization of examinations, conditions for exemption from examinations; procedures for issuance and revocation of the tax agent certification; provision of refresher training for tax agent employees.

Article 106. Customs agents

Customs laws shall apply to providers of customs procedure services (hereinafter referred to as “customs agent”).

Chapter XIII

TAX AUDIT AND TAX INSPECTION

Section 1. GENERAL PROVISIONS

Article 107. Rules for tax audits and tax inspections

1. Apply risk management to tax administration; apply information technology to tax audits and tax inspections.
2. b) Comply with this Law and relevant laws, set forms, inspection procedures prescribed by the Minister of Finance.
3. Tax document examinations must not obstruct normal operation of taxpayers.
4. When deciding to carry out a tax audit or tax inspection on the taxpayer's premises, the head of the tax authority shall issue an inspection decision.
5. Tax audit and tax inspection are meant to assess the adequacy and accuracy of the documents submitted or presented to tax authorities by taxpayers; the taxpayers' compliance with tax laws and relevant laws.

Article 108. Processing results of tax audits and tax inspections

1. According to the result of the tax audit or tax inspection, the head of the tax authority shall issue a tax decision, recover the tax refunded against tax laws, impose penalties for tax administrative offences or request a competent person to do so. If the offence is specified in the tax audit/inspection record, it will be also considered the administrative violation record.
2. If tax evasion is suspected, the tax authority shall transfer the case to a competent authority for investigation; the tax authority shall cooperate with proceeding authorities during the investigation, prosecution and adjudication as prescribed by law.

Section 2. TAX AUDIT

Article 109. Tax audit on tax authorities' premises

1. Tax audit on tax authorities' premises shall be carried out as follows:
 - a) Tax audit shall be inspected on tax authorities' premises to assess the adequacy and accuracy of the information in the tax dossier and the taxpayer's compliance with tax laws. Tax officials assigned to carry out tax audit shall analyze the tax dossier according to its level of tax risk, accordingly propose a plan for inspection on the tax authority's premises, or follow the instructions in Clause 2 of this Article;
 - b) Tax audit on customs authorities' premises is meant to compare information in the tax dossier with relevant information and documents, tax laws and result of physical

inspection of exports or imports. Post-clearance inspection on customs authorities' premises shall be carried out in accordance with customs law.

2. Processing of results of tax audit on tax authorities' premises:

a) If a tax offence which leads to insufficient tax or tax evasion is discovered, the taxpayer shall fully pay the tax and incur the penalties specified in this Law and relevant laws;

b) In case clarification of specific content in the tax dossier relevant to the amount of tax payable, exempt, reduced, refunded or carried forward is necessary, the tax authority shall request the taxpayer to provide explanation or additional information or documents. In case the explanation or additional information or documents provided by the taxpayer prove that tax is declared correctly, the tax dossier will be accepted. Otherwise, the tax authority will request the taxpayer to supplement the tax dossier.

If the taxpayer fails to provide additional explanation, information or document or fails to supplement the tax dossier, or the additional explanation or supplementation is incorrect, the tax authority shall impose tax liability or issue a decision on examination on the taxpayer's premises, or use it as the basis for development of the inspection plan according to tax risk management rules.

Article 110. Tax audit on taxpayers' premises

1. Tax audit on a taxpayer's premises shall be carried out in the following cases:

a) The tax refund claim is subject to inspection before refund or eligible for refund before inspection;

b) The cases specified in Point b Clause 2 Article 109 of this Law;

c) Post-clearance inspection on the declarant's premises shall be carried out in accordance with customs law;

d) Violations are suspected;

dd) The inspection is carried out under a plan or theme;

e) The inspection is requested by State Audit Office of Vietnam, State inspectorates or another competent authority;

g) The enterprise is undergoing full division, partial division, merger, amalgamation, conversion, dissolution, shutdown, equitization, TIN invalidation, relocation of business location; other cases of surprise inspection and inspection requested by competent authorities, except for the cases of dissolution or shutdown in which tax is not finalized by tax authorities.

2. In the cases specified in Point dd, Point e and Point g Clause 1 of this Article, tax authorities shall carry out inspection on taxpayers' premises not more than once per year.

3. The tax audit decision shall be sent to the taxpayer within 03 working days and announced within 10 working days from the day on which it is signed. Before the decision is announced, if the taxpayer is able to prove that the declared tax is accurate and the tax has been fully paid, the tax authority shall annul the decision.

4. Tax audit procedures:

a) Announce the tax audit decision before carrying out the inspection;

b) Compare the declared information with accounting books, accounting records, financial statements, tax risk analysis, information about the document inspection on the tax authority's premises, the situation within the scope of the tax audit decision;

c) The duration of the inspection shall not exceed 10 working days and be specified in the inspection decision. The inspection begins when the decision is announced. In case the inspection is complicated, the issuer of the decision may extend the duration for up to 10 more days;

d) Issue a tax audit record within 05 working days from the end of the inspection;

dd) Take proper actions or request a competent authority to take actions according to the inspection results.

5. Post-clearance inspection shall be carried out in accordance with customs law.

Article 111. Rights and obligations of taxpayers during tax audit on their premises

1. The taxpayer has the right to:

a) Reject the inspection if the tax audit decision is not available;

b) Refuse to provide information and documents that are not relevant to the audit; information and documents that are state secrets, unless otherwise prescribed by law;

- c) Receive the tax audit record and request explanation for the contents thereof;
- d) Leave comments in the tax audit record;
- dd) File a complaint or lawsuit and claim damages as prescribed by law;
- e) Report violations of law committed during the audit.

2. The taxpayer has the responsibility to:

- a) Comply with the tax audit decision;
- b) Fully and accurately provide information and documents relevant to the inspection as requested by the auditors; take legal responsibility for the accuracy of the information and documents provided;
- c) Sign the tax audit record within 05 working days from the end of the inspection;
- d) Comply with the requests specified in the tax audit record, conclusion and relevant decisions.

Article 112. Duties and entitlements of the head of the tax authority that issues the tax audit decision and tax officials in tax audit

1. The head of the tax authority that issues the tax audit decision has the following duties and entitlements:

- a) Ensure compliance with the contents and time limit specified in the tax audit decision;
- b) Implement the measures specified in Article 122 of this Law;
- c) Extend the inspection duration;
- d) Issue tax decisions or impose administrative penalties within his/her competence, or request a competent person to issue a conclusion and impose penalties for tax administrative offences;
- dd) Settle complaints within his/her competence.

2. Tax officials have the following duties and entitlements during the audit:

- a) Comply with the tax audit decision;
- b) Request the taxpayer to provide information and documents relevant to the audit;
- c) Issue an inspection record; submit a report to the person that issued the tax audit decision and take responsibility for the accuracy and objectivity of such record and report;

d) Impose administrative penalties within their competence or request a competent person to issue a conclusion and impose penalties for tax administrative offences;

Section 3. TAX INSPECTION

Article 113. Cases of tax inspection

1. A tax offence is suspected.
2. The inspection is necessary to settle a complaint or implement anti-corruption measures.
3. The inspection is necessary for tax administration on the basis of classification of risks in tax administration.
4. The inspection is requested by State Audit Office of Vietnam, State inspectorate or another competent authority.

Article 114. Tax inspection decision

1. Heads of tax authorities at all levels are entitled to issue tax inspection decisions.
2. The tax inspection decision shall contain:
 - a) Legal basis for the tax inspection;
 - b) The inspected entity, scope and objectives of the inspection;
 - c) Duration of the inspection;
 - d) The chief and members of the inspectorate.
3. The tax inspection decision shall be sent to the inspected entity within 03 working days from the day on which it is signed.
4. The tax inspection decision shall be announced within 15 days from its issuance date.

Article 115. Duration of tax inspection

1. The duration of tax inspections shall comply with the Law on Inspection. The duration of an investigation is the period from the date on which the tax inspection decision is announced to the ending date of the inspection.
2. Where necessary, the person who issues the tax inspection decision (hereinafter referred to as “tax inspection decider”) may extend the duration in accordance with the Law on Inspection.

Article 116. Duties and entitlements of tax inspection deciders

1. The tax inspection decider has the following duties and entitlements:

- a) Instructs and supervise the inspectorate's implementation of the tax inspection decision;
- b) Request the inspected entity to provide information, documents, reports and explanation for relevant issues; request other organizations and individuals to provide relevant information and documents they have;
- c) Request professional opinions on the issuers relevant to the content of the inspection;
- d) Order suspension or request a competent person to order suspension of an operation if it is deemed to cause material damage to interests of the State, the lawful rights and interests of other organizations and individuals;
- dd) Take actions or request a competent person to take actions and supervise the implementation of such actions;
- e) Settle complaints (if any) against the chief and members of the inspectorate;
- g) Suspend or replace the chief or member of the inspectorate if he/she fails to satisfy the requirements for participation in the inspection, commits violations of law or is found related to the inspected entity, or cannot participate in the inspection for other reasons;
- g) Draw a conclusion about the inspection;
- i) Trance the case to a criminal investigation authority if a criminal offence is suspected, and send a written notice to the People's Procuracy at the same level;
- k) Implement the measures specified in Article 121, 122 and 123 of this Law;
- l) Request credit institutions where the inspected entity opens their accounts to freeze such accounts if there are reasonable grounds for suspecting that the inspected entity attempts to liquidate their assets in a manner that defies the competent authority's decision to confiscate money or assets.

2. When performing the duties and entitlements mentioned in Clause 1 of this Article, tax inspection deciders shall be held responsible for their decisions.

Article 117. Duties and entitlements of the chief and members of the inspectorate

1. The chief of the inspectorate has the following duties and entitlements:

- a) Organize the investigation and instruct the members to implement the tax inspection decision;
- b) Propose necessary measures to the inspection decider to ensure accomplishment of the objectives;
- c) Request the inspected entity to present the practice certificate, certificate of business registration, certificate of enterprise registration, cooperative registration certificate, investigation registration certificate, license for establishment and operation, provide information, documents, reports and explanation for relevant issues;
- d) Issue a record on the violations committed by the inspected entity;
- dd) Carry out stocktaking of the inspected entity's assets relevant to the inspection;
- e) Request other organizations and individuals to provide relevant information and documents they have;
- g) Request a competent person to impound the violator's money, belongings, licenses if such impoundment is deemed necessary to stop the violations or examine the evidence;
- h) Seal the investigated entity's documents if violations are suspected;
- i) Order suspension or request a competent person to order suspension of an operation if it is deemed to cause material damage to interests of the State, the lawful rights and interests of other organizations and individuals;
- k) Request the credit institutions where the inspected entity opens their accounts to freeze such accounts if there are reasonable grounds for suspecting that the inspected entity attempts to liquidate their assets;
- l) Impose administrative penalties in accordance with law;
- m) Submit a report on the inspection results to the inspection decider and take responsibility for the accuracy and objectivity of such report;
- n) Implement the measures specified in Article 122 of this Law.

2. Members of the inspectorate have the following duties and entitlements:

- a) Perform the tasks assigned by the chief;

- b) Request the investigated entity to provide information, documents, reports and explanation for relevant issues; request other organizations and individuals to provide relevant information and documents they have;
- c) Propose necessary measures within the chief's duties and entitlements prescribed in Clause 1 of this Article to the chief to ensure accomplishment of the objectives;
- d) Propose solutions for the issues relevant to the inspection;
- dd) Submit reports on the performance of their tasks to the chief and take legal responsibility and responsibility to the chief for the accuracy and objectivity of such reports.

Article 118. Rights and obligations of inspected entities

1. The inspected entity has the right to:

- a) Provide explanation for the issues relevant to the content of the inspection;
- b) File complaints against the decisions and actions made by the inspection decider, the chief or member of the inspectorate during the inspection; file complaints against the conclusion or post-inspection decision in accordance with regulations of law on complaints; the post-inspection decision still has to be implemented while the complaint is being handled;
- c) Receive the inspection record and request explanation for the contents thereof;
- d) Refuse to provide information and documents that are not relevant to the inspection; information and documents that are state secrets, unless otherwise prescribed by law;
- dd) Claim damages in accordance with law;
- e) Report violations committed by the head of the tax authority, the chief or member of the inspectorate in accordance with law.

2. The inspected entity has the responsibility to:

- a) Comply with the tax inspection decision;
- b) Fully and accurately provide information and documents requested by the tax inspection decider, the chief or member of the inspectorate and take legal responsibility for the accuracy of the information and documents provided;

- c) Comply with requests, conclusions and handling decisions of the inspection decider, the chief and member of the inspectorate, and competent authorities;
- d) Sign the inspection record.

Article 119. Tax inspection conclusion

1. Within 15 days from the receipt of the tax inspection result, the inspection decider shall issue a conclusion unless the conclusion has to be given by another competent authority. The conclusion shall contain:

- a) Assessment of the inspected entity's compliance to tax laws;
- b) Draw a conclusion about the inspected contents;
- c) The nature and severity of the violations, reasons, responsibility of the violators;
- d) Actions taken or penalties to be imposed by a competent person as prescribed by law.

2. The inspection decider is entitled to request the chief and members of the inspectorate to submit reports; request the inspected entity to provide explanation before giving the conclusion or making the post-inspection decision.

Article 120. Re-inspection

1. The following persons are entitled to decide re-inspection in case violations of law are suspected after a conclusion has been given:

- a) Chief Inspector of the Ministry of Finance, at the request of the Minister of Finance, shall decide reinsertion of the cases concluded by the Director of the General Department of Taxation or Customs within the management of the Ministry of Finance;
- b) The Director of the General Department of Taxation or Customs shall decide re-inspection of the cases concluded by Directors of Provincial Departments;

b) The Director of a Provincial Department shall decide re-inspection of the cases concluded by Directors of Departments of the districts in the same province;

d) The decision on re-inspection shall have the contents specified in Article 114 of this Law. Within 03 working days from the day on which such decision is signed, the issuer shall send it to the inspected entity. The decision on re-inspection shall be announced within 15 days from the day on which it is signed. Such announcement shall be recorded in writing by the inspectorate.

2. A re-inspection shall be carried out in the following cases:

- a) There are serious violations against the inspection procedures;
- b) Mistakes were made when giving the initial conclusion;
- c) The conclusion is contrary to the evidence collected during the initial inspection, or there are signs of high risks according to the risk assessment criteria;
- d) The inspection decider, the chief or member of the inspectorate deliberately falsifies the documents or gives a conclusion against the law;
- dd) It is suspected that serious violations of law committed by the inspected entity were not discovered during the initial inspection.

3. Time limit and duration of re-inspection:

- a) A re-inspection must not be carried out after 02 years from the day on which the initial inspection conclusion is signed;
- b) The duration of a re-inspection is specified in Article 115 of this Law.

4. During the re-inspection, the inspection decider, the chief and members of the inspectorate have the duties and entitlements specified in Article 116 and Article 117 of this Law.

5. The re-inspection conclusion shall be given and announced as follows:

- a) The re-inspection conclusion shall be given in accordance with Article 119 of this Law. The conclusion shall specify the nature and severity of the violations, reasons for violations, responsibility of the inspecting entities, the conclusion and proposals.

Within 15 working days from the day on which the re-inspection conclusion is signed, it must be sent to the heads of the same-level and superior regulatory authorities;

- b) The re-inspection conclusion shall be announced in accordance with inspection laws.

Section 4. MEASURES AGAINST TAX EVASIONS

Article 121. Collection of information about tax evasion

1. The head of the tax authority is entitled to request relevant entities to provide information about tax evasion, whether in writing or in person.

2. In case of providing information in writing, the informant shall send the information to the provided address by the deadline and take responsibility for the accuracy of the information provided; explain in writing if the information cannot be provided.

3. In case of providing information in person, the informant shall be present as requested to provide the information and take responsibility for the accuracy of the information provided; information may be provided in writing if it cannot be provided in person.

In case of providing information in person, members of the inspectorate shall issue a written record and openly make a video/audio record of the conversation.

Article 122. Impoundment of documents and items relevant to tax evasion

1. The head of the tax authority or the chief of the inspectorate shall issue the decision to impound documents and items relevant to tax evasion.

2. The impoundment shall be carried out when it is necessary to clarify the basis for taking actions against tax evasion.

3. The head of the tax authority or the chief of the inspectorate shall issue the decision to impound documents and items relevant to tax evasion. Within 24 hours from the beginning of the impoundment, the chief of the inspectorate shall request the head of the tax authority to issue an impoundment decision. Such decision shall be issued by a competent person within 08 working hours from the receipt of the request. If the competent person rejects the request, the chief of the inspectorate shall return the documents and items within 08 working hours after the competent person gives the rejection.

4. In case of impoundment, the chief of the inspectorate shall issue a record. The record shall specify the names, quantities, categories of the documents and items; bears the signature of the impoundment decider and the person responsible for management of the impounded documents and items. The impoundment decider has the responsibility to protect the impounded documents and items and take legal responsibility if they are lost, swapped or damaged.

In case the documents or items need sealing, they shall be sealed in the presence of their owner or, if the owner is not present, the representative of the owner's family or

representative of the organization and representative of the commune authority and a witness.

5. Storage of impounded Vietnamese currency, foreign currencies, gold, silver, gemstones, precious metals and other items that require special management shall comply with regulations of law. In case of impoundment of perishable items, the impoundment decider shall issue an impoundment record. Collected money shall be sent to an impoundment account at the State Treasury to ensure collection of tax, late payment interest and fines.

6. Within 10 working days from the impoundment date, the impoundment decider shall handle the impounded documents or items in accordance with the handling decision or return them to their owner if they are not confiscated. The impoundment duration may be extended in complicated cases. Nevertheless, the duration must not exceed 60 days. The extension of impoundment duration shall be decided by the competent person mentioned in Clause 1 of this Article.

7. The tax authority shall give 01 copy of the impoundment decision, impoundment record and the handling decision to the document or item owner.

Article 123. Search of premises for documents and items relevant to tax evasion

1. The head of the tax authority shall decide search of premises for documents and items relevant to tax evasion. In case of search of a home, it has to be approved in writing by a competent person as prescribed by law.

2. The search of premises shall be carried out when there are reasonable grounds that documents and items relevant to tax evasion are hidden in such premises.

3. The search shall be carried out in the presence of the premises' owner and a witness. In case the premises' owner is not present and the search cannot be delayed, the presence of a representative of the commune authority and 02 witnesses is required.

4. A search of premises must not be carried out at night, during public holidays, during the premises owners' familial events, unless in flagrante delicto (caught red handed). The reasons must be written in the record.

5. Every search of premises is subject to a written decision and has to be recorded in writing. 01 copy of the decision and the record shall be given to the premises' owner.

Chapter XIV

TAX ENFORCEMENT

Article 124. Cases of tax enforcement

1. The taxpayer's tax has been overdue for more than 90 days.
2. The taxpayer fails to pay tax by the extended deadline.
3. The taxpayer attempts to liquidate assets or abscond.
4. The taxpayer fails to implement the tax decision by the deadline written therein, unless it is delayed.
5. A tax decision will not be enforced for up to 12 months if the tax authority charges off the tax debt; exempts late payment interest in accordance with this Law; allows payment of outstanding tax in instalments.

Payment of tax by instalments shall be considered by the supervisory tax authority of the taxpayer on the basis of the taxpayer's request and guarantee of a credit institution. The Minister of Finance shall specify the number of instalments and procedures for tax payment by instalments.

6. Do not enforce tax payment if the taxpayer owes customs fees and transit fees.
7. The legal representative of the enterprise against which the tax decision is enforced shall fulfill its tax liability before exiting the country and may be suspended from exit in accordance with immigration laws.

Article 125. Tax enforcement measures

1. For the purposes of Articles 125 to 135, "taxpayer" means the taxpayer against whom a tax enforcement measure is taken. Tax enforcement measures include:
 - a) Extract money from the taxpayer's account at the State Treasury, commercial bank or credit institution; freezing accounts;
 - d) Deduct money from the taxpayer' salary or income;
 - c) Suspend customs procedures for exports or imports;
 - d) Suspend use of invoices;

- dd) Seize the taxpayer's assets and sell them at auction in accordance with law;
- e) Confiscate the taxpayer's money and assets that are being held by a third party;
- g) Revoke the certificate of business registration, certificate of enterprise registration, cooperative registration certificate, investigation registration certificate, license for establishment and operation, practice certificates.

2. The measures mentioned in Clause 1 of this Article shall terminate when tax has been fully paid to state budget.

3. The measures mentioned in Clause 1 of this Article shall be applied as follows:

- a) Tax authorities shall choose the measures specified in Points a, b and c in Clause 1 of this Article on a case-by-case basis;
- b) In the cases where any of the measures specified in Points d, dd, e and g in Clause 1 of this Article cannot be applied, the next measures shall be applied;
- c) In case any of the measures mentioned in Clause 1 of this Article turns out to be ineffective, the tax authority may implement the previous or the next one if possible before termination of the current measure.

Article 126. Power to decide tax enforcement

1. Heads of tax authorities, the Director of the Smuggling Investigation and Prevention Department of the General Department of Customs, the Director of the Post-clearance Inspection Department have the power to implement the tax enforcement measures specified in Points a, b, c, d, dd and e in Clause 1 Article 125 of this Law.

2. The revocation of the certificate of business registration, certificate of enterprise registration, cooperative registration certificate, investigation registration certificate, license for establishment and operation, practice certificate mentioned in Point g Clause 1 Article 125 of this Law shall be carried out in accordance with regulations of law.

Article 127. Tax enforcement decision

1. A tax enforcement decision shall contain:

- a) Date of issuance;
- b) Basis of the decision;
- c) The decider;

d) The taxpayer's name, address, TIN;

dd) Reason for enforcement;

e) The enforcement measures;

g) Time and location of enforcement;

h) The presiding authority and cooperating authority(ies).

2. The tax enforcement decision shall be sent to the taxpayer, the taxpayer's supervisory tax authority, relevant organizations and individual. The decision may be sent electronically if possible and updated on the tax authority's website. In the case specified in Point dd Clause 1 Article 125 of this Law, the tax enforcement decision shall be sent to the President of the People's Committee of the commune where tax is enforced before implementation of the enforcement measures.

3. A tax enforcement decision is effective for 01 year from its issuance date. If the enforcement measure is account extraction or account freezing, the decision shall be effective for 30 days from its issuance date.

Article 128. Responsibility for organizing implementation of tax enforcement decisions

1. The person who issues the tax enforcement decision shall organize its implementation.

2. The People's Committee of the commune where the taxpayer resides shall instruct other authorities to cooperate with the tax authority in implementation of the tax enforcement decision.

3. The police shall assist the tax authority in maintaining security and order upon request by the person who issue the tax enforcement decision.

Article 129. Enforcement by extraction of money from the taxpayer's account; account freezing

1. If the taxpayer deposits money in an account at State Treasury, commercial bank or credit institution, such account shall be extracted or frozen.

2. Upon receipt of the tax enforcement decision, the State Treasury, commercial bank or credit institution shall transfer the amount of money specified in the decision from the

taxpayer's account to the state budget account at the State Treasury, send a written notice to the person who issues the tax enforcement decision and the taxpayer.

3. In case the tax enforcement decision expires before the State Treasury, commercial bank or credit institution fully transfers the money to state budget, it shall send a written notice to the person who issues the tax enforcement decision and the taxpayer.

4. Administrative penalties specified in Chapter XV of this Law shall be imposed upon the State Treasury, commercial bank or credit institution in case it fails to fully transfer the money from the taxpayer's account to the state budget account in accordance with the tax enforcement decision during the effective period of the tax enforcement decision while the taxpayer's account balance is sufficient.

5. The Government shall elaborate this Article.

Article 130. Enforcement by deduction of money from the taxpayer' salary or income

1. Money shall be deducted from the taxpayer's salary or income if the taxpayer is working as a state official, working under an employment contract with a duration of at least 06 months, on pension or disability benefits.

2. The amount deducted is 10% - 30% of the monthly salary/pension/benefits or up to 50% of other kinds of incomes.

3. The taxpayer's employer shall:

a) Deduct the amount of money specified in the tax enforcement decision to the state budget account at the State Treasury since the nearest income payment until the tax debt is fully paid, and send a written notice to the decision issuer and the taxpayer;

b) In case the taxpayer's employment contract is terminated before the tax debt is fully paid, the employer shall inform the decision issuer within 05 working days from the contract termination date;

d) Administrative penalties specified in Chapter XV of this Law shall be imposed upon the employer that disobeys the tax enforcement decision.

4. The Government shall elaborate this Article.

Article 131. Enforcement by suspension of customs procedures

1. The head of the customs authority to which the taxpayer owes tax debt shall make a notice at least 05 working days before the suspension of customs procedures.
2. Customs procedures shall not be suspended in the following cases:
 - a) The exports are duty-free, not subject to export duty or subject to 0% export duty;
 - b) The exports or imports are meant to serve national defense and security, natural disaster management, epidemic response, emergency assistance; humanitarian aid or grant aid.
3. The Government shall elaborate this Article.

Article 132. Enforcement by suspension of use of invoices

1. Tax authorities shall announce suspensions of use of invoices on their websites and mass media within 24 hours.
2. The Government shall elaborate this Article.

Article 133. Enforcement by seizure of the taxpayer's assets and sell them at auction

1. The taxpayer's assets shall not be seized if the taxpayer is an individual receiving treatment at a health facility established in accordance with law.
2. The value of the seized assets shall be equal to the amount written in then tax enforcement decision plus (+) the enforcement cost.
3. The following assets must not be seized:
 - a) Medicines, essential foods of the taxpayers and their family;
 - b) Working tools;
 - c) Sole house, essential domestic appliances and utensils of the taxpayers and their family;
 - d) Religious objects; relics, medals, certificates of merit;
 - dd) Assets serving national defense and security.
4. If the taxpayer fails to fully pay the tax debt within 30 days from the date of seizure, the tax authority is entitled to sell the seized assets at auction.
5. The Government shall elaborate this Article.

Article 134. Enforcement by confiscation of the taxpayer's money and assets that are being held by a third party

1. When the tax authority discovers that the taxpayer's money and assets being held by a third party, they shall be confiscated.
2. Rules for confiscation of the taxpayer's money and assets being held by the third party:
 - a) If the third party owes a due debt payable to the taxpayer or is holding the taxpayer's money or assets, the third party shall pay the tax debt in lieu of the taxpayer;
 - b) If the taxpayer's money or assets being held by the third party belong to secured transactions or are meant for bankruptcy process, they shall be handled in accordance with law;
 - c) The amount paid to state budget by the third party will be considered paid on behalf of the taxpayer.
3. The third party shall:
 - a) provide the tax authority with information about the debt, money or assets of the taxpayer, including the amount or categories of assets and the condition thereof.
 - b) not return the money or assets to the taxpayer after receiving the written request from the tax authority until the taxpayer's liability has been fulfilled or the assets have been transferred to the tax authority for sale at auction;
 - c) In case the tax authority's request cannot be fulfilled, provide explanation for the tax authority within 05 working days from the receipt of the request;
 - d) incur the taxpayer's debt and the enforcement measures specified in Clause 1 Article 125 of this Law if the tax debt is not paid by the third party on behalf of the taxpayer within 15 days from the receipt of the tax authority's request.
4. The Government shall elaborate this Article.

Article 135. Enforcement by revocation of the certificate of business registration, certificate of enterprise registration, cooperative registration certificate, investigation registration certificate, license for establishment and operation, practice certificates

1. The head of the tax authority shall send a competent authority the request for revocation of the certificate of business registration, certificate of enterprise registration,

cooperative registration certificate, investigation registration certificate, license for establishment and operation or practice certificate.

2. The revoking authority shall inform the revocation through mass media.

3. The Government shall elaborate this Article.

Chapter XV

PENALTIES FOR ADMINISTRATIVE TAX OFFENCES

Section 1. GENERAL PROVISIONS

Article 136. Rules for imposition of penalties for tax administrative offences

1. Penalties for tax administrative offences shall be imposed in accordance with regulations of law on tax administration and administrative penalties.
2. Use of illegal invoices, illegal use of invoices, improper use of invoice that lead to underpayment of tax or tax evasion shall incur penalties for tax administrative offences instead of administrative penalties for invoice-related offences.
3. The maximum fines for understatement of tax payable or overstatement of tax eligible for refund, remission, cancellation, and tax evasion shall be imposed in accordance with this Law.
4. The fine for a tax offence committed by an organization is twice the fine for the same offence committed by an individual, except for understatement of tax payable and overstatement of tax eligible for refund, remission, cancellation, and tax evasion.
5. In case of tax liability imposition specified in Article 50 and Article 52 of this Law, the offence, depending on its nature and seriousness, may incur the penalties for tax administrative offences specified in this Law.
6. The on-duty competent person that discovers the tax offence shall issue a record as prescribed by law. In case the taxpayer declares tax electronically, the electronic tax notice that specifies the tax offence shall be the basis for penalty imposition.
7. Criminal laws shall apply if the tax offence is liable to criminal prosecution.

Article 137. Time limits for imposition of penalties for tax administrative offences

1. The time limit for imposition of penalties for an offence against tax procedures is 02 years from the day on which the offence is committed.

2. The time limit for imposition of tax evasion that is not liable to criminal prosecution, understatement of tax payable or overstatement of tax eligible for refund, remission or cancellation is 05 years from the day on which the offence is committed.

3. After the aforementioned time limits expire, the taxpayer will not incur penalties but still has to fully pay the outstanding tax, the evaded tax, the incorrectly reduced, exempted or refunded tax plus (+) late payment interest that have accrued over the last 10 years before the day on which the offence is discovered. In case the taxpayer is not registered, the outstanding tax plus (+) late payment interest that has accrued before the offence is discovered.

Article 138. Penalties, fines and remedial measures

1. Penalties for tax administrative offences include:

a) Warning;

b) Fine.

2. Fines for tax offences

a) The maximum fines for the offences specified in Article 141 of this Law shall comply with regulations of law on administrative penalties;

b) The fine for understatement of tax payable or overstatement of tax eligible for refund, remission or cancellation in the cases specified in Point a Clause 2 Article 142 of this Law shall be 10% of the difference;

c) The fine for understatement of tax payable or overstatement of tax eligible for refund, remission or cancellation in the cases specified in Clause 1, Point b and Point c Clause 2 Article 142 of this Law shall be 20% of the difference;

d) The fine for tax evasion specified in Article 143 of this Law shall be 01 – 03 times the tax evaded.

3. Remedial measures include:

a) Full payment of outstanding tax;

b) Payment of tax incorrectly exempted, reduced, refunded or cancelled.

4. The Government shall elaborate this Article.

Article 139. Power to impose penalties for tax administrative offences

1. The power to impose penalties for tax administrative offences shall comply with regulations of law on tax administration and administrative penalties.
2. Heads of tax authorities, the Director of the Smuggling Investigation and Prevention Department of the General Department of Customs have the power to impose penalties for the offences specified in Article 142, 143, 144 and 145 of this Law.
3. The Government shall elaborate this Article.

Article 140. Exemption from fines

1. The taxpayer that commits a tax offence in a force majeure event specified in Clause 27 Article 3 of this Law will be exempt from paying the fine. The total fine exempted shall not exceed the loss of assets or goods.
2. If the penalty imposition decision has been implemented, the fines will not be exempted.
3. The Government shall elaborate this Article.

Section 2. ADMINISTRATIVE TAX OFFENCES

Article 141. Violations against tax procedures

1. Violations against tax procedures:
 - a) Failure to meet the deadline for taxpayer registration; the deadline for notification of changes to taxpayer registration information;
 - b) Failure to submit the tax declaration dossier within 90 days from the deadline or extended deadline;
 - c) Failure to submit the tax declaration dossier within the period from deadline for submission of the customs declaration to the day on which abandoned goods are handled according to the Law on Customs;
 - d) Incorrect or insufficient provision of information in the tax dossier without decreasing the tax payable or increasing the tax eligible for remission, refund or cancellation, unless an supplementary documents are submitted by the deadline;
 - dd) Violations against regulations on provision of tax-related information;
 - e) Failure to comply with the administrative decision on tax inspection, tax audit, tax enforcement.

2. Administrative penalties shall not be imposed for violations against tax procedures in the following cases:

- a) The deadline for submission of the tax declaration dossier is extended;
- b) The individual who prepare the personal income tax statement himself/herself has refundable tax;
- c) Tax liability has been imposed upon a household business or individual business as prescribed in Article 51 of this Law.

3. The Government shall elaborate this Article.

Article 142. Understatement of tax payable or overstatement of tax eligible for refund, remission or cancellation

1. Understatement of tax payable and overstatement of tax eligible for refund, remission or cancellation include:

- a) The taxpayer incorrectly declares the basis for tax calculation or the deductible tax; the eligibility for tax remission or refund. However the transactions are fully recorded in legal accounting books, invoices and other documents;
- b) The figures in the taxpayer's market value determination documents or the declaration of related-party transactions are found incorrect by tax inspectors or tax auditors in a manner that results in Understatement of tax payable or overstatement of tax eligible for remission or refund;
- c) The taxpayer uses illegal invoices/documents or illegally uses invoices that lead to decrease in tax payable or increase in tax eligible for remission or refund but the buyer of goods/services under the illegal invoices is able to prove that the seller is at fault.

2. In any of the following cases, a taxpayer that understates the export/import duty payable or overstates the duty eligible for remission, refund or cancellation that is not mentioned in Clause 6 and Clause 7 Article 143 of this Law, in addition to making supplementation to the tax dossier, will have to fully pay tax, late payment interest and face administrative penalties:

- a) The taxpayer realizes the mistake and supplements the tax dossier after the customs authority has announced the physical inspection of customs documents of the goods

undergoing customs procedures, or after 60 days from the customs clearance date and before the customs authority issues the decision on post-clearance inspection or inspection of goods granted customs clearance;

b) The mistakes are discovered by the customs authority while the goods are undergoing customs procedures, during inspection of goods that have been granted customs clearance, or during post-clearance inspection and the violator has voluntarily paid the duty in full.

c) The violator has voluntarily paid the duty in full, in the cases other than those specified in Point a and Point b of this Clause.

3. Administrative penalties for tax offences will not be imposed if the taxpayer has supplemented the tax dossier and voluntarily paid the duty in full before the tax authority announces the decision on tax audit or tax inspection on the taxpayer's premises, or before the tax authority discovers the violations without a tax audit or tax inspection on the taxpayer's premises.

4. In case of exports and imports, penalties for administrative tax offences shall not be imposed. However, the taxpayer has to pay the outstanding duty and late payment interest in the following cases:

a) The taxpayer has supplemented the tax dossier before the customs authority announces the physical inspection of customs documents of the goods undergoing customs procedures;

b) The taxpayer supplements the tax dossier within 60 days from the date of customs clearance and before the customs authority issues a decision on post-clearance inspection or inspection of the goods granted customs clearance.

Article 143. Tax evasion

1. Failure to submit the application for taxpayer registration; failure to submit the tax declaration dossier or to submit the tax declaration within 90 days from the deadline or extended deadline for submission specified in this Law.

2. Failure to record the revenues relevant to calculation of tax payable in the accounting books.

3. Failure to issue invoices when selling goods/services as prescribed by law; write lower prices on the sale invoices than the actual prices.
4. Use of illegal invoices or illegal use of invoices for purchases in order to decrease the tax payable or increase the tax eligible for remission, deduction, refund or cancellation.
5. Use of documents that do not truthfully reflect the nature of the transactions or their values which leads to decrease in the tax payable or increase in the tax eligible for remission, refund or cancellation.
6. Incorrect declaration of exports or imports without making supplementation after customs clearance is granted.
7. Deliberate omission or incorrect declaration of export or import duty.
8. Collaboration with the consignor in evading import duty.
9. Repurposing of tax-free goods without informing the tax authority.
10. Carrying on business operation during the suspension period without informing the tax authority.
11. In the following cases, the penalties mentioned in Clause 1 Article 141 shall be imposed instead of penalties for tax evasion:
 - a) The taxpayer fails to submit the application for taxpayer registration; fails to submit the tax declaration dossier or submits the tax declaration after 90 days without incurring tax;
 - b) The taxpayer fails to submit the tax declaration dossier within 90 days after tax is incurred but has fully paid the tax, late payment interest before the tax authority announces the tax audit or tax inspection decision, or before the tax authority issues the record on late submission of the tax declaration dossier.

Article 144. Actions against violations committed by commercial banks and tax payment guarantors

1. The commercial bank that fails to transfer outstanding tax from the taxpayer's account to the state budget account at the request of the tax authority shall pay a fine equal to the outstanding tax, unless the taxpayer's account balance is not sufficient to fully pay the outstanding tax.

2. The guarantor that fails to fulfill the guarantor's obligations when the taxpayer fails to pay tax shall fulfill the taxpayer's obligations within the scope of the guarantee agreement.

Article 145. Actions against violations committed by relevant organizations and individuals in tax administration

1. The relevant organizations and individuals mentioned in Clause 4 Article 2 of this Law shall face administrative penalties or criminal prosecution, nature and severity of the violations, if they collaborate with taxpayers in tax evasion or refuse to implement tax enforcement decisions.

2. The relevant organizations and individuals mentioned in Clause 4 Article 2 of this Law shall face administrative penalties or criminal prosecution, nature and severity of the violations, if they fail to fulfill their obligations prescribed by this Law.

Article 146. Penalties for administrative violations against regulations on fees, charges and invoicing in tax administration

Penalties for administrative violations against regulations on fees, charges and invoicing in tax administration shall be imposed in accordance with regulations of the Government.

Chapter XVI

FILING OF COMPLAINTS, DENUNCIATIONS, LAWSUITS

Article 147. Complaints and denunciations

1. Taxpayers, other organizations and individuals are entitled to file complaints to competent authorities against an administrative decision or action of a tax authority or tax official if they think such decision or action violates their the lawful rights and interests.

2. Individuals are entitled to denounce violations against tax laws committed by taxpayers, tax officials, other organizations and individuals.

3. Complaints and denunciations shall be settled in accordance with regulations of law on complaints and denunciations.

Article 148. Filing lawsuits

Lawsuits against administrative decisions and actions of tax authorities and tax officials shall be filed in accordance with regulations of law on administrative proceedings.

Article 149. Responsibilities and entitlements of tax authorities in settlement of tax-related complaints

1. The tax authority that receives the complaint is entitled to request the plaintiff to provide supporting documents. If the plaintiff fails to provide such documents, the tax authority is entitled to reject the complaint.
2. The tax authority shall return the tax, late payment interest and fine incorrectly collected to the taxpayer or the third party within 15 days from the receipt of the handling decision from the complaint-settling authority.
3. If the case is complicated, the head of the complaint-settling authority shall consult with relevant organizations, in which case a counseling council shall be established. The counseling council shall vote under the majority rule. The voting result is the basis for the head of the tax authority to settle the complaint. The head of the tax authority shall make the final decision and take responsibility for such decision.

Chapter XVII

IMPLEMENTATION CLAUSES

Article 150. Addition of an Article to the Law No. 88/2015/QH13 on Accounting

Article 70a below is added after Article 70:

“Article 70a. Provision of tax services by tax agents

A tax agent may provide accounting services to microenterprises if at least one of its employees has the audit practitioner certificate.”

Article 151. Effect

1. This Law comes into force from July 01, 2020, except for the cases specified in Clause 2 of this Article.
2. Regulations on electronic documents and invoices of this Law come into force from July 01, 2022; organizations and individuals are recommended to apply regulations on electronic documents and invoices in this Law before July 01, 2022.
3. The Law on Tax administration No. 78/2006/QH11, which is amended by Law No. 21/2012/QH13, Law No. 71/2014/QH13 and Law No. 106/2016/QH13, ceases to be

effect from the effective date of this Law, except for the cases specified in Clause 1 Article 152 of this Law.

4. Pursuant to provisions of the Law and relevant laws, the Government shall provide for the application of regulations on tax collection of this Law to management of the collection of other state budget revenues, and application of regulations on tax administration to related-party transactions by related enterprises.

Article 152. Grandfather clause

1. Remission, cancellation of tax granted before July 01, 2020 shall be handled in accordance with the Law on Tax administration No. 78/2006/QH11, which is amended by the Law No. 21/2012/QH13, the Law No. 71/2014/QH13 and the Law No. 106/2016/QH13.

2. Tax debts that are owed before the end of June 30, 2020 shall be handled in accordance with this Law, except for the cases in Clause 1 of this Article.

This Law is ratified by the 14th National Assembly of Socialist Republic of Vietnam during its 7th session on June 13, 2019.

**PRESIDENT OF THE NATIONAL
ASSEMBLY**

Nguyen Thi Kim Ngan

THE NATIONAL

ASSEMBLY

Number: 13/2008/QH12

SOCIALIST REPUBLIC OF VIET NAM

Independence - Freedom -

Happiness

Ha Noi , June 03, 2008

LAW

ON VALUE-ADDED TAX

Pursuant to the 1992 Constitution of the Socialist Republic of Vietnam, which was amended and supplemented under Resolution No. [51/2001/QH10](#);
The National Assembly promulgates the Law on Value-Added Tax.

Chapter I

GENERAL PROVISIONS

Article 1. Governing scope

This Law provides for objects subject and not subject to value-added tax, taxpayers, tax bases, tax calculation methods, and tax credit and refund.

Article 2. Value-added tax

Value-added tax is a tax imposed on the added value of goods or services arising in the process from production, circulation to consumption.

Article 3. Taxable objects

Goods and services used for production, trading or consumption in Vietnam are subject to value-added tax, except those specified in Article 5 of this Law.

Article 4. Taxpayers

Taxpayers include organizations and individuals producing or trading in goods or services subject to value-added tax (below referred to as business establishments) and organizations and individuals importing goods subject to value-added tax (below referred to as importers).

Article 5. Non-taxable objects

1. Cultivation and husbandry products, and reared and fished aquatic products which have not yet been processed into other products or have been just preliminarily processed and sold by producing and fishing organizations and individuals, and products at the stage of importation.
2. Products which are animal breeds and plant varieties, including breeding eggs, breeding animals, seedlings, seeds, sperms, embryos and genetic materials.
3. Irrigation and drainage; soil ploughing and harrowing; dredging of intra-field canals and ditches for agricultural production; services of harvesting farm produce.
4. Salt products made of seawater, natural rock salt, refined salt and iodized salt.
5. State-owned residential houses sold by the State to current tenants.
6. Transfer of land use rights;

7. Life insurance, student insurance, insurance on domestic animals, insurance on plants and reinsurance.

8. Credit provision services; securities trading; capital transfer; derivative financial services, including interest-rate swap contracts, forward contracts, futures contracts, call or put options, foreign currency sales, and other derivative financial services as prescribed by law.

9. Healthcare and animal health services, including medical examination and treatment and preventive services for humans and domestic animals.

10. Public post and telecommunications and universal Internet services under the Governments programs.

11. Public services on sanitation and water drainage in streets and residential areas; maintenance of zoos, flower gardens, parks, street greeneries and public lighting; funeral services;

12. Renovation, repair and construction of cultural, artistic, public service and infrastructure works and residential houses for social policy beneficiaries, which are funded with peoples contributions or humanitarian aid.

13. Teaching and vocational training as provided for by law.

14. State budget-funded radio and television broadcasting.

15. Publication, import and distribution of newspapers, journals, specialized bulletins, political books, textbooks, teaching materials, law books, scientific-technical books, books printed in ethnic minority languages as well as propaganda postcards, pictures and posters, including those in the form of audio or visual tapes or discs or electronic data; money printing.

16. Mass transit by bus and tramcar.

17. Machinery, equipment and supplies which cannot be manufactured at home and need to be imported for direct use in scientific research and technological development activities; machinery, equipment, spare parts, special-purpose means of transport and supplies which cannot be manufactured at home and need to be imported for prospecting, exploring and developing oil and gas fields; aircraft, drilling platforms and ships which cannot be manufactured at home and need to be imported for the formation of enterprises fixed assets or which are hired from foreign parties for production and business activities or for lease.

18. Special-purpose weapons and military equipment for security and defense purposes.

19. Goods imported as humanitarian aid or non-refundable aid; gifts for state agencies, political organizations, socio-political organizations, socio-political-professional organizations, social organizations, socio-professional organizations or peoples armed forces units; donations or gifts for Vietnam-based individuals within the Government-prescribed quotas; belongings of foreign organizations and individuals within diplomatic immunity quotas; and personal effects within duty-free luggage quotas.

Goods and services sold to foreign organizations or individuals or international organizations for use as humanitarian aid, and non-refundable aid to Vietnam.

20. Goods transferred out of border gate or transited via the Vietnamese territory; goods temporarily imported for re-export; goods temporarily exported for re-import; raw materials imported for the production or processing of goods for export under contracts signed with foreign parties; goods and services traded between foreign countries and non-tariff areas and between non-tariff areas.

21. Technology transfer under the Law on Technology Transfer; transfer of intellectual property rights under the Law on Intellectual Property; computer software.

22. Gold imported in the form of bars or ingots which have not yet been processed into fine-art articles, jewelries or other products.

23. Exported products which are unprocessed mined resources or minerals as prescribed by the Government.

24. Artificial products used for the substitution of diseased peoples organs; crutches, wheelchairs and other tools used exclusively for the disabled.

25. Goods and services of business individuals who have a monthly income lower than the common minimum salary level applicable to domestic organizations and enterprises.

Establishments trading in non-taxable goods or services specified in this Article are not entitled to input value-added tax credit or refund, except the cases subject to the tax rate of 0% specified in Clause 1, Article 8 of this Law.

Chapter II

TAX BASES AND TAX CALCULATION METHODS

Article 6. Tax bases

Value-added tax bases include taxable price and tax rate.

Article 7. Taxable price

1. The taxable price is specified as follows:

a/ For goods and services sold by business establishments, the taxable price is the selling price exclusive of value-added tax. For excise tax-liable goods and services, the taxable price is the selling price inclusive of excise tax but exclusive of value-added tax;

b/ For imported goods, the taxable price is the border-gate import price plus import tax (if any) and excise tax (if any). The border-gate import price shall be determined under regulations on prices for calculating import tax;

c/ For goods and services used for barter, internal consumption or donation, the taxable price is the price for calculating value-added tax on goods and services of the same or equivalent kinds at the time of barter, consumption or donation;

d/ For asset lease, the taxable price is the rent exclusive of value-added tax;

In case of asset lease for which rents are paid periodically or in advance for a certain lease duration, the taxable price is the rent paid periodically or in advance, exclusive of value-added tax;

In case of hiring foreign machinery, equipment or means of transport which cannot be manufactured at home for sublease, the taxable price excludes the rent payable to the foreign party;

e/ For goods sold by mode of installment or deferred payment, the taxable price is the lump-sum selling price of such goods, exclusive of value-added tax, excluding the interest on installment or deferred payment;

f/ For goods processing, the taxable price is the processing remuneration exclusive of value-added tax;

g/ For construction and installation activities, the taxable price is the value of the handed-over work, work item or job, exclusive of value-added tax. If construction or installation activities do not cover materials, machinery or equipment, the taxable price is the construction or installation value, excluding the value of materials, machinery or equipment;

h/ For real estate trading, the taxable price is the real estate-selling price exclusive of value-added tax, excluding the charge for transferring land use rights or the land rent remittable into the state budget;

i/ For commission-enjoying goods or service trading agency and brokerage, the taxable price is the commission on these activities, exclusive of value-added tax;

j/ For goods and services for which payment documents indicating payment prices inclusive of value-added tax are used, the taxable price is determined according to the following formula:

$$\begin{array}{rcc} & & \text{Payment price} \\ & & \hline \text{Price exclusive} & & \text{goods or} \\ \text{of value-added} & & \text{service tax} \\ \text{tax} & = & 1 + \text{rate (\%)} \end{array}$$

2. Taxable prices of goods and services specified in Clause 1 of this Article include surcharges and additional charges to be enjoyed by business establishments.

3. Taxable prices are determined in Vietnam dong. In case taxpayers have foreign currency turnover, such turnover must be converted into Vietnam dong at the average exchange rate on the inter-bank foreign currency market, announced by the State Bank of Vietnam at the time turnover is generated, for the determination of taxable prices.

Article 8. Tax rates

1. The tax rate of 0% applies to exported goods and services, international transportation and goods and services not liable to value-added tax specified in Article 5 of this Law upon exportation, except cases of transfer of technologies or intellectual property rights abroad; offshore reinsurance services; credit provision, capital transfer and derivative financial services; post and telecommunications services; and exported

products which are unprocessed mined resources and minerals specified in Clause 23, Article 5 of this Law.

2. The tax rate of 5% applies to the following goods and services:

a/ Clean water for production and daily life;

b/ Fertilizers; ores for fertilizer production; insecticides, pesticides and plant and animal growth stimulators;

c/ Feeds for cattle, poultry and other domestic animals;

d/ Services of digging, embanking and dredging canals, ditches, ponds and lakes for agricultural production; growing, tending, and preventing pests and insects for, plants; preliminary processing and preservation of agricultural products;

e/ Unprocessed cultivation, husbandry and fishery products, except products specified in Clause 1, Article 5 of this Law;

f/ Preliminarily processed rubber latex; preliminarily processed turpentine; nets, main ropes and fibers for making fishing-nets;

g/ Fresh and live food; unprocessed forest products, except timber, bamboo shoots and products specified in Clause 1, Article 5 of this Law;

h/ Sugar; by-products in sugar production, including molasses, bagasse and sludge;

i/ Products made of jute, rush, bamboo, leaf, straw, coconut husks and shells and Eichhornia crassipes, and other handicrafts made of agricultural raw materials; preliminarily processed cotton; paper for newspaper printing;

j/ Special-purpose machinery and equipment for agricultural production, including ploughing machines, harrowing machines, rice-planting machines, seeding machines,

rice-plucking machines, reaping machines, combine harvesters, agricultural product harvesters, insecticide or pesticide pumps or sprayers;

k/ Medical equipment and instruments; medical cotton and bandage; preventive and curative medicines; pharmaco-chemistry products and pharmaceuticals used as raw materials for the production of curative and preventive medicines;

l/ Teaching and learning aids, including models, figures, boards, chalk, rulers, compasses, and equipment and tools exclusively used for teaching, research and scientific experiments;

m/ Cultural, exhibition, physical training and sports activities; art performances; film production; film import, distribution and screening;

n/ Children toys; books of all kinds, except books specified in Clause 15, Article 5 of this Law;

o/ Scientific and technological services under the Law on Science and Technology.

3. The tax rate of 10% applies to goods and services not listed in Clauses 1 and 2 of this Article.

Article 9. Tax calculation methods

Value-added tax calculation methods include value-added tax credit method and method of calculation of tax based directly on added value.

Article 10. Tax credit method

1. The value-added tax credit method is specified as follows:

a/ The payable value-added tax amount according to the tax credit method is the output value-added tax amount minus the creditable input value-added tax amount;

b/ The output value-added tax amount is the total amount of value-added tax on sold goods and services indicated in the added-value invoice;

c/ The creditable input value-added tax amount is the total value-added tax amount indicated in the added-value invoice on goods or service purchase and the document proving the payment of value-added tax on imported goods, and must satisfy the conditions specified in Article 12 of this Law.

2. The tax credit method applies to business establishments which fully observe regulations on accounting, invoices and documents as prescribed by the law on accounting, invoices and documents, and register to pay tax according to the tax credit method.

Article 11. Method of calculation of tax based directly on added value

1. The method of calculation of tax based directly on added value is specified as follows:

a/ The payable value-added tax amount according to the method of calculation of tax based directly on added value is the added value of sold goods or services multiplied by the value-added tax rate;

b/ The added value is the selling price of goods or services minus the purchase price of such goods or services.

2. The method of calculation of tax based directly on added value applies to the following cases:

a/ Business establishments and foreign business organizations and individuals without Vietnam-based resident establishments but having incomes generated in Vietnam that fail to fully observe regulations on accounting, invoices and documents;

b/ Gold, silver and gem trading activities.

Chapter III

TAX CREDIT AND REFUND

Article 12. Input value-added tax credit

1. Business establishments which pay value-added tax according to the tax credit method are entitled to input value-added tax credit as follows:

a/ Input value-added tax on goods or services used for the production or trading of goods or services subject to value-added tax may be wholly credited;

b/ For goods or services used for the production and trading of goods or services both subject and not subject to value-added tax, only the amount of input value-added tax on goods or services used for the production and trading of goods or services subject to value-added tax is creditable. The input value-added tax on fixed assets used for the production and trading of goods or services both subject and not subject to value-added tax may be wholly credited;

c/ The input value-added tax on goods or services sold to organizations or individuals that use humanitarian or non-refundable aid capital may be wholly credited;

d/ The input value-added tax arising in a month shall be declared and credited upon the determination of the payable tax amount of that month. In case a business establishment detects errors in the declared or credited input value-added tax amount, additional declaration and credit may be conducted; the maximum time limit for additional declaration and credit is 6 months from the time of detecting errors.

2. Conditions on a business establishment to be entitled to input value-added tax credit are specified as follows:

a/ Having an added-value invoice on goods or service purchase or a document proving the payment of value-added tax at the stage of importation;

b/ Having a via-bank payment document of purchased goods or services, except goods or services valued at under twenty million Vietnam dong upon each time of purchase;

c/ For exported goods and services, apart from the conditions specified at Points a and b of this Clause, the business establishment must also have a contract signed with a foreign party on goods sale or processing or service provision, a goods or service sale invoice, a via-bank payment document and a customs declaration.

Payment for exported goods or services by clearing between exported goods or services and imported goods or services or paying debts on behalf of the State is regarded as via-bank payment.

Article 13. Cases eligible for tax refund

1. Business establishments which pay value-added tax according to the tax credit method are entitled to value-added tax refund if, for three or more consecutive months, they have some input value-added tax amount not yet fully credited.

Business establishments having registered to pay value-added tax according to the tax credit method are entitled to tax refund if they have new investment projects and some amount of value-added tax on purchased goods or services used for investment not yet fully credited and the remaining tax amount of two hundred million Vietnam dong or more.

2. Business establishments which export goods or services in a month are entitled to value-added tax refund on a monthly basis if they have a non-credited input value-added tax amount of two hundred million Vietnam dong or more.

3. Business establishments which pay value-added tax according to the tax credit method are entitled to value-added tax refund if upon ownership transformation, enterprise transformation, merger, consolidation, separation, split, dissolution, bankruptcy or operation termination, they have an overpaid value-added tax amount or have some input value-added tax amount not yet fully credited.

4. Business establishments possessing value-added tax refund decisions issued by competent agencies as provided for by law, and cases eligible for value-added tax refund under treaties to which the Socialist Republic of Vietnam is a contracting party.

Article 14. Invoices and documents

1. Goods and service purchase and sale must be accompanied by invoices and documents according to law and the following regulations:

a/ Business establishments which pay value-added tax according to the tax credit method shall use added-value invoices; such an invoice must be filled in fully and properly, displaying all surcharges and additional charges (if any). In case value-added tax-subject goods or services are sold with added-value invoices that do not indicate value-added tax amounts, the output value-added tax shall be determined to be the payment price indicated in the invoice multiplied by the value-added tax rate, except cases specified in Clause 2 of this Article;

b/ Business establishments which pay tax according to the method of calculation of tax based directly on added value shall use sale invoices.

2. For stamps and tickets which are payment documents pre-printed with payment prices, those prices are inclusive of value-added tax.

Chapter IV

IMPLEMENTATION PROVISIONS

Article 15. Implementation effect

1. This Law takes effect on January 1, 2009.
2. This Law replaces the following laws:
 - a/ The 1997 Law on Value-Added Tax;
 - b/ Law No. **07/2003/QH11** Amending and Supplementing a Number of Articles of the Law on Value-Added Tax;
3. To annul Article 2 of Law No. **57/2005/QH11** Amending and Supplementing a Number of Articles of the Law on Excise Tax and the Law on Value-Added Tax.

Article 16. Implementation guidance

The Government shall detail and guide the implementation of Articles 5, 7, 8, 12 and 13 and other necessary contents of this Law to meet management requirements.

This Law was passed on June 3, 2008, by the 12th National Assembly of the Socialist Republic of Vietnam at its third session.

CHAIRMAN

(Signed)

Nguyen Phu Trong

NATIONAL ASSEMBLY

SOCIALIST REPUBLIC OF VIETNAM

Independence - Freedom - Happiness

Law No. [31/2013/QH13](#)

Hanoi, June 19, 2013

LAW

ON AMENDMENTS TO THE LAW ON VALUE-ADDED TAX

Pursuant to the Constitution of Socialist Republic of Vietnam 1992, amended in the Resolution No. [51/2001/NQ-QH10](#) bổ sung điều của Hiến pháp nước cộng hòa xã hội chủ nghĩa Việt Nam năm 1992">51/2001/QH10;

The National Assembly promulgates the Law on amendments to the Law on Value-added tax No. [13/2008/QH12](#).

Article 1. Amendments to the Law on Value-added tax:

1. Clauses 4, 7, 8, 11, 15, 17, 23 and 25 of Article 5 are amended as follows:

“4. Salt products made of seawater, natural rock salt, refined salt, iodized salt of which the primary constituent is sodium chloride (NaCl).”

“7. Life insurance, health insurance, insurance for students, other insurances related to humans, insurance for animals, insurance for plants, other agricultural insurances; insurance for boats, ships, and other equipment necessary for fisheries; reinsurance.

8. The financial, banking, and securities services below:

a) Credit services include: loaning, discounting or rediscounting negotiable instruments and other valuable papers; guarantee; finance lease; domestic factoring; international factoring; other credit services according to law;

b) Loaning services provided by taxpayers that are not credit institutions;

c) Securities services include: securities brokerage; proprietary trading of securities; guaranteeing securities issuance; securities investment consultancy; securities depository; management of securities investment fund; management of securities investment portfolio; market organization services of Stock Exchanges or Securities trading centers; other securities services according to the laws on securities;

d) Capital transfers include: transferring part or the whole invested capital, including selling an enterprise to another enterprise; other forms of capital transfers according to law.

dd) Selling debts;

e) Trading in foreign currencies;

g) Derivative financial services include: swapping interest rates; forward contracts, futures contracts, foreign-exchange options; other derivative financial services according to law;

h) Selling collateral for loans taken by organizations of which 100% of charter capital is possessed by the State, which are established by the Government to settle bad debts of Vietnamese credit institutions.”

“11. Maintenance of zoos, parks, urban trees, public lighting; funeral services.”

“15. Publishing, importing, issuing newspapers, magazines, academic journals, political books, text books, law books, science – technology books, books in ethnic languages,

printing propagating pictures and banners, including audio, video tapes, discs, or computer files; money, money printing.”

“17. Machinery, equipment, parts, and materials that cannot be produced at home and need to be imported to serve scientific research, technological development; machinery, equipment, parts, specialized vehicles, and materials that cannot be produced at home and need to be imported to serve petroleum exploration; airplanes, oil rigs, and ships that cannot be produced at home and must be imported to form fixed assets, or need to be hired from foreign partners to serve production, business, or to lease back.

“23. Production of exports that are resources and minerals that are not processed into other products.”

“25. Goods and services provided by business households and individuals that earn annual revenue of less than 100 million VND.

The business establishments that sell the goods and services that are not subject to VAT in this Article shall not deduct input VAT or receive input VAT refund, except for the cases to which the tax rate of 0% applies that are defined in Clause 1 Article 8 of this Law.”

2. Points a, b, and d Clause 1 of Article are amended as follows:

“a) Taxable prices of goods and services are VAT-exclusive prices; taxable prices of goods and services subject to special excise duty are the prices inclusive of subscriber information and exclusive of VAT; taxable prices of goods subject to environmental protection tax are prices inclusive of environmental protection tax and exclusive of VAT; taxable prices of goods subject to special excise duty and environmental protection tax are prices inclusive of special excise duty and environmental protection tax and exclusive of VAT;

b) Taxable prices of imported goods are prices at the border checkpoint plus import tax (if any) plus special excise duty (if any) plus environmental protection tax (if any). Import prices at the border checkpoint shall be determined in accordance with the regulations on taxable prices of imported goods;”

“d) Taxable prices of the lease of property are the rents exclusive of VAT.

If the rent is paid in instalments or paid in advance for a certain period of time, the taxable price is the instalment or the advanced payment exclusive of VAT;”

3. Clause 1 of Article 8 is amended; Point q is added to Clause 2 of Article 8 as follows:

“1. The tax rate of 0% is applicable to exported goods and services, international transport, goods and services that are not subject to VAT according to Article 5 of this Law when they are exported, except for the cases below:

a) Transferring technologies, transferring intellectual property rights abroad;

b) Reinsurance abroad;

c) Credit services;

d) Capital transfer;

dd) Derivative financial services;

e) Telecommunications and postal services;

g) Exported products being resources or minerals that are no processed into other products according to Clause 23 Article 5 of this Law.

Exported goods and services being sold outside Vietnam, in non-tariff zones; goods and services provided for foreigners according to the Government’s regulations.”

“2. The tax rate of 5% is applicable to:

q) Sale, lease, and hire purchase of social housing according to the Law on Housing.”

4. Article 10 is amended as follows:

“Article 10. Tax deduction method

1. VAT shall be deducted as follows:

a) The amount of VAT payable by deduction method is equal to the amount of output VAT minus the deductible input VAT;

b) The amount of output VAT is equal to the total VAT on sold goods and services, which is written on the VAT invoice.

VAT on sold goods and services written on the VAT invoice is equal to the taxable prices of goods and services multiplied by the rate of VAT on such goods and services.

If the paid price written on the invoice is inclusive of VAT, the output VAT shall equal the paid price minus VAT defined in Point k Clause 1 Article 7 of this Law;

c) The amount of deductible input VAT is equal to the total amount of VAT written on the VAT invoice, the VAT bill of imported goods, and must satisfy the conditions in Article 12 of this Law.

2. The deduction method is applicable to the business establishments that comply with the regime for accounting and invoicing according to the laws on accounting and invoicing, including:

a) Business establishments that earn annual revenue of at least 1 billion VND from goods sale, except for business households and individuals;

b) Business establishments that voluntarily employ the deduction method, except for business households and individuals.

3. The Government shall elaborate this Article.”

5. Article 11 is amended as follows:

“Article 11. Method of direct calculation on value added

1. The amount of VAT payable according to direct calculation on value added equals the value added multiplied by the rate of VAT on the trade and crafting of gold, silver, and gems.

Value added of gold, silver and gems are equal to the sale prices of the gold, silver and gems minus the purchase prices of gold, silver and gems.

2. Application of VAT according to direct calculation on value added, which equals to the percentage multiplied by revenue:

a) Subjects of application:

- Enterprises and cooperatives of which the annual revenue is less than 1 billion VND, except for enterprises and cooperatives that voluntarily employ the deduction method according to Clause 2 Article 10 of this Law;

- Business households and individuals;

- The foreign organizations and individuals, which/who do not have permanent establishments in Vietnam but earn revenues in Vietnam, that do not comply with the accounting regime, except for foreign organizations and individuals that provide goods and services that serve petroleum exploration and extraction and have their tax deducted and paid by the Vietnamese party;

- Other economic organizations, except for the organizations that voluntarily employ the deduction method in Clause 2 Article 10 of this Law;

b) The percentage (%) for calculating VAT:

- Goods supply and distribution: 1%;

- Construction without materials: 5%;

- Production, transport, and services associated with goods, construction that includes materials: 3%;

- Other businesses: 2%.”

6. Article 12 is amended as follows:

“Article 12. Deduction of input VAT

1. Business establishments that employ the deduction method shall deduct the input VAT as follows:

a) Input VAT on goods and services used for the production and sale of goods and services subject to VAT is completely deductible, including input VAT that is not compensated of damaged goods and services subject to VAT;

b) For goods and services used for the production and sale of both taxable and non taxable goods and services, only input VAT on the goods and services used for the production and sale of taxable goods and services is deductible. Deductible input VAT must be separated from non-deductible VAT; if they are not separated, the deductible input VAT shall be calculated by the percentage of revenue from goods and services subject to VAT to the total revenue from sold goods and services;

c) Input VAT on goods and services sold to organizations and individuals that use humanitarian aid or non-refundable aid is completely deductible;

d) Input VAT on goods and services used for petroleum exploration and extraction is completely deductible;

dd) Input VAT that arises in a month shall be declared and deducted when calculating the tax payable in that month. When business finds that the input VAT is declared or deducted incorrectly, it may be rectified before the tax authority issues a decision on tax inspection at the premises.

2. Required papers for input VAT deduction:

a) Sale invoices or receipts of tax payment at the importation stage;

b) There are receipts of non-cash payments for purchased goods and services, except for the purchases below 20 million VND;

c) Required papers for exported goods and services apart from the papers in Point a and Point b of this Clause: a contract sign with a foreign partner to sell, process goods or provide services; sale invoices; receipts of non-cash payments; customs declarations of exported goods.

The payment for exported goods and services by offsetting the exported goods and services against the imported goods and services and repayment of debts on behalf of the State is considered non-cash payments.”

7. Article 13 is amended as follows:

“Article 13. Cases of tax refund

1. When the input VAT of a business establishment that uses the deduction method is not completely deducted in the month or in the quarter, it shall be deducted in the next period; if the input VAT is not completely deducted after at least 12 months or 4

quarters from the month or the quarter in which the undeducted VAT arises, the business establishment shall receive a tax refund.

When a business establishment that uses the deduction method has a new project of investment, the VAT on goods and services purchased during the investment is not deducted, and the remaining tax is 300 million VND or higher, the establishment shall receive a tax refund.

2. When the undeducted VAT on exported goods and services of a business establishment reaches 300 million VND in the month or the quarter, the establishment shall receive a VAT refund by the month or quarter.

3. The business establishment that uses the deduction method shall receive a refund of the surplus VAT or the VAT that is not completely deducted when the ownership is change, or when the enterprise is converted, merged, amalgamated, divided, dissolved, bankrupt, or shut down.

4. Foreigners and Vietnamese people residing abroad who have passports or entry papers issued by foreign competent authorities shall receive refunds of tax on goods purchased in Vietnam and brought abroad.

5. Refund of VAT for programs/projects using non-refundable ODA, non-refundable aid, or humanitarian aid:

a) The leader of the program/project or the main contractor, the organization appointed by the foreign sponsor to manage the program/project shall receive a refund of VAT on the goods and services purchased in Vietnam to serve the program/project;

b) The organizations in Vietnam that use non-refundable aid or humanitarian aid provided by foreign organizations and individuals to purchases goods and services to serve the program/project shall receive a refund of the tax on such goods and services.

6. A subject eligible for diplomatic immunity who purchases goods and services in Vietnam shall receive a refund of the VAT on the VAT invoice or the receipt that indicates the VAT-inclusive price.

7. The business establishments that receives the decisions on VAT refunds from competent authorities, and the cases of VAT refunds according to the International Agreements to which the Socialist Republic of Vietnam is a signatory.”

Article 2.

1. This Law takes effect on January 01, 2014, except from Clause 2 and Clause 3 of this Article.

2. The regulations on the tax rate of 5% on the sale, lease, and hire purchase of social housing in Clause 3 Article 1 of this Law takes effect on July 01, 2013.

3. The 10% VAT on the sale, lease, and hire purchase of commercial housing, which is finished apartments smaller than 70 m² that are sold at below 15 million VND/m², shall be reduced by 50% from July 01, 2013 until the end of June 30, 2014.

4. The Government shall elaborate and provide guidance on the implementation of this Law.

This Law is passed by the 13th National Assembly of Socialist Republic of Vietnam in the 5th session on June 19, 2013

PRESIDENT OF THE NATIONAL ASSEMBLY

Nguyen Sinh Hung

THE NATIONAL ASSEMBLY	LAW	SOCIALIST REPUBLIC OF VIET NAM
Number: 71/2014/QH13	Amending and Supplementing a Number of Articles of the Laws on Taxes	Independence - Freedom - Happiness <i>Ha Noi , November 26, 2014</i>

Pursuant to the Constitution of the Socialist Republic of Vietnam;

The National Assembly promulgates the Law Amending and Supplementing a Number of Articles of Law No. 14/2008/QH12 on Enterprise Income Tax, which was amended and supplemented under Law No. 32/2013/QH13; Law No. 04/2007/QH12 on Personal Income Tax, which was amended and supplemented under Law No. 26/2012/QH13; Law No. 13/2008/QH12 on Value-Added Tax, which was amended and supplemented under Law No. 31/2013/QH13; Law No. 45/2009/QH12 on Royalties; Law No. 78/2006/QH11 on Tax Administration, which was amended and supplemented under Law No. 21/2012/QH13; Law No. 27/2008/QH12 on Excise Tax, Law No. 45/2005/QH11 on Export Duty and Import Duty, and Law No. 54/2014/QH13 on Customs.

Article 1.

To amend and supplement a number of articles of Law No. 14/2008/QH12 on Enterprise Income Tax, which was amended and supplemented under Law No. 32/2013/QH13.

1. To amend and supplement Clause 2, Article 3 as follows:

“2. Other incomes include income from the transfer of capital or transfer of the capital-contributing rights; income from the transfer of real estate, transfer of investment projects, transfer of the right to participate in investment projects or transfer of the right to explore, exploit and process minerals; income from asset use rights or asset ownership rights, including income from intellectual property rights in accordance with law; income from the transfer, lease or liquidation of assets, including also valuable papers; income from interest on deposits, loans provided or foreign currencies sold; revenue from written-off bad debts which are now recovered; revenue from debts owed to unidentified creditors; omitted income from business activities of previous years, and other incomes.

Vietnamese enterprises that are engaged in offshore investment activities and remit their incomes to Vietnam after paying enterprise income tax in foreign countries shall comply with the double taxation avoidance agreements concluded between Vietnam and such countries, for foreign countries with which Vietnam has concluded double taxation avoidance agreements. For foreign countries with which Vietnam has not yet concluded any double taxation avoidance agreement, if the enterprise income tax rate applicable in a country from which incomes are remitted to Vietnam is lower than that prescribed by the Vietnamese law on enterprise income tax, only difference must be collected.”

2. To amend and supplement Clause 1, Article 4 as follows:

“1. Cooperatives’ incomes from cultivation, husbandry, agricultural and aquatic product processing and salt production; incomes from agricultural, forestry, fishing and salt production of cooperatives operating in areas with difficult or extremely difficult socio-economic conditions; enterprises’ incomes from cultivation, husbandry, agricultural and aquatic product processing carried out in areas with extremely difficult socio-economic conditions; and incomes from marine fishing.”

3. To amend and supplement Point a, Clause 1, Article 9 as follows:

“a/ Actual expenses related to the enterprise’s production and business activities; expenses paid for vocational training activities; expenses paid for the performance of the enterprise’s national defense and security tasks in accordance with law;”

4. To annul Point m, Clause 2, Article 9.

5. To add the following Points dd and e to Clause 1, Article 13:

“dd/ Enterprises’ incomes from the implementation of new investment projects to manufacture products on the list of products of support industries prioritized for development that fall into one of the following categories:

- Products of support industries for high technologies provided in the Law on High Technologies;

- Products of support industries for the manufacture of products of textile and garment, leather and footwear and electronic and informatics industries; automobile manufacture and assembly; and mechanical engineering, which cannot be manufactured in the country or can be manufactured in the country but must meet the European Union technical standards or equivalent standards by January 1, 2015.

The Government shall promulgate the list of products of support industries prioritized for development specified in this Clause;

e/ Enterprises’ incomes from the implementation of investment projects in the manufacturing fields, except projects to produce goods liable to excise tax and mining projects, which are capitalized at twelve trillion Vietnam dong or more, use technologies subject to appraisal under the Law on High Technologies and the Law on Science and Technology, are planned to disburse their total registered capital amounts within five years from the date of investment licensing under the investment law.”

6. To amend and supplement Point d, Clause 2, Article 13 as follows:

“d/ Enterprises’ incomes from planting, tending and protecting forests; farming and processing agricultural and aquatic products in areas with difficult socio-economic conditions; farming and rearing forest products in areas with difficult socio-economic conditions; producing, propagating and hybridizing plant varieties and animal breeds; producing, exploiting and refining salt, except salt production prescribed in Clause 1, Article 4 of this Law; and investing in the post-harvest preservation of agricultural products and preservation of agricultural and aquatic products and food;”

7. To add the following Clause 3a to Clause 3, Article 13:

“3a. To apply the tax rate of 15% to enterprises’ incomes from cultivation, husbandry and processing of agricultural and aquatic products carried out outside areas with difficult or extremely difficult socio-economic conditions.”

8. To amend and supplement Clause 5, Article 13 as follows:

“5. The extension of the period of application of preferential tax rates is provided as follows:

a/ For large-sized hi-tech projects which need special investment attraction, the period of application of preferential tax rates may be extended for not more than fifteen years;

b/ Projects specified at Point e, Clause 1 of this Article must meet one of the following criteria:

- Manufacturing products that are globally competitive, earning an annual turnover of over 20 trillion Vietnam dong within five years from the first year of turnover

generation;

- Regularly employing over six thousand workers;

- Investment projects in the field of economic and technical infrastructure, including development investment in water plants, power plants, water supply and drainage system, bridges, roads, railways, airports, seaports, river ports, air terminals, railway stations, new energies, clean energies, energy-efficient industries, and petrochemical projects.

The Prime Minister may decide on the extension of the period of application of preferential tax rates specified at this Point for not more than fifteen years.”

9. To amend and supplement Clause 3, Article 2 of Law No. 32/2013/QH13 as follows:

“3. Enterprises having investment projects are entitled to enterprises income tax preferences under the enterprise income tax law applicable at the time of grant of investment licenses or certificates under the investment law. In case the enterprise income tax law is revised and an enterprise meets the tax preference conditions set by the new law, such enterprise may choose to enjoy the preferential tax rate and tax exemption and reduction periods prescribed by the law applicable at the time of licensing or the new law for the remaining period.

By the end of the 2015 tax period, if an enterprise having investment projects eligible for the preferential tax rate of 20% prescribed in Clause 3, Article 13 of Law No. 14/2008/QH12 on Enterprise Income Tax, which was amended and supplemented under Law No. 32/2013/QH13, it may apply the tax rate of 17% for the remaining period from January 1, 2016.”

Article 2.

To amend and supplement a number of articles of Law No. 04/2007/QH12 on Personal Income Tax, which was amended and supplemented under Law No. 26/2012/QH13.

1. To amend and supplement Clause 1, Article 3 as follows:

“1. Incomes from business activities, including:

a/ Incomes from goods production or trading or service provision;

b/ Incomes from independent professional activities of individuals possessing practice licenses or certificates in accordance with law.

Incomes from business activities specified in this Clause exclude incomes of businesspeople who have an annual turnover of 100 million Vietnam dong or less.”

2. To amend and supplement Point c, Claus 6, Article 3 as follows:

“c/ Betting winnings;”

3. To add the following Clauses 15 and 16 to Article 4:

“15. Incomes from salaries or wages of Vietnamese crewmembers working for foreign shipping companies or Vietnamese shipping companies engaged in international transportation.

16. Incomes of individual shipowners, individuals having the right to use ships and people working on board ships from the provision of goods and services to directly serve offshore fishing activities.”

4. To amend and supplement Article 10 as follows:

“Article 10. Tax applicable to businesspeople

1. Businesspeople shall pay personal income tax calculated as a certain percentage of turnover in each field, industry or business line.

2. Turnover means total sales, processing remuneration, commissions, service provision charges generated in a tax period from goods production and trading or service provision.

In case businesspeople cannot identify their turnover, a competent tax agency shall predetermine turnover in accordance with the tax administration law.

3. Tax rates:

a/ Goods distribution and supply: 0.5%;

b/ Services and construction activities without supply of raw materials and materials: 2%.

Particularly for asset lease, insurance agency, lottery agency and multi-level marketing agency: 5%;

c/ Production, transportation and services associated with goods, construction activities involving supply of raw materials and materials: 1.5%;

d/ Other business activities: 1%.”

5. To amend Article 13 as follows:

“Article 13. Taxable incomes from capital transfer

1. A taxable income from capital transfer is determined to be equal to the selling price minus the buying price and reasonable expenses related to the generation of income from capital transfer.

For securities transfer, a taxable income is determined to be the transfer price for each transfer.

2. Time of determination of a taxable income from capital transfer is the time when the capital transfer transaction is completed in accordance with law.

The Government shall detail and guide the implementation of this Article.”

6. To amend and supplement Article 14 as follows:

“Article 14. Taxable incomes from real estate transfer

1. A taxable income from real estate transfer is determined to be the transfer price for each transfer.
2. The Government shall stipulate principles and methods of determination of real estate transfer price.
3. Time of determination of a taxable income from real estate transfer is the time when the transfer contract becomes effective in accordance with law.”

7. To amend and supplement Clause 2, Article 23 as follows:

“2. The whole income tariff is prescribed as follows:

Taxable incomes	Tax rate (%)
a/ Incomes from capital investment	5
b/ Incomes from copyright, commercial franchising	5
c/ Incomes from prizes	10
d/ Incomes from inheritances, gifts	10
dd/ Incomes from capital transfer specified in Clause 1, Article 13 of this Law	20
Incomes from securities transfer specified in Clause 1, Article 13 of this Law	0.1
e/ Incomes from real estate transfer	2

Article 3.

To amend and supplement a number of articles of Law No. [13/2008/QH12](#) on Value-Added Tax, which was amended and supplemented under Law No. [31/2013/QH13](#).

1. To add the following 3a to Clause 3, Article 5:

“3a. Fertilizers; machinery, special-use equipment for agricultural production; offshore fishing vessels; and feeds for cattle, poultry and other domestic animals;”

2. To amend and supplement Point b, Clause 2, Article 8 as follows:

“b/ Ores for fertilizer production; pesticides and plant and animal growth stimulants;”

3. To annul Points c and k, Clause 2, Article 8.

Article 4.

To amend and supplement a number of articles of Law No. [45/2009/QH12](#) on Royalties.

1. To amend and supplement Clause 7, Article 2 as follows:

“7. Natural water, including surface water and ground water, except natural water used for agriculture, forestry, fishery and salt production.”

2. To amend and supplement Clause 5, Article 9 as follows:

“5. Royalties are exempted for natural water exploited by households and individuals for daily-life use.”

Article 5.

To amend and supplement a number of articles of Law No. [78/2006/QH11](#) on Tax Administration, which was amended and supplemented under Law No. [21/2012/QH13](#).

1. To amend and supplement Clauses 1, 1a and 6, Article 31 as follows:

“1. For taxes declared and paid on a monthly basis, a tax declaration dossier is a monthly tax return;

1a. For taxes declared and paid on a quarterly basis, a tax declaration dossier is a quarterly tax return;”

“6. The Government shall provide taxes subject to monthly, quarterly or annual declaration, quarterly declaration for temporary calculation, declaration upon each time of arising of tax liability, and tax finalization declaration; criteria for identification of taxpayers to make quarterly tax declaration and tax declaration dossier on a case-by-case basis.”

2. To amend and supplement Article 43 as follows:

“Article 43. Currency for determination of turnover, expenses, taxable prices and taxes to be remitted into the state budget

Taxpayers shall determine turnover, expenses, taxable prices and taxes to be remitted into the state budget in Vietnam dong, except cases of tax payment in foreign currencies under the Government’s regulations. In case turnover is generated, expenses and taxable prices are paid in foreign currencies or taxpayers are obliged to pay taxes in foreign currencies but permitted by competent authorities to pay taxes in Vietnam dong, taxpayers shall convert foreign currencies into Vietnam dong at actual exchange rates applicable at the time of arising of such foreign-currency amounts.

The Government shall detail and guide this Article.”

3. To add the following Clause 11 to Article 7:

“11. Based on the practical situation and information technology conditions, the Government shall specify cases in which taxpayers are not required to submit

documents in tax payment declaration, tax refund and other tax-related dossiers which state management agencies have on hand.”

4. To amend and supplement Clause 1, Article 106 as follows:

“1. A taxpayer that pays tax after the prescribed time limit or extended time limit for tax payment or the time limit stated in the notice or handling decision of a tax administration agency shall fully pay tax amounts and late payment interest at the rate of 0.05% of the late paid tax amount per each day of late payment.

For taxpayers that supply goods or services to be paid with the state budget, if they fail to pay tax on time because they have not yet received any payments from the state budget, they do not have to pay late payment interests for owed tax amounts, which must not exceed the amounts not yet paid from the state budget.”

Article 6.

1. This Law takes effect on January 1, 2015.

2. To annul provisions on exchange rates for determination of turnover, expenses, taxable prices, taxable incomes, taxed incomes and taxes to be remitted into the state budget in:

a/ Article 8 and Clause 3, Article 9 of Law No. [14/2008/QH12](#) on Enterprise Income Tax, which was amended and supplemented under Law No. [32/2013/QH13](#);

b/ Clause 1, Article 6 of Law No. [04/2007/QH12](#) on Personal Income Tax, which was amended and supplemented under Law No. [26/2012/QH13](#);

c/ Clause 3, Article 7 of Law No. [13/2008/QH12](#) on Value-Added Tax, which was amended and supplemented under Law No. [31/2013/QH13](#);

d/ Article 6 of Law No. [27/2008/QH12](#) on Excise Tax;

dd/ Clause 3, Article 9 and Article 14 of Law No. [45/2005/QH11](#) on Export Duty and Import Duty;

e/ Clause 4, Article 86 of Law No. [54/2014/QH13](#) on Customs.

3. To annul Point c, Clause 1, Article 49 of Law No. [78/2006/QH11](#) on Tax Administration, which was amended and supplemented under Law No. [21/2012/QH13](#).

4. To annul provisions on determination of tax applicable to businesspeople specified in Clause 1, Article 19; Clause 1, Article 20; and Clause 1, Article 21 of Law No. [04/2007/QH12](#) on Personal Income Tax, which was amended and supplemented under Law No. [26/2012/QH13](#).

5. The Government and competent agencies shall detail articles and clauses in this Law as assigned.

This Law was passed on November 26, 2014, by the XIIIth National Assembly of the Socialist Republic of Vietnam at its 8th session.

CHAIRMAN

(Signed)

Nguyen Sinh Hung

THE NATIONAL
ASSEMBLY

THE SOCIALIST REPUBLIC OF VIETNAM
Independence - Freedom - Happiness

No. 106/2016/QH13

LAW

**Amending and Supplementing a Number of Articles of the Law on Value-Added Tax,
the Law on Excise Tax and the Law on Tax Administration**

Pursuant to the Constitution of the Socialist Republic of Vietnam;

The National Assembly promulgates the Law Amending and Supplementing a Number of Articles of Law No. 13/2008/QH12 on Value-Added Tax which was amended and supplemented under Law No. 31/2013/QH13, Law No. 27/2008/QH12 on Excise Tax which was amended and supplemented under Law No. 70/2014/QH13, and Law No. 78/2006/QH11 on Tax Administration which was amended and supplemented under Law No. 21/2012/QH13 and Law No. 71/2014/QH13.

Article 1

To amend and supplement a number of articles of Law No. 13/2008/QH12 on Value-Added Tax which was amended and supplemented under Law No. 31/2013/QH13 as follows:

1. To amend Clauses 1, 9 and 23, Article 5 as follows:

“1. Cultivation and husbandry products, and reared and fished aquatic products which have not yet been processed into other products or have been just preliminarily

processed and sold by producing and fishing organizations and individuals, and products at the stage of importation.

Enterprises and cooperatives that purchase cultivation and husbandry products, and reared and fished aquatic products which have not yet been processed into other products or have been just preliminarily processed for sale to other enterprises and cooperatives are not required to declare, calculate and pay value-added tax, and may have input value-added tax credited.”

“9. Healthcare and animal health services, including medical examination and treatment and preventive services for humans and domestic animals; and healthcare services for the elderly and disabled.”

“23. Exported products which are mined natural resources or minerals not yet processed into other products; or which are goods processed from mined natural resources and minerals with the total value of natural resources and minerals plus energy cost accounting for at least 51% of the product costs.”

2. To amend and supplement Point g, Clause 1, Article 8 as follows:

“g/ Exported products prescribed in Clause 23, Article 5 of this Law.

Exported goods and services are goods and services used outside Vietnam and in non-tariff areas; and goods and services supplied to foreign customers under the Government’s regulations.”

3. To amend and supplement Clauses 1 and 2, Article 13 as follows:

“1. A business establishment that pays value-added tax according to the tax credit method and has the input value-added tax amount not yet fully credited in a month or a quarter may have such tax credited in the next period.

A business establishment that has registered to pay value-added tax according to the tax credit method shall be entitled to tax refund if it has a new project currently in the investment phase and has an amount of value-added tax on purchased goods or services used for investment not yet credited while the remaining tax amount is VND 300 million or more.

A business establishment shall not be entitled to value-added tax refund but may carry forward the value-added tax amount not yet credited under its investment projects to the next period under the investment law if:

a/ The investment project fails to have sufficient charter capital as registered; the business establishment conducts conditional business investment lines but fails to fully satisfy the business conditions prescribed in the Investment Law or fails to maintain business conditions during its operation;

b/ The investment project on mining natural resources and minerals is licensed on or after July 1, 2016, or the investment project on product or goods production with the total value of natural resources and minerals plus energy cost accounting for at least 51% of the product costs.

The Government shall prescribe in detail this Clause.

2. A business establishment that exports goods or services in a month or quarter shall be entitled to value-added tax refund on a monthly or quarterly basis if it has a non-credited input value-added tax amount of VND 300 million or more, except goods imported for export or goods for export but not exported in customs operation areas under the Customs Law. Taxpayers that produce exported goods and do not violate the tax or customs law during 2 consecutive years and taxpayers that are not prone to high risks under the Law on Tax Administration shall be entitled to tax refund before customs inspection.”

Article 2

To amend and supplement a number of articles of Law No. 27/2008/QH12 on Excise Tax which was amended and supplemented under Law No. 70/2014/QH13 as follows:

1. To amend and supplement Clauses 1 and 2, Article 6 as follows:

“1. For domestically produced goods and imported goods, it is the selling price set by the producer or the importer.

In case excise tax-liable goods are sold to commercial business establishments that have the parent company-subsidiary relationship or are subsidiaries of the same parent company with the producer or importer, or sold to commercial business establishments that have association relationships, the excise taxed price must not be lower in a certain percentage than the average selling price set by commercial business establishments that directly buy goods from the producer or importer under the Government’s regulations;

For imported goods at the stage of importation, it is the import-duty calculation price plus the import duty. For imported goods eligible for import duty exemption or reduction, it is exclusive of the exempted or reduced import duty amount. For imported excise tax-liable goods, the excise tax amount already paid at the stage of importation shall be deducted when determining the amount of payable excise tax on the goods sold;”

2. To amend and supplement Clause 4, Section I of the Excise Tariff specified in Article 7 as follows:

No.	Goods or services	Tax rate (%)
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4	Under-24 seat cars	
	a/ Passenger cars of 9 seats or fewer, except those specified at Points 4dd, 4e and 4g of the Tariff provided in this Article	
	- Of a cylinder capacity of 1,500 cm ³ or less	
	+ From July 1, 2016, through December 31, 2017	40
	+ From January 1, 2018	35
	- Of a cylinder capacity of between over 1,500 cm ³ and 2,000 cm ³	
	+ From July 1, 2016, through December 31, 2017	45
	+ From January 1, 2018	40
	- Of a cylinder capacity of between over 2,000 cm ³ and 2,500 cm ³	50
	- Of a cylinder capacity of between over 2,500 cm ³ and 3,000 cm ³	

	+ From July 1, 2016, through December 31, 2017	55
	+ From January 1, 2018	60
	- Of a cylinder capacity of between over 3,000 cm ³ and 4,000 cm ³	90
	- Of a cylinder capacity of between over 4,000 cm ³ and 5,000 cm ³	110
	- Of a cylinder capacity of between over 5,000 cm ³ and 6,000 cm ³	130
	- Of a cylinder capacity of over 6,000 cm ³	150
	b/ Passenger cars of between 10 seats and under 16 seats, except those specified at Points 4dd, 4e and 4g of the Tariff provided in this Article	15
	c/ Passenger cars of between 16 seats and under 24 seats, except those specified at Points 4dd, 4e and 4g of the Tariff provided in this Article	10

	d/ Cars for both passenger and cargo transportation, except those specified at Points 4dd, 4e and 4g of the Tariff provided in this Article	
	- Of a cylinder capacity of 2,500 cm ³ or less	15
	- Of a cylinder capacity of between over 2,500 cm ³ and 3,000 cm ³	20
	- Of a cylinder capacity of over 3,000 cm ³	25
	dd/ Cars operated by gasoline and electricity or bio-fuel, with gasoline accounting for at most 70% of the fuel used	70% of the tax rate for cars of the same kind as specified at Points 4a, 4b, 4c and 4d of the Tariff provided in this Article
	e/ Bio-fuel powered cars	50% of the tax rate for cars of the same kind as specified at Points 4a, 4b, 4c and 4d of the Tariff provided in this Article

	g/ Electricity-operated cars	
	- Passenger cars of 9 seats or fewer	15
	- Passenger cars of between 10 seats and under 16 seats	10
	- Passenger cars of between 16 seats and under 24 seats	5
	- Cars for both passenger and cargo transportation	10
	h/ Motorhomes regardless of cylinder capacity	
	- From July 1, 2016, through December 31, 2017	70
	- From January 1, 2018	75

Article 3

To amend and supplement a number of articles of Law No. 78/2006/QH11 on Tax Administration which was amended and supplemented under Law No. 21/2012/QH13 and Law No. 71/2014/QH13 as follows:

1. To amend and supplement Article 61 as follows:

“Article 61. Tax exemption or reduction

Tax administration agencies shall give tax exemption or reduction to cases eligible for tax exemption or reduction prescribed in legal documents on taxes and shall grant tax exemption for households and individuals that have an annual payable amount of non-agricultural land use tax of VND 50,000 or less.”

2. To amend and supplement Clause 4, Article 92 as follows:

“4. Not to take tax enforcement measures in case taxpayers are permitted by tax administration agencies to pay their tax arrears in installments within 12 months from the first day of the tax enforcement period. The payment of tax arrears in installments shall be considered at taxpayers’ request and guarantee by a credit institution is required. Taxpayers shall pay late-payment interests at a per diem rate of 0.03% of the late-paid tax amount.”

3. To amend and supplement Clause 1, Article 106 as follows:

“1. A taxpayer that pays tax after the prescribed time limit or extended time limit for tax payment, or after the time limit stated in the notice or handling decision of a tax administration agency shall fully pay the tax amount and late-payment interest at a per diem rate of 0.03% of the late paid tax amount.

Tax arrears arising before July 1, 2016, which have not yet been remitted by taxpayers into the state budget, including also tax arrears subject to retrospective collection as detected through inspection or examination results of competent agencies, shall be subject to the late-payment interests under this Clause from July 1, 2016.

Taxpayers that supply goods and services covered by state budget funds but have not yet received any payments, making them unable to promptly pay taxes and having to owe taxes, shall be exempt from late-payment interests on the owed tax amounts

which must not exceed the amounts not yet paid by the state budget arising during the period the taxpayers do not yet receive the payments.”

4. To annul Clause 3, Article 42.

Article 4

1. This Law takes effect on July 1, 2016, except the provisions of Clause 2 of this Article.

2. Clause 4, Article 3 of this Law takes effect on September 1, 2016.

3. The Government shall detail the articles and clauses as assigned in this Law.

This Law was passed on April 6, 2016, by the XIIIth National Assembly of the Socialist Republic of Vietnam at its 11th session./.

Chairperson of the National Assembly

NGUYEN THI KIM NGAN

THE NATIONAL ASSEMBLY

No. 14/2008/QH12

SOCIALIST REPUBLIC OF VIET NAM

Independence - Freedom - Happiness

Hanoi, June 3, 2008

LAW

ON ENTERPRISE INCOME TAX

Pursuant to the 1992 Constitution of the Socialist Republic of Vietnam, which was amended and supplemented under Resolution No. 51/2001/QH10;

The National Assembly promulgates the Law on Enterprise Income Tax.

Chapter I

GENERAL PROVISIONS

Article 1.- Governing scope

This Law provides for enterprise income taxpayers, taxable incomes, tax-exempt incomes, tax bases, tax calculation methods, and tax incentives.

Article 2.- Taxpayers

1. Taxpayers are goods and service production and business organizations which have taxable incomes under the provisions of this Law (below referred to as enterprises), including:

a/ Enterprises established under Vietnamese law;

b/ Enterprises established under foreign laws (below referred to as foreign enterprises) with or without Vietnam-based permanent establishments;

c/ Organizations established under the Law on Cooperatives;

d/ Non-business units established under Vietnamese law;

e/ Other organizations engaged in income-generating production and business activities.

2. Enterprises having taxable incomes under Article 3 of this Law shall pay enterprise income tax as follows:

a/ Enterprises established under Vietnamese law shall pay tax on taxable incomes generated in and outside Vietnam;

b/ Foreign enterprises with Vietnam-based permanent establishments shall pay tax on taxable incomes generated in Vietnam and taxable incomes generated outside Vietnam which are related to the operation of such establishments;

c/ Foreign enterprises with Vietnam-based permanent establishments shall pay tax on taxable incomes generated in Vietnam which are not related to the operation of such permanent establishments.

d/ Foreign enterprises without Vietnam-based permanent establishments shall pay tax on taxable incomes generated in Vietnam.

3. Foreign enterprises permanent establishments are production and business establishment through which foreign enterprises conduct some or all income-generating production and business activities in Vietnam, including:

a/ Branches, executive offices, factories, workshops, means of transport, mines, oil and gas fields, or other places of extraction of natural resources in Vietnam;

b/ Construction sites, construction works, installation and assembly projects;

c/ Establishments providing services, including consultancy services through employees or other organizations or individuals;

d/ Agents for foreign enterprises;

e/ Vietnam-based representatives, in case of representatives which are competent to conclude contracts in the name of foreign enterprises or representatives which are incompetent to conclude contracts in the name of foreign enterprises but regularly deliver goods or provide services in Vietnam.

Article 3.- Taxable incomes

1. Taxable incomes include income from goods and service production and business activities and other incomes specified in Clause 2 of this Article.

2. Other incomes cover income from the transfer of capital or real estate; income from the right to own or use assets; income from the transfer, lease or liquidation of assets; income from interests, loans or foreign currency sales; refund of provisions; recovery of bad debts already written off; collection of payable debts of unidentifiable creditors; omitted income from previous years business activities, and other incomes, including income generated from production and business activities outside Vietnam.

Article 4.- Tax-exempt incomes

1. Income from cultivation, husbandry and aquaculture of organizations established under the Law on Cooperatives.

2. Income from the application of technical services directly for agriculture.

3. Income from the performance of contracts on scientific research and technological development, trial products and products turned out with technologies applied for the first time in Vietnam.

4. Income from enterprises goods and service production and business activities exclusively reserved for disabled, detoxified and HIV-infected laborers. The Government shall specify criteria and conditions for the determination of enterprises exclusively reserved for disabled, detoxified and HIV-infected laborers.

5. Income from job-training activities exclusively reserved for ethnic minority people, the disabled, children in extremely disadvantaged circumstances and persons involved in social evils.
6. Incomes divided for capital contribution, joint venture or association with domestic enterprises, after enterprise income tax has been paid under the provisions of this Law.
7. Received financial supports used for educational, scientific research, cultural, artistic, charitable, humanitarian and other social activities in Vietnam.

Article 5.- Tax period

1. An enterprise income tax period is the calendar year or fiscal year, except the cases defined in Clause 2 of this Article.
2. The enterprise income tax period upon each time of income generation applies to foreign enterprises specified at Points c and d, Clause 2, Article 2 of this Law.

Chapter II

TAX BASES AND TAX CALCULATION METHODS

Article 6.- Tax bases

Tax bases include taxed income and tax rate.

Article 7.- Determination of taxed income

1. Taxed income in a tax period is the taxable income minus tax-exempt incomes and losses carried forward from previous years.
2. Taxable income is turnover minus deductible expenses for production and business activities plus other incomes, including income received outside Vietnam.
3. Income from real estate transfer must be separately determined for tax declaration and payment.

The Government shall detail and guide the implementation of this Article.

Article 8.- Turnover

Turnover is the total sales, processing remuneration, service provision charges, subsidies and surcharges enjoyed by enterprises. Turnover is calculated in Vietnam dong; foreign currency turnover, if any, must be converted into Vietnam dong at the average exchange rate on the inter-bank foreign currency market announced by the State Bank of Vietnam at the time foreign-currency turnover is generated.

The Government shall detail and guide the implementation of this Article.

Article 9.- Deductible and non-deductible expenses upon determination of taxable incomes

1. Except the expenses specified in Clause 2 of this Article, enterprises are entitled to deduction of all expenses which fully meet the following conditions:

- a/ They are actually paid expenses related to production and business activities;
- b/ They are accompanied with adequate invoices and documents as prescribed by law.

2. Non-deductible expenses upon determination of taxable incomes include:

- a/ Expense not fully satisfying the conditions specified in Clause 1 of this Article, except the uncompensated value of losses caused by natural disasters, epidemics or other force majeure circumstances;
- b/ Fine for administrative violations;
- c/ Expense already covered by other funding sources;
- d/ Business administration expense allocated by foreign enterprises to their Vietnam-based permanent establishments in excess of the level calculated according to the allocation method prescribed by Vietnamese law;
- e/ Expense in excess of the law-prescribed norm for the deduction and setting up of provisions;

f/ Expense for raw materials, materials, fuel, energy or goods in excess of the wastage rate set by enterprises and notified to tax offices and the actual ex-warehousing price;

g/ Payment for interests on loans for production and business activities of entities other than credit institutions or economic organizations in excess of 150% of the basic interest rate announced by the State Bank of Vietnam at the time of loaning;

h/ Fixed asset depreciation made in contravention of law;

i/ Expenses advanced in contravention of law;

j/ Salaries and wages of owners of private enterprises; remuneration paid to enterprise founders who do not personally administer production and business activities; salaries, wages and other accounted amounts payable to laborers which have actually not been paid to them or paid without invoices or documents as prescribed by law;

k/ Loan interests paid corresponding to the insufficient amount of the charter capital;

l/ Credited input value-added tax, value-added tax to be paid according to the credit method, and enterprise income tax;

m/ Expense for advertisement, marketing, sales promotion and brokerage commissions; expense for reception, protocol and conferences; expense in support of marketing and payment discount; expense for press agencies newspapers given as presents or gifts directly related to production and business activities in excess of 10% of total deductible expenses; for newly set up enterprises, such expense in excess of 15% of total deductible expenses for the first 3 years from the date of setting up. Total deductible expenses exclude the expenses specified at this Point; for trade activities, total deductible expenses exclude purchasing prices of sold goods;

n/ Financial supports, excluding those for educational and healthcare activities and for mitigating natural disaster consequences and building houses of gratitude for the poor as prescribed by law.

3. Deductible foreign currency expenses upon the determination of taxable incomes must be converted into Vietnam dong at the average exchange rate on the inter-bank foreign currency market announced by the State Bank of Vietnam at the time foreign currency expenses arise.

The Government shall detail and guide the implementation of this Article.

Article 10.- Tax rates

1. The enterprise income tax rate is 25%, except the cases specified in Clause 2, this Article, and Article 13, of this Law.

2. The enterprise income tax rate applicable to activities of prospecting, exploring and exploiting oil and gas and other precious and rare natural resources is between 32% and 50%, depending on each project or business establishment.

The Government shall detail and guide the implementation of this Article.

Article 11.- Tax calculation method

1. An enterprise income tax amount payable in a tax period is the taxed income multiplied by the tax rate; in case an enterprise has paid income tax outside Vietnam, the paid tax amount may be subtracted but must not exceed the enterprise income tax amount payable under the provisions of this Law.

2. The tax calculation method applicable to enterprises listed at Points c and d, Clause 2, Article 2 of this Law complies with the Governments regulations.

Article 12.- Places for tax payment

Enterprises shall pay tax at places where they are headquartered. In case an enterprise has a dependent cost-accounting production establishment operating in a province or centrally run city other than the place of its headquarters, the payable tax amount shall be calculated based on the ratio of expenses between the place where the production establishment is located and the place where the enterprise is headquartered. The

decentralization, management and use of tax revenues comply with the State Budget Law.

The Government shall detail and guide the implementation of this Article.

Chapter III

ENTERPRISE INCOME TAX INCENTIVES

Article 13.- Tax rate incentives

1. Newly set up enterprises under investment projects in geographical areas with extreme socio-economic difficulties, economic zones or hi-tech parks; newly set up enterprises under investment projects in the domains of high technology, scientific research and technological development, development of the States infrastructure works of special importance, or manufacture of software products are entitled to the tax rate of 10% for fifteen years.
2. Enterprises operating in education-training, vocational training, healthcare, cultural, sports and environmental domains are entitled to the tax rate of 10%.
3. Newly set up enterprises under investment projects in geographical areas with socio-economic difficulties are entitled to the tax rate of 20% for ten years.
4. Agricultural service cooperatives and peoples credit funds are entitled to the tax rate of 20%.
5. For large-scale and hi-tech projects in which investment should be particularly attracted, the duration for application of tax rate incentives may be extended but must not exceed the duration specified in Clause 1 of this Article.
6. The duration for application of tax rate incentives specified in this Article is counted from the first year an enterprise has turnover.

The Government shall detail and guide the implementation of this Article.

Article 14.- Tax exemption and reduction duration incentives

1. Newly set up enterprises under investment projects in geographical areas with extreme socio-economic difficulties, economic zones or hi-tech parks; newly set up enterprises under investment projects in the domains of high technology, scientific research and technological development, development of the States infrastructure works of special importance or manufacture of software products; newly set up enterprises operating in education-training, vocational training, healthcare, cultural, sports and environmental domains are entitled to tax exemption for no more than four years and a 50% reduction of payable tax amounts for no more than nine subsequent years.

2. Newly set up enterprises newly set up under investment projects in geographical areas with socio-economic difficulties are entitled to tax exemption for no more than two years and a 50% reduction of payable tax amounts for no more than four subsequent years.

3. The tax exemption or reduction duration specified in this Article is counted from the first year an enterprise has taxable income; in case an enterprise has no taxable income for the first three years from the first year it has turnover, the tax exemption or reduction duration is counted from the fourth year.

The Government shall detail and guide the implementation of this Article.

Article 15.- Other cases eligible for tax reduction

1. Production, construction or transport enterprises which employ many female laborers are entitled to reduction of enterprise income tax amounts equal to additional expenses for female laborers.

2. Enterprises which employ many ethnic minority laborers are entitled to reduction of enterprise income tax amounts equal to additional expenses for ethnic minority laborers.

The Government shall detail and guide the implementation of this Article.

Article 16.- Carrying forward of losses

1. Loss-suffering enterprises may carry forward their losses to the subsequent year; those losses may be included in taxed income. The time limit for carrying forward losses is five years, counting from the year following the year the losses arise.

2. Enterprises suffering losses from real estate transfer activities may only carry forward losses into those activities taxed income.

Article 17.- Deduction for setting up of enterprises scientific and technological development funds

1. Enterprises established and operating under Vietnamese law may deduct up to 10% of taxed income for setting up their scientific and technological development funds.

2. Within five years after being set up, if a scientific and technological development fund is not used, has been used below 70% or used for improper purposes, the enterprise shall remit into the state budget the enterprise income tax amount calculated on the income already deducted for setting up the fund but not used or used for improper purposes and the interest on that enterprise income tax amount.

The enterprise income tax rate used for calculating the to-be-recovered tax amount is the tax rate applicable to the enterprise during the time of operating the fund.

The interest rate for calculating the interest on the to-be-recovered tax amount calculated on the unused fund amount is the interest rate for one-year term treasury bonds applicable at the time of recovery, and the interest payment period is two years.

The interest rate for calculating the interest on the to-be- recovered tax amount calculated on the fund amount used for improper purposes is the interest used for late payment fines under the provisions of the Tax Administration Law, and the interest payment period is counted from the time a fund is set up to the time of recovery.

3. Enterprises may not account expenses covered by their scientific and technological development funds as deductible ones upon the determination of taxable incomes in a tax period.

4. Enterprises scientific and technological development funds may be used only for scientific and technological investment in Vietnam.

Article 18.- Conditions for application of tax incentives

1. Enterprise income tax incentives specified in Articles 13, 14, 15, 16 and 17 of this Law apply only to enterprises which implement regulations on accounting, invoices and documents and pay tax according to declaration.

2. Enterprises shall account separately income from production and business activities eligible for tax incentives specified in Articles 13 and 14 of this Law from income from production and business activities ineligible for tax incentives; if those incomes cannot be separately accounted, income from production and business activities eligible for tax incentives shall be determined based on the ratio between turnover from production and business activities eligible for tax incentives and total turnover.

3. Enterprise income tax incentives specified in Articles 13 and 14 of this Law do not apply to:

a/ Incomes specified in Clause 2, Article 3 of this Law;

b/ Income from activities of prospecting, exploring and mining oil, gas and other precious and rare natural resources;

c/ Income from prize-winning game or betting business as prescribed by law;

d/ Other cases specified by the Government.

Chapter IV

IMPLEMENTATION PROVISIONS

Article 19.- Implementation effect

1. This Law takes effect on January 1, 2009.
2. This Law replaces Enterprise Income Tax Law No. 09/2003/QH11.
3. Enterprises which enjoy enterprise income tax incentives under Enterprise Income Tax Law No. 09/2003/QH11 may continue enjoying those incentives for the remaining duration under Enterprise Income Tax Law No. 09/2003/QH11; in case enterprise income tax incentives, including tax rate incentives and tax exemption and reduction duration, are lower than the tax incentives specified in this Law, the tax incentives under this Law apply for the remaining duration.
4. Enterprises which are entitled to tax exemption or reduction duration under Enterprise Income Tax Law No. 09/2003/QH11 but have no taxable income yet, the tax exemption or reduction duration will be counted under this Law and from the date this Law takes effect.

Article 20.- Implementation guidance

The Government shall detail and guide the implementation of Articles 4, 7, 8, 9, 10, 11, 12, 13, 14, 15 and 18 and other necessary contents of this Law to meet management requirements.

This Law was passed on June 3, 2008, by the XIIth National Assembly of the Socialist Republic of Vietnam at its third session.

CHAIRMAN OF THE NATIONAL ASSEMBLY

Nguyen Phu Trong

THE NATIONAL ASSEMBLY

The Law No. 32/2013/QH13 dated June 19, 2013 of the National Assembly on amending and supplementing some articles of the Law on Enterprise Income Tax

Pursuant to the Constitution of Socialist Republic of Vietnam 1992, amended and supplemented in accordance with some Articles in the Resolution No. 51/2001/QH10;

The National Assembly promulgates a Law on amending and supplementing some articles of the Law on Enterprise Income Tax 14/2008/QH12.

Article 1. To amend and supplement some articles of the Law on Enterprise Income Tax:

1. To amend clause 3, Article 2 as follows:

“3. The permanent establishments of a foreign enterprise are the places through which the foreign enterprise carries out part or the whole business in Vietnam, including:

a) Branches, executive offices, factories, workshops, means of transport, oil fields, gas files, mines or other natural resource extraction sites in Vietnam;

b) Construction sites;

c) Service providing centers, including counseling services via employees or other organizations or individuals;

d) Agents of foreign enterprises;

dd) Representatives in Vietnam that are competent to sign contracts under the name of the foreign enterprise or that are not competent to sign contracts under the name of the enterprise but regularly provide goods or services in Vietnam.”

2. To amend clause 2, Article 3 as follows:

“2. Other incomes include incomes from the transfer of capital, the right to capital contribution; incomes from transfer of real estate, project of investment, the right to

participate in project of investment, the transfer of the right to explore, extract, and process minerals; incomes from the right to use property and property ownership, including incomes from intellectual property right; incomes from transferring, leasing, and liquidating assets, including valuable papers; incomes from interest on deposit, capital loan, sale of foreign currency; revenues from written off bad debts that are repaid; revenues from debts of unidentified debtors; omitted incomes in previous years, and other incomes, including incomes from business outside Vietnam.”

3. To amend clause 1 and clause 4, Article 4 and supplement clauses 8, 9, 10, and 11 as follows:

“1. Incomes from farming, breeding, aquaculture, salt production of cooperatives; incomes of cooperatives from agriculture, forestry, fisheries, and salt production in localities facing socio-economic difficulties or localities facing extreme socio-economic difficulties; incomes of enterprises from farming, breeding, aquaculture in localities facing extreme socio-economic difficulties; incomes from fisheries.”

“4. Incomes from production and sale of goods and services of enterprises that have at least 30% of the employees are disabled people, detoxified people, suffers of HIV/AIDS, and have at least 20 employees, except for enterprises engaged in finance and real estate business.”

“8. Incomes from the transfer of Certified Emissions Reductions (CERs) of enterprises issued with CERs.

9. Incomes from the performance of tasks of the Vietnam Development Bank, which are assigned by the State, in credit for development and export; incomes from granting credit to the poor and beneficiaries of policies of Vietnam Bank for Social Policies; incomes of state financial funds and other state funds serving non-profit purpose incomes of organizations, of which 100% charter capital is possessed by the State, that are established by the Government to settle bad debts of Vietnamese credit institutions.

10. Undistributed incomes of private organizations, which make investment in education, health, and other fields, that are kept to serve their development in accordance with the laws on education, health, and other fields; the incomes that form the undistributed assets of cooperatives established and operating in accordance with the Law on Cooperatives.

11. Incomes from transfer of technologies that are prioritized to be to organizations and individuals in localities facing extreme socio-economic difficulties.”

4. To amend clause 3, Article 7 as follows:

“3. Incomes from transfers of real estate, project of investment, the right to participate in projects of investments, the right to explore, extract, and process minerals must be separated. The loss on transfers of projects of investment (except for mineral exploration and mineral extraction projects), incomes from transfers of the right to participate in projects of investment (except for the mineral exploration and mineral extraction projects), incomes from transfer of real estate shall be offset against the profit in the tax period.”

5. To amend Article 9 as follows:

“**Article 9.** Deductible and non-deductible expenditures

1. Except for the expenditures mentioned in Clause 2 of this Article, all expenditures are deductible when calculating taxable income if they meet the conditions below:

a) Actual expenditures related to the business of the enterprise; expenditures on National defense and security of enterprise according to law;

b) Expenditures that have sufficient invoices and documents according to law. The sale invoices of 20 million VND must have receipts of non-cash payment, unless they are not required by law.

2. Non-deductible expenditures when calculating taxable income:

- a) The expenditures that fail to meet all conditions in Clause 1 of this Article, except for the loss caused by natural disasters, epidemics, and other force majeure that are not compensated.
- b) Fines for administrative violations;
- c) The expenditures that are covered by other budgets;
- d) The administrative expense allocated by the foreign enterprise to the permanent establishment in Vietnam that exceeds the limit imposed by Vietnam's law.
- dd) The extra expenditure according to the laws on making provision;
- e) The expenditure on interest on loans that are not given by credit institutions or economic organizations and exceed 150% of basic interest rates announced by the State bank of Vietnam when the loan is taken.
- g) Improper depreciation of fixed assets;
- h) Improper accrued expenses;
- i) Wages and remunerations of owners of private enterprises; wages of founders that do not participate in business management; wages, remunerations, and amounts payable to the employees that are not actually paid or do not have invoices according to law;
- k) The expenditures on loan interests corresponding to the charter capital deficit;
- l) Deducted input VAT, VAT paid using the deduction method, enterprise income tax;
- m) The expenditure on advertising, marketing, promotion, commissions, receptions, conferences, support for marketing and expenditures directly related to business that exceed 15% of the deductible amount. The total deductible amount does not include the expenditures in this Point; for commercial activities, the total deductible amount does not include the purchase prices of goods;

n) Sponsorships, except for sponsorships for education, health, scientific research, disaster recovery, houses of unity, houses of gratitude, houses for beneficiaries of social policies according to law, sponsorships for localities facing extreme socio-economic difficulties according to state programs;

o) Voluntary payments to retirement funds or social security funds, payments for voluntary retirement insurance for employees that exceed the limits imposed by law;

p) Expenditures on businesses: banking, insurance, lottery, securities, and some other special businesses specified by the Minister of Finance.

3. Expenditures in foreign currency, unless to serve the calculation of taxable incomes that must be converted into VND, according to the average exchange rates on the inter-bank foreign currency market that are announced by the State bank of Vietnam when the expenditures occur.

The Government shall elaborate and provide guidance on the implementation of this Article.”

6. To amend Article 10 as follows:

“Article 10. Tax rate

1. The enterprise income tax rate is 22%, except for the cases in Clause 2 and Clause 3 of this Article and beneficiaries of tax incentives defined in Article 13 of this Article.

The cases to which the tax rate of 22% in this Clause shall apply the tax rate of 20% from January 01, 2016.

2. Any enterprise of which the total revenue does not exceed 20 billion VND per year are eligible for the tax rate of 20%.

The revenue used as the basis for identifying enterprises eligible for the tax rate of 20% in this Clause is the revenue of the previous year.

3. The rates of enterprise income tax on the exploration and extraction of oil and other rare resources in Vietnam range between 32% and 50% depending on each project and each business establishment.

The Government shall elaborate and provide guidance on the implementation of this Article.”

7. To amend Article 13 as follows:

“Article 13. Tax incentives

1. The tax rate of 10% for 15 years is applicable to:

a) Incomes of enterprises from the execution of new projects of investment in localities facing extreme socio-economic difficulties, economic zones, and hi-tech zones;

b) Incomes of enterprises from the execution of new projects of investment, including: scientific research and technology development; application of high technologies in the list of prioritized high technologies according to the Law on High Technologies; cultivation of high technologies, cultivation of hi-tech enterprises; high-risk investment in the development of high technologies in the list of prioritized high technologies according to the Law on High Technologies; investment in crucial infrastructure of the State; software production; production of composite materials, light building materials, rare materials, renewable energy, clean energy, energy from waste destruction; development of biological technology, and environment protection;

c) Incomes of hi-tech enterprises and agricultural enterprises that apply high technologies according to the Law on High Technologies;

d) Incomes of enterprises from the execution of new projects of investment in production (except for the production of articles subject to special excise duties and mineral extraction projects), which meet one of the two criteria below:

- Any project of which the capital is at least 6,000 billion VND that is released within 3 years from the day on which the Investment certificate is issued, and the total revenue reaches at least 10,000 billion VND within 3 years from the first year in which revenue is earned;

- Any project of which the capital is at least 6,000 billion VND that is released within 3 years from the day on which the Investment certificate is issued, and employ more than 3,000 workers.

2. The tax rate of 10% is applicable to:

a) Incomes of private enterprises from investment in education, vocational training, health, culture, sports, and environment;

b) Incomes of enterprises from the investments in social housing that are for sale, for lease, or for hire purchase according to Article 53 of the Law on Housing;

c) Incomes from press agencies from printing newspapers, including advertisements on printed newspapers according to the Law on Press; incomes of publishers from publishing according to the Law on Publishing;

d) Incomes of enterprises from planting, cultivating, and protecting forests; from agriculture, forestry, and aquaculture in localities facing socio-economic difficulties; from the production, multiplication, and cross-breeding plants and animals; from the production, extraction, and refinement of salt, except for the production of salt in Clause 1 Article 4 of this Law; from investment in post-harvest preservation of agriculture products, aquaculture products, and food;

dd) Incomes of cooperatives from agriculture, forestry, fisheries, and salt production that are not in localities facing socio-economic difficulties or localities facing extreme socio-economic difficulties, except for incomes of the cooperatives defined in Clause 1 Article 4 of this Law.

3. The tax rate of 20% for 15 years is applicable to:

a) Incomes of enterprises from the execution of new projects of investment in localities facing socio-economic difficulties;

b) Incomes of enterprises from the execution of new projects of investment, including: production of high-grade steel; production of energy-saving products; production of machinery and equipment serving agriculture, forestry, aquaculture, salt production; production of irrigation equipment; production and refinement of feed for livestock, poultry, and aquatic organism; development of traditional trades.

From January 01, 2016, incomes of the enterprises defined in this Clause are eligible for the tax rate of 17%.

4. The tax rate of 20% is applicable to incomes of people's credit funds and microfinance institutions,

From January 01, 2016, incomes of people's credit funds and microfinance institutions are eligible for the tax rate of 17%.

5. For special projects that need to attract a lot of investment and high technologies, the period of preferential tax rates may be extended, but the extension shall not exceed 15 years.

6. The period of preferential tax rates in this Article begins from the first year in which revenue from the new project of investment is earned; for hi-tech enterprises and agricultural enterprises that apply high technologies, this period begins from the day on which the certificate of hi-tech enterprise or certificate of hi-tech agricultural enterprise is issued; for projects of high technology application, this period begins from the day on which the certificate of hi-tech application project is issued.

The Government shall elaborate and provide guidance on the implementation of this Article.”

8. To amend Article 14 as follows:

“Article 14. Preferential duration of tax exemption and tax reduction

1. Incomes of enterprises from the execution of new projects of investment provided for in Clause 1 and Point a Clause 2 Article 13 of this Law, incomes of hi-tech enterprises, hi-tech agricultural enterprises are eligible for tax exemption for no more than 4 years, and eligible for 50% reduction in tax for no more than the next 9 years.

2. Incomes of enterprises from the execution of new projects of investment provided for in Clause 3 Article 13 of this Law, incomes of enterprises from the execution of new projects of investment in industrial parks, except for industrial parks in advantaged localities, are eligible for tax exemption for no more than 2 years, and eligible for 50% reduction in tax for no more than the next 4 years.

3. The period of tax exemption and tax reduction applicable to incomes of enterprises from the execution of new projects of investment in Clause 1 and Clause 2 of this Article begins from the first year in which taxable income from projects of investment is earned. If no taxable income is earned in the first three years from the first year in which revenue from the project is earned, the period of tax exemption and tax reduction shall begin from the fourth year. The period of preferential tax rates applicable to hi-tech enterprises and agricultural enterprises that apply high technologies mentioned in Point c Clause 1 Article 13 of this Law begins from the day on which the certificate of hi-tech enterprise or certificate of hi-tech agricultural enterprise is issued.

4. When an enterprise, which has projects of investment in the fields or localities eligible for enterprise income tax incentives according to this Law, expands the production scale, increases the productivity, upgrades production technologies (expansion), it may choose between tax incentives for operating projects for the remaining time (if any) or tax exemption or reduction for the additional incomes from expansion if one of the

three criteria in this Clause is satisfied. The period of tax exemption and tax reduction for the additional incomes from expansion in this Clause is equal to the period of tax exemption and tax reduction for new projects of investment in the same field or locality that is eligible for enterprise income tax incentives.

The expansion must satisfy one of the criteria below to be given incentives:

- a) The cost of additional fixed assets reaches at least 20 billion VND when the project of investment is completed and commenced, applicable to expanding investments in the fields eligible for enterprise income tax according to this Law, or at least 10 billion VND, applicable to expanding investments in localities facing socio-economic difficulties or localities facing extreme socio-economic difficulties;
- b) The proportion of cost of additional fixed assets reaches at least 20% of the total cost of fixed assets before investment;
- c) The design production increases by at least 20% of the design production before investment.

When an enterprise invests in expansion in a field or locality eligible for tax incentives according to of this Law but fails to satisfy any criterion above, the tax incentives shall apply to the remaining period of the project (if any).

Where an enterprise is eligible for tax incentives for expansion, the additional income from expansion shall be recorded separately; if it is not able to be recorded separately, the income from expansion shall be determined based on the ration of the cost of new fixed assets to the total cost of fixed assets of the enterprise.

The period of tax exemption and tax reduction in this Clause begins from the year in which the project of investment is finished and its operation is commenced.

The tax incentives in this Clause are not applicable to the extensions on account of merger or acquisition of enterprises or operating projects of investment. The

Government shall elaborate and provide guidance on the implementation of this Article.”

9. To supplement Clause 3 to Article 15 as follows:

“3. Any enterprise that transfers technologies that are prioritized to other organizations and individuals in localities facing socio-economic difficulties are eligible for 50% reduction in enterprise income tax on the income from technology transfers.”

10. To amend Article 16 as follows:

“Article 16. Transferring loss

1. An enterprise may transfer its loss to the next year; this loss is deducted from assessable income. The period of loss transfer must not exceed 5 years from the year succeeding the year in which the loss is incurred.

2. Any enterprise which is still at a loss after offsetting its loss on transfers of real estate, transfers of projects of investment, transfers of the right to participate in project of investment, according to Clause 3 Article 7 of this Law, and any enterprise which makes a loss from transfers of the right to explore and extract minerals may transfer the loss to the next year and offset it against the assessable incomes from such activities. The period of loss transfer shall comply with Clause 1 of this Article.”

11. To amend clause 1, Article 17 as follows:

“1. Any enterprise established and operated within Vietnam’s law may use no more than 10% of the annual assessable income to establish its science and technology development fund. Apart from establishing the science and technology development fund, state-owned enterprise must ensure the minimum amount for the fund according to the laws on science and technology.”

12. To amend Article 18 as follows:

“Article 18. Conditions for tax incentives

1. The enterprise income tax incentives provided for in Article 13, 14, 15, 16, and 17 of this law are applicable to the enterprises that follow the regime for accounting and invoicing, and pay tax according to declarations.

Enterprise income tax incentives for new project of investment defined in Article 13 and Article 14 of this Law are not applicable to division, merger, amalgamation, and conversion of enterprises, change of ownership, and other cases according to law.

2. Enterprises must separate the incomes from the operations eligible for tax incentives defined in Article 13 and Article 14 of this Law from the incomes from the operations that are not eligible for tax incentives; if such incomes are not able to be separated, the income from the operations eligible for tax incentives shall be determined based on the ratio of the revenue from the operations eligible for tax incentives to the total revenue of the enterprise.

3. The tax rate of 20% in Clause 2 Article 10 and the tax incentives in Clause 1 and Clause 4 Article 4, Article 13, and Article 14 of this Law are not applicable to:

a) Incomes from transfer of capital, transfers of the right to contribute capital; incomes from the transfers of real estate, except for social housing specified in Article 13 of this Law; incomes from transfers of projects of investment, transfers of the right to participate in projects of investments, transfers of the right to explore and extract minerals; incomes from operations outside Vietnam;

b) Incomes from the exploration and extraction of petroleum and other rare resources, and incomes from mineral extraction;

c) Incomes from services subject to special excise duty according to the Law on Special excise duty;

d) Other cases decided by the Government.

4. If an enterprise is eligible to multiple tax incentives for the same income at the same time, it may choose the most advantageous incentive.”

Article 2.

1. This Law takes effect on January 01, 2014, except for the regulations at Clause 2 of this Article.

2. The regulations on the application of the tax rate of 20% to the enterprises of which the total annual revenue does not reach 20 billion VND in Clause 6 Article 1, and the regulations on the application of the tax rate of 10% to the incomes of enterprises from the social housing in Clause 7 Article 1 of this Law takes effect on July 01, 2013.

3. The enterprises having projects of investment that are still eligible for enterprise income tax incentives after the end of the tax period 2013 (tax rate, tax exemption or reduction duration) according to the legislative documents on enterprise income tax before this Law takes effect are still eligible for such incentives for the remaining time according to such documents. Where the conditions for tax incentives in this Law are satisfied, enterprises may choose between the incentives they are having or the incentives in this Law for the remaining time, applicable to new investments or extension.

By the end of the tax period 2015, enterprises having projects of investment that are eligible for the preferential tax rate of 20% in Clause 3 Article 13 of the Law on Enterprise income tax No. 14/2008/QH12 amended in Clause 4 Article 1 of this Law are eligible for the tax rate of 17% for the remaining time from January 01, 2016.

4. To annul the following regulations on enterprise income tax:

a) Clause 2 Article 7 of the Law on Deposit insurance No. 06/2012/QH13;

b) Clause 2 Article 4 of the Law on Health insurance No. 25/2008/QH12;

c) Clause 1 of Article 10; Clause 1 of Article 12; Clause 2 of Article 18; Clause 2 of Article 19; Clause 1 and Clause 2 of Article 22; Clause 3 of Article 24 and Clause 2 of Article 28 of the Law on High Technologies No. 21/2008/QH12;

d) Clauses 1, 4, 5, 6, 7, and 8 of Article 44, and Article 45 of the Law on Technology transfers No. 80/2006/QH11;

dd) Clause 1 of Article 53, Clause 5 of Article 55, and Clause 3 of Article 86 of the Law on Enterprises No. 76/2006/QH11;

e) Clause 1 of Article 68 of the Law on Vietnamese guest workers No. 72/2006/QH11;

g) Clause 2 Article 6 of the Law on Social insurance No. 71/2006/QH11;

h) Clause 3 Article 8 of the Law on Legal Assistance No. 69/2006/QH11;

i) Clause 3 Article 66 of the Law on Higher Education No. 08/2012/QH13;

k) Article 34 of the Law on Disabled people No. 25/2008/QH12;

l) Clause 4 Article 33 of the Law on Investment No. 59/2005/QH11;

m) Clause 2 of Article 58, Clause 2 of Article 73, Clause 3 of Article 117, and Clause 3 of Article 125 the Law on Enterprises no, 60/2005/QH11.

5. The Government shall elaborate and provide guidance on the implementation of this Law.

This Law is passed by the 13th National Assembly of Socialist Republic of Vietnam in the 5th session on June 19, 2013

The President of the National Assembly

Nguyen Sinh Hung

**THE NATIONAL
ASSEMBLY**

On personal income tax SOCIALIST REPUBLIC OF VIET NAM

(No. **04/2007/QH12**)

**Independence - Freedom -
Happiness**

Number: 04/2007/QH12

Pursuant to the 1992

Constitution of the Socialist Republic of Vietnam,
which was amended and supplemented under
Resolution No. **51/2001/QH10**;

Ha Noi , November 21, 2007

The National Assembly promulgates the Law on Personal Income Tax.

Chapter I

GENERAL PROVISIONS

Article 1. Scope of regulation

This Law provides for personal income taxpayers, taxable incomes, incomes eligible for personal income tax exemption or reduction, and personal income tax bases.

Article 2. Taxpayers

1. Personal income taxpayers include residents who earn taxable incomes specified in Article 3 of this Law inside and outside the Vietnamese territory and non-residents who earn taxable incomes specified in Article 3 of this Law inside the Vietnamese territory.

2. Resident means a person who satisfies one of the following conditions:

a/ Being present in Vietnam for 183 days or more in a calendar year or 12 consecutive months counting from the first date of their presence in Vietnam;

b/ Having a place of habitual residence in Vietnam, which is a registered place of permanent residence or a rented house for dwelling in Vietnam under a term rent contract.

3. Non-resident means a person who does not satisfy any of the conditions specified in Clause 2 of this Article.

Article 3. Taxable incomes

Incomes liable to personal income tax include the following kinds of income, except for incomes eligible for tax exemption specified in Article 4 of this Law:

1. Incomes from business activities, including:

a/ Incomes from goods production or trading or service provision;

b/ Incomes from independent professional activities of individuals possessing practice licenses or certificates in accordance with law.

2. Incomes from salaries and wages, including:

a/ Salaries, wages and amounts of similar nature;

b/ Allowances, except for those paid under legal provisions on preferential treatment of persons with meritorious services; defense or security allowances; hazard or danger allowances for persons working in branches, occupations or jobs at places where exist hazardous or dangerous elements; allowances for attraction of laborers to work in certain branches or in certain regions specified by law; allowances for sudden difficulties, allowances for laborers having labor accident or suffering from occupational disease, lump-sum maternity or child adoption allowances; allowances for working capacity loss, lump-sum retirement allowances, monthly survivorship allowances,

severance and job loss allowances specified in the Labor Code, other allowances paid by the Social Insurance, and allowances for combat of social evils;

c/ Remuneration of all kinds;

d/ Sums of money earned for participation in business associations, boards of directors, control boards, management boards and other organizations;

e/ Other monetary or non-monetary benefits received by taxpayers;

f/ Bonuses, rewards, except for rewards accompanying honorary titles conferred by the State or international or national prizes; rewards for technical renovations, creations or inventions recognized by competent state agencies; rewards for detection and reporting of illegal acts to competent state agencies.

3. Incomes from capital investment, including:

a/ Interests;

b/ Dividends;

c/ Incomes from capital investment in other forms, except for government bond interests.

4. Incomes from capital transfer, including:

a/ Incomes from transfer of capital holdings in economic organizations;

b/ Incomes from transfer of securities;

c/ Incomes from transfer of capital in other forms.

5. Incomes from transfer of real estate, including:

a/ Incomes from transfer of rights to use land and assets attached to land;

b/ Incomes from transfer of right to own or use residential houses;

c/ Incomes from transfer of right to lease land or water surface;

d/ Other incomes earned from transfer of real estate.

6. Incomes from won prizes, including:

a/ Lottery winnings;

b/ Sales promotion winnings;

c/ Betting or casino winnings;

d/ Winnings in prized games and contests and other forms of winning.

7. Incomes from copyright, including:

a/ Incomes from assignment or licensing of intellectual property objects;

b/ Incomes from technology transfer.

8. Incomes from commercial franchising.

9. Incomes from inheritances that are securities, capital holdings in economic organizations or business establishments, real estate and other assets subject to ownership or use registration.

10. Incomes from gifts that are securities, capital holdings in economic organizations or business establishments, real estate and other assets subject to ownership or use registration.

The Government shall detail and guide the implementation of this Article.

Article 4. Tax-exempt incomes

1. Incomes from transfer of real estate between spouses; parents and their children; adoptive parents and their adopted children; fathers-in-law or mothers-in-law and daughters-in-law or sons-in-law; grandparents and their grandchildren; or among blood siblings.
2. Incomes from transfer of residential houses, rights to use residential land and assets attached to residential land received by individuals who have only one residential house or land plot each.
3. Incomes from the value of land use rights of individuals who are allocated land by the State.
4. Incomes from receipt of inheritances or gifts that are real estate between spouses, parents and their children; adoptive parents and their adopted children; fathers-in-law or mothers-in-law and daughters-in-law or sons-in-law; grandparents and their grandchildren; or among blood siblings.
5. Incomes of households and individuals directly engaged in agricultural or forest production, salt making, aquaculture, fishing and trading of aquatic resources not yet processed into other products or preliminarily processed aquatic products.
6. Incomes from conversion of agricultural land allocated by the State to households and individuals for production.
7. Incomes from interests on deposits at credit institutions or interests from life insurance policies.
8. Incomes from foreign exchange remittances.
9. Wages paid for night shift or overtime work, which are higher than those paid for day shifts or prescribed working hours in accordance with law.

10. Retirement pensions paid by the Social Insurance.

11. Incomes from scholarships, including:

a/ Scholarships granted from the state budget;

b/ Scholarships granted by domestic and foreign organizations under their study promotion programs.

12. Incomes from indemnities paid under life insurance policies, non-life insurance policies, compensations for labor accidents, compensations paid by the State and other compensations as provided for by law.

13. Incomes received from charity funds licensed or recognized by competent state agencies and operating for charity, humanitarian or non-profit purposes.

14. Incomes received from governmental or non-governmental foreign aid for charity or humanitarian purposes approved by competent state agencies.

Article 5. Tax reduction

Taxpayers who face difficulties caused by natural disasters, fires, accidents or severe diseases and affecting their tax payment ability may be considered for tax reduction corresponding to the extent of damage they suffer from but not exceeding payable tax amounts.

Article 6. Conversion of taxable incomes into Vietnam dong

1. A taxable income received in a foreign currency must be converted into Vietnam dong at the average exchange transaction rate on the inter-bank foreign exchange market announced by the State Bank at the time of income generation.

2. A taxable income received in the form of a product or service must be converted into Vietnam dong at the market price of that product or service or of products or services of the same or similar type at the time of income generation.

Article 7. Tax period

1. For residents, tax period is specified as follows:

a/ Annual tax period, which is applicable to incomes from business, salaries and wages.

b/ Tax period upon each time of income generation, which is applicable to incomes from capital investment; incomes from capital transfer, except for incomes from securities transfer; incomes from real estate transfer; incomes from prizes; incomes from copyright; incomes from commercial franchising; incomes from inheritances; and gifts.

c/ Tax period upon each transfer or annual tax period, which is applicable to securities transfer. Individuals who apply the annual tax period shall register with tax offices at the beginning of the year.

2. For non-residents, the tax period counted upon each time of income generation is applicable to all their taxable incomes.

Article 8. Tax administration and tax refund

1. Tax registration, declaration, withholding, payment, finalization and refund, handling of violations of the tax law, and tax administration measures comply with legal provisions on tax administration.

2. Individuals are entitled to tax refund in the following cases:

a/ Their paid tax amounts are larger than payable tax amounts;

b/ They have paid tax but their taxed incomes do not reach a tax-liable level;

c/ Other cases decided by competent state agencies.

Article 9. Application of treaties

If a treaty to which the Socialist Republic of Vietnam is a contracting party contains provisions on personal income tax different from the provisions of this Law, the provisions of that treaty prevail.

Chapter II

TAX BASES FOR RESIDENTS

Section 1. DETERMINATION OF TAXABLE INCOMES AND TAXED INCOMES

Article 10. Taxable incomes from business

1. A taxable income from business is determined to be equal to turnover minus reasonable expenses related to the generation of the taxable income from business in a tax period.

2. Turnover means the total of sales, processing remuneration, commissions, goods or service provision charges generated in a tax period from goods production and trading or service provision.

The time of determination of turnover is the time of transfer of ownership of goods or completion of services or the time of making goods sale or service provision invoices.

3. Reasonable expenses related to the generation of taxable incomes from business in a tax period include:

a/ Salaries, wages, remuneration and other payments to laborers;

b/ Expenses for raw materials, fuels, materials, energy and goods used for production or business, charges for services purchased from outside;

c/ Expenses for depreciation, regular repair and maintenance of fixed assets used for production or business;

d/ Paid interests;

e/ Management expenses;

f/ Taxes, charges and fees payable under law and allowed to be accounted as expenses;

g/ Other expenses related to the generation of incomes.

4. The determination of turnover and expenses is based on accounting norms, standards, regulations, documents and books prescribed by law.

5. If many persons jointly conduct business activities under the same business registration, taxable income of each of them is determined according to one of the following principles:

a/ In proportion to their capital contributions stated in the business registration;

b/ Under their agreement stated in the business registration;

c/ According to the average per-capita income in case the business registration neither states their capital contributions nor contains any agreement on income division among them.

6. For business individuals who fail to strictly comply with regulations on accounting, invoices and documents and cannot measure turnover, expenses and taxable income, competent tax offices shall predetermine turnover and the ratio of taxable income in order to determine taxable income suitable to each industry or business line under the law on tax administration.

Article 11. Taxable incomes from salaries or wages

1. A taxable income from salary or wage is determined to be equal to the total of incomes specified in Clause 2, Article 3 of this Law and earned by a taxpayer in a tax period.

2. Time of determination of a taxable income from salary or wage is the time when an organization or individual pays income to a taxpayer or when a taxpayer receives income.

Article 12. Taxable incomes from capital investment

1. A taxable income from capital investment is the total of incomes from capital investment specified in Clause 3, Article 3 of this Law and earned by a taxpayer in a tax period.

2. Time of determination of a taxable income from capital investment is the time when an organization or individual pays income to a taxpayer or when a taxpayer receives income.

Article 13. Taxable incomes from capital transfer

1. A taxable income from capital transfer is determined to be equal to the selling price minus the buying price and reasonable expenses related to the generation of income from capital transfer.

2. If the buying price and expenses related to the securities transfer are unidentifiable, taxable income is determined to be the selling price of securities.

3. Time of determination of a taxable income from capital transfer is the time when the capital transfer transaction is completed in accordance with law.

The Government shall detail and guide the implementation of this Article.

Article 14. Taxable incomes from real estate transfer

1. A taxable income from real estate transfer is determined to be equal to the real estate transfer price upon the transfer minus the real estate buying price and related expenses, specifically as follows:

a/ Real estate transfer price is the contractual price at the time of transfer;

b/ Real estate buying price is the contractual price at the time of purchase;

c/ Related expenses to be subtracted are those recorded in vouchers and invoices lawfully, including charges and fees related to land use rights as prescribed by law; expenses for land revamp, house renovation, ground leveling; expenses for investment in building residential houses, infrastructures and architectures on land; and other expenses related to the real estate transfer.

2. If the buying price and expenses related to the transfer of a real estate are unidentifiable, the taxable income is determined to be the real estate transfer price.

3. The Government shall stipulate principles and methods of determination of real estate transfer prices in case transfer prices are unidentifiable or land use rights transfer prices stated in contracts are lower than land prices promulgated by provincial-level People's Committees and effective at the time of transfer.

4. Time of determination of a taxable income from real estate transfer is the time when the transfer contract becomes effective in accordance with law.

Article 15. Taxable incomes from won prizes

1. A taxable income from won prize is the prize value in excess of VND 10 million received by a taxpayer upon each time of winning.

2. Time of determination of a taxable income from won prize is the time when an organization or individual pays income to a taxpayer.

Article 16. Taxable incomes from copyright

1. A taxable income from copyright is an income in excess of VND 10 million earned by a taxpayer when assigning or licensing an intellectual property object or transferring a technology under a contract.
2. Time of determination of a taxable income from copyright is the time when an organization or individual pays income to a taxpayer.

Article 17. Taxable incomes from commercial franchising

1. A taxable income from commercial franchising is an income in excess of VND 10 million earned by a taxpayer under a commercial franchising contract.
2. Time of determination of a taxable from commercial franchising is the time when an organization or individual pays income to a taxpayer.

Article 18. Taxable incomes from inheritances or gifts

1. A taxable income from inheritance or gift is the value of an inherited asset or a gift in excess of VND 10 million received by a taxpayer upon each time of inheritance or gift receipt.
2. Time of determination of a taxable income is specified as follows:
 - a/ For an income from inheritance, it is the time when a taxpayer receives an inherited estate;
 - b/ For an income from gift, it is the time when an organization or individual presents a gift to a taxpayer or when a taxpayer receives the income.

Article 19. Reduction based on family circumstances

1. Reduction based on family circumstances means a sum of money deductible from pre-tax income from business, salary or wage of a resident taxpayer. Reduction based on family circumstances consists of the following two parts:

a/ Reduction for the taxpayer, which is VND 4 million/month (VND 48 million/year);

b/ Reduction for each dependant of the taxpayer, which is VND 1.6 million/month.

2. The level of reduction based on family circumstances applicable to dependants is determined on the principle that each dependant may be counted only once for tax reduction for a taxpayer.

3. Dependants of a taxpayer means persons a taxpayer is responsible for nurturing or taking care of, including:

a/ His/her minor children or disabled children who are incapable of working;

b/ Individuals who have no income or have incomes not exceeding the prescribed level, including adult children who are studying at a university, college, professional secondary school or job-training establishment; his/her spouse who is incapable of working; his/her parents who are beyond the working age or incapable of working; other supportless persons whom the taxpayer has to directly nurture.

The Government shall specify the income level and declaration for identification of dependants to be counted for reduction based on family circumstances.

Article 20. Reduction for charity or humanitarian donations

1. Charity or humanitarian donations are deductible from pre-tax income from business, salary or wage of a resident taxpayer, including:

a/ Donations to organizations or establishments that care for or nurture children in special plights, disabled people and supportless elderly people.

b/ Donations to charity funds, humanitarian funds or study promotion funds.

2. Organizations, establishments and funds specified at Points a and b, Clause 1 of this Article must be those licensed or recognized by competent state agencies and operating for charity, humanitarian, study promotion or non-profit purposes.

Article 21. Taxed incomes

1. A taxed income from business, salary or wage is the total of taxable incomes specified in Articles 10 and 11 of this Law minus premiums of social insurance, health insurance and professional liability insurance for some professions and jobs subject to compulsory insurance and reductions specified in Articles 19 and 20 of this Law.

2. Taxed incomes from capital investment, capital transfer, real estate transfer, won prizes, copyright royalties, commercial franchising, inheritances or gifts are taxable incomes specified in Articles 12, 13, 14, 15, 16, 17 and 18 of this Law.

Section 2. TARIFFS

Article 22. Partially progressive tariff

1. The partially progressive tariff applies to taxed incomes specified in Clause 1, Article 21 of this Law.

2. The partially progressive tariff is specified below:

Tax grade	Taxed income per year (VND million)	Taxed income per month (VND million)	Tax rate (%)
1	Up to 60	Up to 5	5

2	Between over 60 and 120	Between over 5 and 10	10
3	Between over 120 and 216	Between over 10 and 18	15
4	Between over 216 and 384	Between over 18 and 32	20
5	Between over 384 and 624	Between over 32 and 52	25
6	Between over 624 and 960	Between over 52 and 80	30
7	Over 960	Over 80	35

Article 23. Whole income tariff

1. The whole income tariff applies to taxed incomes specified in Clause 2, Article 21 of this Law.

2. The whole income tariff is specified below:

Taxed incomes	Tax rate (%)
a/ Incomes from capital investment	5
b/ Incomes from copyright, commercial franchising	5
c/ Incomes from prizes	10
d/ Incomes from inheritances, gifts	10

e/ Incomes from capital transfer specified in Clause 1, Article 13 of this Law	20
Incomes from securities transfer specified in Clause 2, Article 13 of this Law	0.1
f/ Incomes from real estate transfer specified in Clause 1, Article 14 of this Law	25
Incomes from real estate transfer specified in Clause 2, Article 14 of this Law	2

Article 24. Responsibilities of income-paying organizations and individuals and responsibilities of resident taxpayers

1. Responsibility to make tax declaration, withholding, payment and finalization is specified as follows:

a/ Income-paying organizations and individuals shall make tax declaration, withhold and remit tax into the state budget, and make tax finalization for all kinds of taxable income they pay to taxpayers;

b/ Individuals who have taxable incomes shall make tax declaration, pay tax into the state budget and make tax finalization for all their incomes in accordance with the law on tax administration.

2. Income-paying organizations and individuals shall supply information on incomes and dependants of taxpayers under their management in accordance with law.

3. The Government shall specify tax withholding rates suitable to each kind of income specified at Point a, Clause 1 of this Article.

Chapter III

TAX BASES FOR NON-RESIDENTS

Article 25. Tax on incomes from business

1. Tax on incomes from business of a non-resident is determined to be equal to his/her turnover from production or business activities specified in Clause 2 of this Article multiplied by the tax rate specified in Clause 3 of this Article.

2. Turnover is the total sum of money derived from the provision of goods or services, including also expenses paid by the goods or service buyer on behalf of the non-resident but not refunded to the goods or service buyer.

If a contract between the goods or service provider and buyer does not specify personal income tax, the taxable turnover that must be converted is the total sum of money in any form earned by the non-resident from the provision of goods or services in Vietnam, regardless of places where business activities are conducted.

3. Tax rates applicable to incomes from business are specified for different production sectors or business lines as follows:

a/ 1% for goods trading;

b/ 5% for service provision;

c/ 2% for production, construction, transportation and other business activities.

Article 26. Tax on incomes from salaries or wages

1. Tax on income from salary or wage of a non-resident is determined to be equal to his/her income from salary or wage specified in Clause 2 of this Article multiplied by the tax rate of 20%.

2. Taxable income from salary or wage of a non-resident is the total of salary or wage amounts received by a non-resident for job performance in Vietnam, regardless of income payers.

Article 27. Tax on incomes from capital investment

Tax on income from capital investment of a non-resident is determined to be equal to the total sum of money earned by a non-resident from his/her capital investment in organizations or other individuals in Vietnam, multiplied by the tax rate of 5%.

Article 28. Tax on incomes from capital transfer

Tax on income from capital transfer of a non-resident is determined to be equal to the total sum of money earned by a non-resident from the transfer of his/her capital portions in Vietnamese organizations or individuals, multiplied by the tax rate of 0.1%, regardless of whether the transfer is made in Vietnam or abroad.

Article 29. Tax on incomes from real estate transfer

Tax on income from real estate transfer in Vietnam of a non-resident is determined to be equal to the real estate transfer price multiplied by the tax rate of 2%.

Article 30. Tax on incomes from copyright or franchising

1. Tax on income from copyright of a non-resident is determined to be equal to the income in excess of VND 10 million earned from each contract on assignment or licensing of an intellectual property object or technology transfer in Vietnam, multiplied by the tax rate of 5%.

2. Tax on income from commercial franchising of a non-resident is determined to be equal to the income in excess of VND 10 million earned from each contract on commercial franchising in Vietnam, multiplied by the tax rate of 5%.

Article 31. Tax on incomes from won prizes, inheritances or gifts

1. Tax on income from won prize, inheritance or gift of a non-resident is determined to be equal to his/her taxable income specified in Clause 2 of this Article multiplied by the tax rate of 10%.

2. Taxable income from won prize of a non-resident is the prize value in excess of VND 10 million upon each time of winning in Vietnam; taxable income from inheritance or gift is the inheritance or gift value in excess of VND 10 million upon each time of income receipt by a non-resident in Vietnam.

Article 32. Time of determination of taxable income

1. Time of determination of taxable income with respect to incomes specified in Article 25 of this Law is the time when a non-resident earns an income or a goods sale or service provision invoice is issued.

2. Time of determination of taxable income with respect to incomes specified in Articles 26, 27, 30 and 31 of this Law is the time when an organization or individual in Vietnam pays an income to a non-resident or when a non-resident receives an income from an overseas organization or individual.

3. Time of determination of taxable income with respect to incomes specified in Articles 28 and 29 of this Law is the time when a transfer contract becomes effective.

Article 33. Responsibilities of income-paying organizations and individuals and responsibilities of non-resident taxpayers

1. Income-paying organizations and individuals shall withhold and remit tax into the state budget upon each time of payment of taxable incomes to taxpayers.

2. Non-resident taxpayers shall make tax declaration and payment upon each time of generation of taxable income in accordance with the law on tax administration.

Chapter IV

IMPLEMENTATION PROVISIONS

Article 34. Effect

1. This Law takes effect on January 1, 2009.

2. To annul the following documents and regulations:

a/ Ordinance No. [35/2001/PL-UBTVQH10](#) on Income Tax on High-Income Earners, which had a number of articles amended and supplemented by Ordinance No. [14/2004/PL-UBTVQH11](#);

b/ The June 22, 1994 Law on Land Use Rights Transfer Tax, which had a number of articles amended and supplemented by Law No. [17/1999/QH10](#);

c/ Provisions of Enterprise Income Tax Law No. [09/2003/QH11](#) on enterprise income tax applicable to individuals engaged in production or business activities, excluding private enterprises;

d/ Other regulations on personal income tax which are contrary to the provisions of this Law.

3. Individuals having incomes eligible for tax incentives provided for in legal documents promulgated before the effective date of this Law continue enjoying those incentives.

Article 35. Implementation guidance

The Government shall detail and guide the implementation of this Law.

This Law was passed on November 21, 2007, by the 12th National Assembly of the Socialist Republic of Vietnam at its 2nd session.

PRESIDENT

(Signed)

Nguyen Phu Trong

THE PRESIDENT

THE SOCIALIST REPUBLIC OF VIETNAM

Independence - Freedom – Happiness

ORDER

No. 31/2014/L-CTN

Hanoi, December 8, 2014

**On the
promu**

igation of law¹

**THE PRESIDENT OF
THE SOCIALIST REPUBLIC OF VIETNAM**

Pursuant to Articles 88 and 91 of the Constitution of the Socialist Republic of Vietnam;

Pursuant to Article 91 of the Law on Organization of the National Assembly;

Pursuant to Article 57 of the Law on Promulgation of Legal Documents,

PROMULGATES

**The Law Amending and Supplementing a Number of Articles of the Laws on
Taxes,**

¹ Công Báo Nos 1173-1174 (30/12/2014)

which was passed on November 26, 2014, by the XIIIth National Assembly of the Socialist Republic of Vietnam at its 8th session.-

President of the Socialist Republic of Vietnam

TRUONG TAN SANG

THE PRESIDENT

THE SOCIALIST REPUBLIC OF VIETNAM

Independence - Freedom - Happiness

No. 71/2014/QH13

LAW

**Amending and Supplementing a Number of Articles
of the Laws on Taxes²**

Pursuant to the Constitution of the Socialist Republic of Vietnam;

The National Assembly promulgates the Law Amending and Supplementing a Number of Articles of Law No. 14/2008/QH12 on Enterprise Income Tax, which was amended and supplemented under Law No. 32/2013/QH13; Law No. 04/2007/QH12 on Personal Income Tax, which was amended and supplemented under Law No. 26/2012/QH13; Law No. 13/2008/QH12 on Value-Added Tax, which was amended and supplemented under Law No. 31/2013/QH13; Law No. 45/2009/QH12 on Royalties; Law No. 78/2006/QH11 on Tax Administration, which was amended and supplemented under Law No. 21/2012/QH13; Law No. 27/2008/QH12 on Excise Tax, Law No. 45/2005/QH11 on Export Duty and Import Duty, and Law No. 54/2014/QH13 on Customs.

Article 1.

² Công Báo Nos 1173-1174 (30/12/2014)

To amend and supplement a number of articles of Law No. 14/2008/QH12 on Enterprise Income Tax, which was amended and supplemented under Law No. 32/2013/QH13.

1. To amend and supplement Clause 2, Article 3 as follows:

“2. Other incomes include income from the transfer of capital or transfer of the capital-contributing rights; income from the transfer of real estate, transfer of investment projects, transfer of the right to participate in investment projects or transfer of the right to explore, exploit and process minerals; income from asset use rights or asset ownership rights, including income from intellectual property rights in accordance with law; income from the transfer, lease or liquidation of assets, including also valuable papers; income from interest on deposits, loans provided or foreign currencies sold; revenue from written-off bad debts which are now recovered; revenue from debts owed to unidentified creditors; omitted income from business activities of previous years, and other incomes.

Vietnamese enterprises that are engaged in offshore investment activities and remit their incomes to Vietnam after paying enterprise income tax in foreign countries shall comply with the double taxation avoidance agreements concluded between Vietnam and such countries, for foreign countries with which Vietnam has concluded double taxation avoidance agreements. For foreign countries with which Vietnam has not yet concluded any double taxation avoidance agreement, if the enterprise income tax rate applicable in a country from which incomes are remitted to Vietnam is lower than that prescribed by the Vietnamese law on enterprise income tax, only difference must be collected.”

2. To amend and supplement Clause 1, Article 4 as follows:

“1. Cooperatives’ incomes from cultivation, husbandry, agricultural and aquatic product processing and salt production; incomes from agricultural, forestry, fishing and salt production of cooperatives operating in areas with difficult or extremely difficult socio-economic conditions; enterprises’ incomes from cultivation, husbandry, agricultural and aquatic product processing carried out in areas with extremely difficult socio-economic conditions; and incomes from marine fishing.”

3. To amend and supplement Point a, Clause 1, Article 9 as follows:

“a/ Actual expenses related to the enterprise’s production and business activities; expenses paid for vocational training activities; expenses paid for the performance of the enterprise’s national defense and security tasks in accordance with law;”

4. To annul Point m, Clause 2, Article 9.

5. To add the following Points dd and e to Clause 1, Article 13:

“dd/ Enterprises’ incomes from the implementation of new investment projects to manufacture products on the list of products of support industries prioritized for development that fall into one of the following categories:

- Products of support industries for high technologies provided in the Law on High Technologies;

- Products of support industries for the manufacture of products of textile and garment, leather and footwear and electronic and informatics industries; automobile manufacture and assembly; and mechanical engineering, which cannot be manufactured in the country or can be manufactured in the country but must meet the European Union technical standards or equivalent standards by January 1, 2015.

The Government shall promulgate the list of products of support industries prioritized for development specified in this Clause;

e/ Enterprises' incomes from the implementation of investment projects in the manufacturing fields, except projects to produce goods liable to excise tax and mining projects, which are capitalized at twelve trillion Vietnam dong or more, use technologies subject to appraisal under the Law on High Technologies and the Law on Science and Technology, are planned to disburse their total registered capital amounts within five years from the date of investment licensing under the investment law."

6. To amend and supplement Point d, Clause 2, Article 13 as follows:

"d/ Enterprises' incomes from planting, tending and protecting forests; farming and processing agricultural and aquatic products in areas with difficult socio-economic conditions; farming and rearing forest products in areas with difficult socio-economic conditions; producing, propagating and hybridizing plant varieties and animal breeds; producing, exploiting and refining salt, except salt production prescribed in Clause 1, Article 4 of this Law; and investing in the post-harvest preservation of agricultural products and preservation of agricultural and aquatic products and food;"

7. To add the following Clause 3a to Clause 3, Article 13:

"3a. To apply the tax rate of 15% to enterprises' incomes from cultivation, husbandry and processing of agricultural and aquatic products carried out outside areas with difficult or extremely difficult socio-economic conditions."

8. To amend and supplement Clause 5, Article 13 as follows:

"5. The extension of the period of application of preferential tax rates is provided as follows:

a/ For large-sized hi-tech projects which need special investment attraction, the period of application of preferential tax rates may be extended for not more than fifteen years;

b/ Projects specified at Point e, Clause 1 of this Article must meet one of the following criteria:

- Manufacturing products that are globally competitive, earning an annual turnover of over 20 trillion Vietnam dong within five years from the first year of turnover generation;

- Regularly employing over six thousand workers;

- Investment projects in the field of economic and technical infrastructure, including development investment in water plants, power plants, water supply and drainage system, bridges, roads, railways, airports, seaports, river ports, air terminals, railway stations, new energies, clean energies, energy-efficient industries, and petrochemical projects.

The Prime Minister may decide on the extension of the period of application of preferential tax rates specified at this Point for not more than fifteen years.”

9. To amend and supplement Clause 3, Article 2 of Law No. 32/2013/QH13 as follows:

“3. Enterprises having investment projects are entitled to enterprises income tax preferences under the enterprise income tax law applicable at the time of grant of investment licenses or certificates under the investment law. In case the enterprise income tax law is revised and an enterprise meets the tax preference conditions set by the new law, such enterprise may choose to enjoy the preferential tax rate and tax exemption and reduction periods prescribed by the law applicable at the time of licensing or the new law for the remaining period.

By the end of the 2015 tax period, if an enterprise having investment projects eligible for the preferential tax rate of 20% prescribed in Clause 3, Article 13 of Law No.

14/2008/QH12 on Enterprise Income Tax, which was amended and supplemented under Law No. 32/2013/QH13, it may apply the tax rate of 17% for the remaining period from January 1, 2016.”

Article 2.

To amend and supplement a number of articles of Law No. 04/2007/QH12 on Personal Income Tax, which was amended and supplemented under Law No. 26/2012/QH13.

1. To amend and supplement Clause 1, Article 3 as follows:

“1. Incomes from business activities, including:

a/ Incomes from goods production or trading or service provision;

b/ Incomes from independent professional activities of individuals possessing practice licenses or certificates in accordance with law.

Incomes from business activities specified in this Clause exclude incomes of businesspeople who have an annual turnover of 100 million Vietnam dong or less.”

2. To amend and supplement Point c, Claus 6, Article 3 as follows:

“c/ Betting winnings;”

3. To add the following Clauses 15 and 16 to Article 4:

“15. Incomes from salaries or wages of Vietnamese crewmembers working for foreign shipping companies or Vietnamese shipping companies engaged in international transportation.

16. Incomes of individual shipowners, individuals having the right to use ships and people working on board ships from the provision of goods and services to directly serve offshore fishing activities.”

4. To amend and supplement Article 10 as follows:

“Article 10. Tax applicable to businesspeople

1. Businesspeople shall pay personal income tax calculated as a certain percentage of turnover in each field, industry or business line.

2. Turnover means total sales, processing remuneration, commissions, service provision charges generated in a tax period from goods production and trading or service provision.

In case businesspeople cannot identify their turnover, a competent tax agency shall predetermine turnover in accordance with the tax administration law.

3. Tax rates:

a/ Goods distribution and supply: 0.5%;

b/ Services and construction activities without supply of raw materials and materials: 2%.

Particularly for asset lease, insurance agency, lottery agency and multi-level marketing agency: 5%;

c/ Production, transportation and services associated with goods, construction activities involving supply of raw materials and materials: 1.5%;

d/ Other business activities: 1%.”

5. To amend Article 13 as follows:

“Article 13. Taxable incomes from capital transfer

1. A taxable income from capital transfer is determined to be equal to the selling price minus the buying price and reasonable expenses related to the generation of income from capital transfer.

For securities transfer, a taxable income is determined to be the transfer price for each transfer.

2. Time of determination of a taxable income from capital transfer is the time when the capital transfer transaction is completed in accordance with law.

The Government shall detail and guide the implementation of this Article.”

6. To amend and supplement Article 14 as follows:

“Article 14. Taxable incomes from real estate transfer

1. A taxable income from real estate transfer is determined to be the transfer price for each transfer.

2. The Government shall stipulate principles and methods of determination of real estate transfer price.

3. Time of determination of a taxable income from real estate transfer is the time when the transfer contract becomes effective in accordance with law.”

7. To amend and supplement Clause 2, Article 23 as follows:

“2. The whole income tariff is prescribed as follows:

Taxable incomes	Tax rate (%)
-----------------	--------------

a/ Incomes from capital investment	5
b/ Incomes from copyright, commercial franchising	5
c/ Incomes from prizes	10
d/ Incomes from inheritances, gifts	10
dd/ Incomes from capital transfer specified in Clause 1, Article 13 of this Law	20
Incomes from securities transfer specified in Clause 1, Article 13 of this Law	0.1
e/ Incomes from real estate transfer	2

Article 3.

To amend and supplement a number of articles of Law No. 13/2008/QH12 on Value-Added Tax, which was amended and supplemented under Law No. 31/2013/QH13.

1. To add the following 3a to Clause 3, Article 5:

“3a. Fertilizers; machinery, special-use equipment for agricultural production; offshore fishing vessels; and feeds for cattle, poultry and other domestic animals;”

2. To amend and supplement Point b, Clause 2, Article 8 as follows:

“b/ Ores for fertilizer production; pesticides and plant and animal growth stimulants;”

3. To annul Points c and k, Clause 2, Article 8.

Article 4.

To amend and supplement a number of articles of Law No. 45/2009/QH12 on Royalties.

1. To amend and supplement Clause 7, Article 2 as follows:

“7. Natural water, including surface water and ground water, except natural water used for agriculture, forestry, fishery and salt production.”

2. To amend and supplement Clause 5, Article 9 as follows:

“5. Royalties are exempted for natural water exploited by households and individuals for daily-life use.”

Article 5.

To amend and supplement a number of articles of Law No. 78/2006/QH11 on Tax Administration, which was amended and supplemented under Law No. 21/2012/QH13.

1. To amend and supplement Clauses 1, 1a and 6, Article 31 as follows:

“1. For taxes declared and paid on a monthly basis, a tax declaration dossier is a monthly tax return;

1a. For taxes declared and paid on a quarterly basis, a tax declaration dossier is a quarterly tax return;”

“6. The Government shall provide taxes subject to monthly, quarterly or annual declaration, quarterly declaration for temporary calculation, declaration upon each time of arising of tax liability, and tax finalization declaration; criteria for identification of

taxpayers to make quarterly tax declaration and tax declaration dossier on a case-by-case basis.”

2. To amend and supplement Article 43 as follows:

“Article 43. Currency for determination of turnover, expenses, taxable prices and taxes to be remitted into the state budget

Taxpayers shall determine turnover, expenses, taxable prices and taxes to be remitted into the state budget in Vietnam dong, except cases of tax payment in foreign currencies under the Government’s regulations. In case turnover is generated, expenses and taxable prices are paid in foreign currencies or taxpayers are obliged to pay taxes in foreign currencies but permitted by competent authorities to pay taxes in Vietnam dong, taxpayers shall convert foreign currencies into Vietnam dong at actual exchange rates applicable at the time of arising of such foreign-currency amounts.

The Government shall detail and guide this Article.”

3. To add the following Clause 11 to Article 7:

“11. Based on the practical situation and information technology conditions, the Government shall specify cases in which taxpayers are not required to submit documents in tax payment declaration, tax refund and other tax-related dossiers which state management agencies have on hand.”

4. To amend and supplement Clause 1, Article 106 as follows:

“1. A taxpayer that pays tax after the prescribed time limit or extended time limit for tax payment or the time limit stated in the notice or handling decision of a tax administration agency shall fully pay tax amounts and late payment interest at the rate of 0.05% of the late paid tax amount per each day of late payment.

For taxpayers that supply goods or services to be paid with the state budget, if they fail to pay tax on time because they have not yet received any payments from the state budget, they do not have to pay late payment interests for owed tax amounts, which must not exceed the amounts not yet paid from the state budget.”

Article 6.

1. This Law takes effect on January 1, 2015.

2. To annul provisions on exchange rates for determination of turnover, expenses, taxable prices, taxable incomes, taxed incomes and taxes to be remitted into the state budget in:

a/ Article 8 and Clause 3, Article 9 of Law No. 14/2008/QH12 on Enterprise Income Tax, which was amended and supplemented under Law No. 32/2013/QH13;

b/ Clause 1, Article 6 of Law No. 04/2007/QH12 on Personal Income Tax, which was amended and supplemented under Law No. 26/2012/QH13;

c/ Clause 3, Article 7 of Law No. 13/2008/QH12 on Value-Added Tax, which was amended and supplemented under Law No. 31/2013/QH13;

d/ Article 6 of Law No. 27/2008/QH12 on Excise Tax;

dd/ Clause 3, Article 9 and Article 14 of Law No. 45/2005/QH11 on Export Duty and Import Duty;

e/ Clause 4, Article 86 of Law No. 54/2014/QH13 on Customs.

3. To annul Point c, Clause 1, Article 49 of Law No. 78/2006/QH11 on Tax Administration, which was amended and supplemented under Law No. 21/2012/QH13.

4. To annul provisions on determination of tax applicable to businesspeople specified in Clause 1, Article 19; Clause 1, Article 20; and Clause 1, Article 21 of Law No. 04/2007/QH12 on Personal Income Tax, which was amended and supplemented under Law No. 26/2012/QH13.

5. The Government and competent agencies shall detail articles and clauses in this Law as assigned.

This Law was passed on November 26, 2014, by the XIIIth National Assembly of the Socialist Republic of Vietnam at its 8th session.-

Chairman of the National Assembly

NGUYEN SINH HUNG

**THE NATIONAL
ASSEMBLY**

Number: 04/2007/QH12

SOCIALIST REPUBLIC OF VIET NAM

**Independence - Freedom -
Happiness**

Ha Noi , November 21, 2007

Law on personal income tax

(No. 04/2007/QH12)

Pursuant to the 1992 Constitution of the Socialist Republic of Vietnam, which was amended and supplemented under Resolution No. 51/2001/QH10;

The National Assembly promulgates the Law on Personal Income Tax.

Chapter I

GENERAL PROVISIONS

Article 1. Scope of regulation

This Law provides for personal income taxpayers, taxable incomes, incomes eligible for personal income tax exemption or reduction, and personal income tax bases.

Article 2. Taxpayers

1. Personal income taxpayers include residents who earn taxable incomes specified in Article 3 of this Law inside and outside the Vietnamese territory and non-residents who earn taxable incomes specified in Article 3 of this Law inside the Vietnamese territory.

2. Resident means a person who satisfies one of the following conditions:

a/ Being present in Vietnam for 183 days or more in a calendar year or 12 consecutive months counting from the first date of their presence in Vietnam;

b/ Having a place of habitual residence in Vietnam, which is a registered place of permanent residence or a rented house for dwelling in Vietnam under a term rent contract.

3. Non-resident means a person who does not satisfy any of the conditions specified in Clause 2 of this Article.

Article 3. Taxable incomes

Incomes liable to personal income tax include the following kinds of income, except for incomes eligible for tax exemption specified in Article 4 of this Law:

1. Incomes from business activities, including:

a/ Incomes from goods production or trading or service provision;

b/ Incomes from independent professional activities of individuals possessing practice licenses or certificates in accordance with law.

2. Incomes from salaries and wages, including:

a/ Salaries, wages and amounts of similar nature;

b/ Allowances, except for those paid under legal provisions on preferential treatment of persons with meritorious services; defense or security allowances; hazard or danger allowances for persons working in branches, occupations or jobs at places where exist hazardous or dangerous elements; allowances for attraction of laborers to work in certain branches or in certain regions specified by law; allowances for sudden difficulties, allowances for laborers having labor accident or suffering from occupational disease, lump-sum maternity or child adoption allowances; allowances for working

capacity loss, lump-sum retirement allowances, monthly survivorship allowances, severance and job loss allowances specified in the Labor Code, other allowances paid by the Social Insurance, and allowances for combat of social evils;

c/ Remuneration of all kinds;

d/ Sums of money earned for participation in business associations, boards of directors, control boards, management boards and other organizations;

e/ Other monetary or non-monetary benefits received by taxpayers;

f/ Bonuses, rewards, except for rewards accompanying honorary titles conferred by the State or international or national prizes; rewards for technical renovations, creations or inventions recognized by competent state agencies; rewards for detection and reporting of illegal acts to competent state agencies.

3. Incomes from capital investment, including:

a/ Interests;

b/ Dividends;

c/ Incomes from capital investment in other forms, except for government bond interests.

4. Incomes from capital transfer, including:

a/ Incomes from transfer of capital holdings in economic organizations;

b/ Incomes from transfer of securities;

c/ Incomes from transfer of capital in other forms.

5. Incomes from transfer of real estate, including:

a/ Incomes from transfer of rights to use land and assets attached to land;

b/ Incomes from transfer of right to own or use residential houses;

c/ Incomes from transfer of right to lease land or water surface;

d/ Other incomes earned from transfer of real estate.

6. Incomes from won prizes, including:

a/ Lottery winnings;

b/ Sales promotion winnings;

c/ Betting or casino winnings;

d/ Winnings in prized games and contests and other forms of winning.

7. Incomes from copyright, including:

a/ Incomes from assignment or licensing of intellectual property objects;

b/ Incomes from technology transfer.

8. Incomes from commercial franchising.

9. Incomes from inheritances that are securities, capital holdings in economic organizations or business establishments, real estate and other assets subject to ownership or use registration.

10. Incomes from gifts that are securities, capital holdings in economic organizations or business establishments, real estate and other assets subject to ownership or use registration.

The Government shall detail and guide the implementation of this Article.

Article 4. Tax-exempt incomes

1. Incomes from transfer of real estate between spouses; parents and their children; adoptive parents and their adopted children; fathers-in-law or mothers-in-law and daughters-in-law or sons-in-law; grandparents and their grandchildren; or among blood siblings.
2. Incomes from transfer of residential houses, rights to use residential land and assets attached to residential land received by individuals who have only one residential house or land plot each.
3. Incomes from the value of land use rights of individuals who are allocated land by the State.
4. Incomes from receipt of inheritances or gifts that are real estate between spouses, parents and their children; adoptive parents and their adopted children; fathers-in-law or mothers-in-law and daughters-in-law or sons-in-law; grandparents and their grandchildren; or among blood siblings.
5. Incomes of households and individuals directly engaged in agricultural or forest production, salt making, aquaculture, fishing and trading of aquatic resources not yet processed into other products or preliminarily processed aquatic products.
6. Incomes from conversion of agricultural land allocated by the State to households and individuals for production.
7. Incomes from interests on deposits at credit institutions or interests from life insurance policies.
8. Incomes from foreign exchange remittances.

9. Wages paid for night shift or overtime work, which are higher than those paid for day shifts or prescribed working hours in accordance with law.

10. Retirement pensions paid by the Social Insurance.

11. Incomes from scholarships, including:

a/ Scholarships granted from the state budget;

b/ Scholarships granted by domestic and foreign organizations under their study promotion programs.

12. Incomes from indemnities paid under life insurance policies, non-life insurance policies, compensations for labor accidents, compensations paid by the State and other compensations as provided for by law.

13. Incomes received from charity funds licensed or recognized by competent state agencies and operating for charity, humanitarian or non-profit purposes.

14. Incomes received from governmental or non-governmental foreign aid for charity or humanitarian purposes approved by competent state agencies.

Article 5. Tax reduction

Taxpayers who face difficulties caused by natural disasters, fires, accidents or severe diseases and affecting their tax payment ability may be considered for tax reduction corresponding to the extent of damage they suffer from but not exceeding payable tax amounts.

Article 6. Conversion of taxable incomes into Vietnam dong

1. A taxable income received in a foreign currency must be converted into Vietnam dong at the average exchange transaction rate on the inter-bank foreign exchange market announced by the State Bank at the time of income generation.
2. A taxable income received in the form of a product or service must be converted into Vietnam dong at the market price of that product or service or of products or services of the same or similar type at the time of income generation.

Article 7. Tax period

1. For residents, tax period is specified as follows:
 - a/ Annual tax period, which is applicable to incomes from business, salaries and wages.
 - b/ Tax period upon each time of income generation, which is applicable to incomes from capital investment; incomes from capital transfer, except for incomes from securities transfer; incomes from real estate transfer; incomes from prizes; incomes from copyright; incomes from commercial franchising; incomes from inheritances; and gifts.
 - c/ Tax period upon each transfer or annual tax period, which is applicable to securities transfer. Individuals who apply the annual tax period shall register with tax offices at the beginning of the year.
2. For non-residents, the tax period counted upon each time of income generation is applicable to all their taxable incomes.

Article 8. Tax administration and tax refund

1. Tax registration, declaration, withholding, payment, finalization and refund, handling of violations of the tax law, and tax administration measures comply with legal provisions on tax administration.
2. Individuals are entitled to tax refund in the following cases:

- a/ Their paid tax amounts are larger than payable tax amounts;
- b/ They have paid tax but their taxed incomes do not reach a tax-liable level;
- c/ Other cases decided by competent state agencies.

Article 9. Application of treaties

If a treaty to which the Socialist Republic of Vietnam is a contracting party contains provisions on personal income tax different from the provisions of this Law, the provisions of that treaty prevail.

Chapter II

TAX BASES FOR RESIDENTS

Section 1. DETERMINATION OF TAXABLE INCOMES AND TAXED INCOMES

Article 10. Taxable incomes from business

1. A taxable income from business is determined to be equal to turnover minus reasonable expenses related to the generation of the taxable income from business in a tax period.
2. Turnover means the total of sales, processing remuneration, commissions, goods or service provision charges generated in a tax period from goods production and trading or service provision.

The time of determination of turnover is the time of transfer of ownership of goods or completion of services or the time of making goods sale or service provision invoices.

3. Reasonable expenses related to the generation of taxable incomes from business in a tax period include:

- a/ Salaries, wages, remuneration and other payments to laborers;

b/ Expenses for raw materials, fuels, materials, energy and goods used for production or business, charges for services purchased from outside;

c/ Expenses for depreciation, regular repair and maintenance of fixed assets used for production or business;

d/ Paid interests;

e/ Management expenses;

f/ Taxes, charges and fees payable under law and allowed to be accounted as expenses;

g/ Other expenses related to the generation of incomes.

4. The determination of turnover and expenses is based on accounting norms, standards, regulations, documents and books prescribed by law.

5. If many persons jointly conduct business activities under the same business registration, taxable income of each of them is determined according to one of the following principles:

a/ In proportion to their capital contributions stated in the business registration;

b/ Under their agreement stated in the business registration;

c/ According to the average per-capita income in case the business registration neither states their capital contributions nor contains any agreement on income division among them.

6. For business individuals who fail to strictly comply with regulations on accounting, invoices and documents and cannot measure turnover, expenses and taxable income, competent tax offices shall predetermine turnover and the ratio of taxable income in

order to determine taxable income suitable to each industry or business line under the law on tax administration.

Article 11. Taxable incomes from salaries or wages

1. A taxable income from salary or wage is determined to be equal to the total of incomes specified in Clause 2, Article 3 of this Law and earned by a taxpayer in a tax period.

2. Time of determination of a taxable income from salary or wage is the time when an organization or individual pays income to a taxpayer or when a taxpayer receives income.

Article 12. Taxable incomes from capital investment

1. A taxable income from capital investment is the total of incomes from capital investment specified in Clause 3, Article 3 of this Law and earned by a taxpayer in a tax period.

2. Time of determination of a taxable income from capital investment is the time when an organization or individual pays income to a taxpayer or when a taxpayer receives income.

Article 13. Taxable incomes from capital transfer

1. A taxable income from capital transfer is determined to be equal to the selling price minus the buying price and reasonable expenses related to the generation of income from capital transfer.

2. If the buying price and expenses related to the securities transfer are unidentifiable, taxable income is determined to be the selling price of securities.

3. Time of determination of a taxable income from capital transfer is the time when the capital transfer transaction is completed in accordance with law.

The Government shall detail and guide the implementation of this Article.

Article 14. Taxable incomes from real estate transfer

1. A taxable income from real estate transfer is determined to be equal to the real estate transfer price upon the transfer minus the real estate buying price and related expenses, specifically as follows:

a/ Real estate transfer price is the contractual price at the time of transfer;

b/ Real estate buying price is the contractual price at the time of purchase;

c/ Related expenses to be subtracted are those recorded in vouchers and invoices lawfully, including charges and fees related to land use rights as prescribed by law; expenses for land revamp, house renovation, ground leveling; expenses for investment in building residential houses, infrastructures and architectures on land; and other expenses related to the real estate transfer.

2. If the buying price and expenses related to the transfer of a real estate are unidentifiable, the taxable income is determined to be the real estate transfer price.

3. The Government shall stipulate principles and methods of determination of real estate transfer prices in case transfer prices are unidentifiable or land use rights transfer prices stated in contracts are lower than land prices promulgated by provincial-level People's Committees and effective at the time of transfer.

4. Time of determination of a taxable income from real estate transfer is the time when the transfer contract becomes effective in accordance with law.

Article 15. Taxable incomes from won prizes

1. A taxable income from won prize is the prize value in excess of VND 10 million received by a taxpayer upon each time of winning.
2. Time of determination of a taxable income from won prize is the time when an organization or individual pays income to a taxpayer.

Article 16. Taxable incomes from copyright

1. A taxable income from copyright is an income in excess of VND 10 million earned by a taxpayer when assigning or licensing an intellectual property object or transferring a technology under a contract.
2. Time of determination of a taxable income from copyright is the time when an organization or individual pays income to a taxpayer.

Article 17. Taxable incomes from commercial franchising

1. A taxable income from commercial franchising is an income in excess of VND 10 million earned by a taxpayer under a commercial franchising contract.
2. Time of determination of a taxable from commercial franchising is the time when an organization or individual pays income to a taxpayer.

Article 18. Taxable incomes from inheritances or gifts

1. A taxable income from inheritance or gift is the value of an inherited asset or a gift in excess of VND 10 million received by a taxpayer upon each time of inheritance or gift receipt.
2. Time of determination of a taxable income is specified as follows:
 - a/ For an income from inheritance, it is the time when a taxpayer receives an inherited estate;

b/ For an income from gift, it is the time when an organization or individual presents a gift to a taxpayer or when a taxpayer receives the income.

Article 19. Reduction based on family circumstances

1. Reduction based on family circumstances means a sum of money deductible from pre-tax income from business, salary or wage of a resident taxpayer. Reduction based on family circumstances consists of the following two parts:

a/ Reduction for the taxpayer, which is VND 4 million/month (VND 48 million/year);

b/ Reduction for each dependant of the taxpayer, which is VND 1.6 million/month.

2. The level of reduction based on family circumstances applicable to dependants is determined on the principle that each dependant may be counted only once for tax reduction for a taxpayer.

3. Dependants of a taxpayer means persons a taxpayer is responsible for nurturing or taking care of, including:

a/ His/her minor children or disabled children who are incapable of working;

b/ Individuals who have no income or have incomes not exceeding the prescribed level, including adult children who are studying at a university, college, professional secondary school or job-training establishment; his/her spouse who is incapable of working; his/her parents who are beyond the working age or incapable of working; other supportless persons whom the taxpayer has to directly nurture.

The Government shall specify the income level and declaration for identification of dependants to be counted for reduction based on family circumstances.

Article 20. Reduction for charity or humanitarian donations

1. Charity or humanitarian donations are deductible from pre-tax income from business, salary or wage of a resident taxpayer, including:

a/ Donations to organizations or establishments that care for or nurture children in special plights, disabled people and supportless elderly people.

b/ Donations to charity funds, humanitarian funds or study promotion funds.

2. Organizations, establishments and funds specified at Points a and b, Clause 1 of this Article must be those licensed or recognized by competent state agencies and operating for charity, humanitarian, study promotion or non-profit purposes.

Article 21. Taxed incomes

1. A taxed income from business, salary or wage is the total of taxable incomes specified in Articles 10 and 11 of this Law minus premiums of social insurance, health insurance and professional liability insurance for some professions and jobs subject to compulsory insurance and reductions specified in Articles 19 and 20 of this Law.

2. Taxed incomes from capital investment, capital transfer, real estate transfer, won prizes, copyright royalties, commercial franchising, inheritances or gifts are taxable incomes specified in Articles 12, 13, 14, 15, 16, 17 and 18 of this Law.

Section 2. TARIFFS

Article 22. Partially progressive tariff

1. The partially progressive tariff applies to taxed incomes specified in Clause 1, Article 21 of this Law.

2. The partially progressive tariff is specified below:

Tax	Taxed income per year	Taxed income per month	Tax rate
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grade	(VND million)	(VND million)	(%)
1	Up to 60	Up to 5	5
2	Between over 60 and 120	Between over 5 and 10	10
3	Between over 120 and 216	Between over 10 and 18	15
4	Between over 216 and 384	Between over 18 and 32	20
5	Between over 384 and 624	Between over 32 and 52	25
6	Between over 624 and 960	Between over 52 and 80	30
7	Over 960	Over 80	35

Article 23. Whole income tariff

1. The whole income tariff applies to taxed incomes specified in Clause 2, Article 21 of this Law.

2. The whole income tariff is specified below:

Taxed incomes	Tax rate (%)
a/ Incomes from capital investment	5
b/ Incomes from copyright, commercial franchising	5

c/ Incomes from prizes	10
d/ Incomes from inheritances, gifts	10
e/ Incomes from capital transfer specified in Clause 1, Article 13 of this Law	20
Incomes from securities transfer specified in Clause 2, Article 13 of this Law	0.1
f/ Incomes from real estate transfer specified in Clause 1, Article 14 of this Law	25
Incomes from real estate transfer specified in Clause 2, Article 14 of this Law	2

Article 24. Responsibilities of income-paying organizations and individuals and responsibilities of resident taxpayers

1. Responsibility to make tax declaration, withholding, payment and finalization is specified as follows:

a/ Income-paying organizations and individuals shall make tax declaration, withhold and remit tax into the state budget, and make tax finalization for all kinds of taxable income they pay to taxpayers;

b/ Individuals who have taxable incomes shall make tax declaration, pay tax into the state budget and make tax finalization for all their incomes in accordance with the law on tax administration.

2. Income-paying organizations and individuals shall supply information on incomes and dependants of taxpayers under their management in accordance with law.

3. The Government shall specify tax withholding rates suitable to each kind of income specified at Point a, Clause 1 of this Article.

Chapter III

TAX BASES FOR NON-RESIDENTS

Article 25. Tax on incomes from business

1. Tax on incomes from business of a non-resident is determined to be equal to his/her turnover from production or business activities specified in Clause 2 of this Article multiplied by the tax rate specified in Clause 3 of this Article.

2. Turnover is the total sum of money derived from the provision of goods or services, including also expenses paid by the goods or service buyer on behalf of the non-resident but not refunded to the goods or service buyer.

If a contract between the goods or service provider and buyer does not specify personal income tax, the taxable turnover that must be converted is the total sum of money in any form earned by the non-resident from the provision of goods or services in Vietnam, regardless of places where business activities are conducted.

3. Tax rates applicable to incomes from business are specified for different production sectors or business lines as follows:

a/ 1% for goods trading;

b/ 5% for service provision;

c/ 2% for production, construction, transportation and other business activities.

Article 26. Tax on incomes from salaries or wages

1. Tax on income from salary or wage of a non-resident is determined to be equal to his/her income from salary or wage specified in Clause 2 of this Article multiplied by the tax rate of 20%.

2. Taxable income from salary or wage of a non-resident is the total of salary or wage amounts received by a non-resident for job performance in Vietnam, regardless of income payers.

Article 27. Tax on incomes from capital investment

Tax on income from capital investment of a non-resident is determined to be equal to the total sum of money earned by a non-resident from his/her capital investment in organizations or other individuals in Vietnam, multiplied by the tax rate of 5%.

Article 28. Tax on incomes from capital transfer

Tax on income from capital transfer of a non-resident is determined to be equal to the total sum of money earned by a non-resident from the transfer of his/her capital portions in Vietnamese organizations or individuals, multiplied by the tax rate of 0.1%, regardless of whether the transfer is made in Vietnam or abroad.

Article 29. Tax on incomes from real estate transfer

Tax on income from real estate transfer in Vietnam of a non-resident is determined to be equal to the real estate transfer price multiplied by the tax rate of 2%.

Article 30. Tax on incomes from copyright or franchising

1. Tax on income from copyright of a non-resident is determined to be equal to the income in excess of VND 10 million earned from each contract on assignment or

licensing of an intellectual property object or technology transfer in Vietnam, multiplied by the tax rate of 5%.

2. Tax on income from commercial franchising of a non-resident is determined to be equal to the income in excess of VND 10 million earned from each contract on commercial franchising in Vietnam, multiplied by the tax rate of 5%.

Article 31. Tax on incomes from won prizes, inheritances or gifts

1. Tax on income from won prize, inheritance or gift of a non-resident is determined to be equal to his/her taxable income specified in Clause 2 of this Article multiplied by the tax rate of 10%.

2. Taxable income from won prize of a non-resident is the prize value in excess of VND 10 million upon each time of winning in Vietnam; taxable income from inheritance or gift is the inheritance or gift value in excess of VND 10 million upon each time of income receipt by a non-resident in Vietnam.

Article 32. Time of determination of taxable income

1. Time of determination of taxable income with respect to incomes specified in Article 25 of this Law is the time when a non-resident earns an income or a goods sale or service provision invoice is issued.

2. Time of determination of taxable income with respect to incomes specified in Articles 26, 27, 30 and 31 of this Law is the time when an organization or individual in Vietnam pays an income to a non-resident or when a non-resident receives an income from an overseas organization or individual.

3. Time of determination of taxable income with respect to incomes specified in Articles 28 and 29 of this Law is the time when a transfer contract becomes effective.

Article 33. Responsibilities of income-paying organizations and individuals and responsibilities of non-resident taxpayers

1. Income-paying organizations and individuals shall withhold and remit tax into the state budget upon each time of payment of taxable incomes to taxpayers.
2. Non-resident taxpayers shall make tax declaration and payment upon each time of generation of taxable income in accordance with the law on tax administration.

Chapter IV

IMPLEMENTATION PROVISIONS

Article 34. Effect

1. This Law takes effect on January 1, 2009.
2. To annul the following documents and regulations:
 - a/ Ordinance No. **35/2001/PL-UBTVQH10** on Income Tax on High-Income Earners, which had a number of articles amended and supplemented by Ordinance No. **14/2004/PL-UBTVQH11**;
 - b/ The June 22, 1994 Law on Land Use Rights Transfer Tax, which had a number of articles amended and supplemented by Law No. **17/1999/QH10**;
 - c/ Provisions of Enterprise Income Tax Law No. **09/2003/QH11** on enterprise income tax applicable to individuals engaged in production or business activities, excluding private enterprises;
 - d/ Other regulations on personal income tax which are contrary to the provisions of this Law.

3. Individuals having incomes eligible for tax incentives provided for in legal documents promulgated before the effective date of this Law continue enjoying those incentives.

Article 35. Implementation guidance

The Government shall detail and guide the implementation of this Law.

This Law was passed on November 21, 2007, by the 12th National Assembly of the Socialist Republic of Vietnam at its 2nd session.

PRESIDENT

(Signed)

Nguyen Phu Trong

THE PRESIDENT

THE SOCIALIST REPUBLIC OF VIETNAM

Independence - Freedom – Happiness

ORDER

No. 31/2014/L-CTN

Hanoi, December 8, 2014

**On the
promu**

igation of law³

**THE PRESIDENT OF
THE SOCIALIST REPUBLIC OF VIETNAM**

Pursuant to Articles 88 and 91 of the Constitution of the Socialist Republic of Vietnam;

Pursuant to Article 91 of the Law on Organization of the National Assembly;

Pursuant to Article 57 of the Law on Promulgation of Legal Documents,

PROMULGATES

The Law Amending and Supplementing a Number of Articles of the Laws on Taxes,

³ Công Báo Nos 1173-1174 (30/12/2014)

which was passed on November 26, 2014, by the XIIIth National Assembly of the Socialist Republic of Vietnam at its 8th session.-

President of the Socialist Republic of Vietnam

TRUONG TAN SANG

THE PRESIDENT

THE SOCIALIST REPUBLIC OF VIETNAM

Independence - Freedom - Happiness

No. 71/2014/QH13

LAW

**Amending and Supplementing a Number of Articles
of the Laws on Taxes⁴**

Pursuant to the Constitution of the Socialist Republic of Vietnam;

The National Assembly promulgates the Law Amending and Supplementing a Number of Articles of Law No. 14/2008/QH12 on Enterprise Income Tax, which was amended and supplemented under Law No. 32/2013/QH13; Law No. 04/2007/QH12 on Personal Income Tax, which was amended and supplemented under Law No. 26/2012/QH13; Law No. 13/2008/QH12 on Value-Added Tax, which was amended and supplemented under Law No. 31/2013/QH13; Law No. 45/2009/QH12 on Royalties; Law No. 78/2006/QH11 on Tax Administration, which was amended and supplemented under Law No. 21/2012/QH13; Law No. 27/2008/QH12 on Excise Tax, Law No. 45/2005/QH11 on Export Duty and Import Duty, and Law No. 54/2014/QH13 on Customs.

Article 1.

⁴ Công Báo Nos 1173-1174 (30/12/2014)

To amend and supplement a number of articles of Law No. 14/2008/QH12 on Enterprise Income Tax, which was amended and supplemented under Law No. 32/2013/QH13.

1. To amend and supplement Clause 2, Article 3 as follows:

“2. Other incomes include income from the transfer of capital or transfer of the capital-contributing rights; income from the transfer of real estate, transfer of investment projects, transfer of the right to participate in investment projects or transfer of the right to explore, exploit and process minerals; income from asset use rights or asset ownership rights, including income from intellectual property rights in accordance with law; income from the transfer, lease or liquidation of assets, including also valuable papers; income from interest on deposits, loans provided or foreign currencies sold; revenue from written-off bad debts which are now recovered; revenue from debts owed to unidentified creditors; omitted income from business activities of previous years, and other incomes.

Vietnamese enterprises that are engaged in offshore investment activities and remit their incomes to Vietnam after paying enterprise income tax in foreign countries shall comply with the double taxation avoidance agreements concluded between Vietnam and such countries, for foreign countries with which Vietnam has concluded double taxation avoidance agreements. For foreign countries with which Vietnam has not yet concluded any double taxation avoidance agreement, if the enterprise income tax rate applicable in a country from which incomes are remitted to Vietnam is lower than that prescribed by the Vietnamese law on enterprise income tax, only difference must be collected.”

2. To amend and supplement Clause 1, Article 4 as follows:

“1. Cooperatives’ incomes from cultivation, husbandry, agricultural and aquatic product processing and salt production; incomes from agricultural, forestry, fishing and salt production of cooperatives operating in areas with difficult or extremely difficult socio-economic conditions; enterprises’ incomes from cultivation, husbandry, agricultural and aquatic product processing carried out in areas with extremely difficult socio-economic conditions; and incomes from marine fishing.”

3. To amend and supplement Point a, Clause 1, Article 9 as follows:

“a/ Actual expenses related to the enterprise’s production and business activities; expenses paid for vocational training activities; expenses paid for the performance of the enterprise’s national defense and security tasks in accordance with law;”

4. To annul Point m, Clause 2, Article 9.

5. To add the following Points dd and e to Clause 1, Article 13:

“dd/ Enterprises’ incomes from the implementation of new investment projects to manufacture products on the list of products of support industries prioritized for development that fall into one of the following categories:

- Products of support industries for high technologies provided in the Law on High Technologies;

- Products of support industries for the manufacture of products of textile and garment, leather and footwear and electronic and informatics industries; automobile manufacture and assembly; and mechanical engineering, which cannot be manufactured in the country or can be manufactured in the country but must meet the European Union technical standards or equivalent standards by January 1, 2015.

The Government shall promulgate the list of products of support industries prioritized for development specified in this Clause;

e/ Enterprises' incomes from the implementation of investment projects in the manufacturing fields, except projects to produce goods liable to excise tax and mining projects, which are capitalized at twelve trillion Vietnam dong or more, use technologies subject to appraisal under the Law on High Technologies and the Law on Science and Technology, are planned to disburse their total registered capital amounts within five years from the date of investment licensing under the investment law."

6. To amend and supplement Point d, Clause 2, Article 13 as follows:

"d/ Enterprises' incomes from planting, tending and protecting forests; farming and processing agricultural and aquatic products in areas with difficult socio-economic conditions; farming and rearing forest products in areas with difficult socio-economic conditions; producing, propagating and hybridizing plant varieties and animal breeds; producing, exploiting and refining salt, except salt production prescribed in Clause 1, Article 4 of this Law; and investing in the post-harvest preservation of agricultural products and preservation of agricultural and aquatic products and food;"

7. To add the following Clause 3a to Clause 3, Article 13:

"3a. To apply the tax rate of 15% to enterprises' incomes from cultivation, husbandry and processing of agricultural and aquatic products carried out outside areas with difficult or extremely difficult socio-economic conditions."

8. To amend and supplement Clause 5, Article 13 as follows:

"5. The extension of the period of application of preferential tax rates is provided as follows:

a/ For large-sized hi-tech projects which need special investment attraction, the period of application of preferential tax rates may be extended for not more than fifteen years;

b/ Projects specified at Point e, Clause 1 of this Article must meet one of the following criteria:

- Manufacturing products that are globally competitive, earning an annual turnover of over 20 trillion Vietnam dong within five years from the first year of turnover generation;

- Regularly employing over six thousand workers;

- Investment projects in the field of economic and technical infrastructure, including development investment in water plants, power plants, water supply and drainage system, bridges, roads, railways, airports, seaports, river ports, air terminals, railway stations, new energies, clean energies, energy-efficient industries, and petrochemical projects.

The Prime Minister may decide on the extension of the period of application of preferential tax rates specified at this Point for not more than fifteen years.”

9. To amend and supplement Clause 3, Article 2 of Law No. 32/2013/QH13 as follows:

“3. Enterprises having investment projects are entitled to enterprises income tax preferences under the enterprise income tax law applicable at the time of grant of investment licenses or certificates under the investment law. In case the enterprise income tax law is revised and an enterprise meets the tax preference conditions set by the new law, such enterprise may choose to enjoy the preferential tax rate and tax exemption and reduction periods prescribed by the law applicable at the time of licensing or the new law for the remaining period.

By the end of the 2015 tax period, if an enterprise having investment projects eligible for the preferential tax rate of 20% prescribed in Clause 3, Article 13 of Law No.

14/2008/QH12 on Enterprise Income Tax, which was amended and supplemented under Law No. 32/2013/QH13, it may apply the tax rate of 17% for the remaining period from January 1, 2016.”

Article 2.

To amend and supplement a number of articles of Law No. 04/2007/QH12 on Personal Income Tax, which was amended and supplemented under Law No. 26/2012/QH13.

1. To amend and supplement Clause 1, Article 3 as follows:

“1. Incomes from business activities, including:

a/ Incomes from goods production or trading or service provision;

b/ Incomes from independent professional activities of individuals possessing practice licenses or certificates in accordance with law.

Incomes from business activities specified in this Clause exclude incomes of businesspeople who have an annual turnover of 100 million Vietnam dong or less.”

2. To amend and supplement Point c, Clause 6, Article 3 as follows:

“c/ Betting winnings;”

3. To add the following Clauses 15 and 16 to Article 4:

“15. Incomes from salaries or wages of Vietnamese crewmembers working for foreign shipping companies or Vietnamese shipping companies engaged in international transportation.

16. Incomes of individual shipowners, individuals having the right to use ships and people working on board ships from the provision of goods and services to directly serve offshore fishing activities.”

4. To amend and supplement Article 10 as follows:

“Article 10. Tax applicable to businesspeople

1. Businesspeople shall pay personal income tax calculated as a certain percentage of turnover in each field, industry or business line.

2. Turnover means total sales, processing remuneration, commissions, service provision charges generated in a tax period from goods production and trading or service provision.

In case businesspeople cannot identify their turnover, a competent tax agency shall predetermine turnover in accordance with the tax administration law.

3. Tax rates:

a/ Goods distribution and supply: 0.5%;

b/ Services and construction activities without supply of raw materials and materials: 2%.

Particularly for asset lease, insurance agency, lottery agency and multi-level marketing agency: 5%;

c/ Production, transportation and services associated with goods, construction activities involving supply of raw materials and materials: 1.5%;

d/ Other business activities: 1%.”

5. To amend Article 13 as follows:

“Article 13. Taxable incomes from capital transfer

1. A taxable income from capital transfer is determined to be equal to the selling price minus the buying price and reasonable expenses related to the generation of income from capital transfer.

For securities transfer, a taxable income is determined to be the transfer price for each transfer.

2. Time of determination of a taxable income from capital transfer is the time when the capital transfer transaction is completed in accordance with law.

The Government shall detail and guide the implementation of this Article.”

6. To amend and supplement Article 14 as follows:

“Article 14. Taxable incomes from real estate transfer

1. A taxable income from real estate transfer is determined to be the transfer price for each transfer.

2. The Government shall stipulate principles and methods of determination of real estate transfer price.

3. Time of determination of a taxable income from real estate transfer is the time when the transfer contract becomes effective in accordance with law.”

7. To amend and supplement Clause 2, Article 23 as follows:

“2. The whole income tariff is prescribed as follows:

Taxable incomes	Tax rate (%)
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a/ Incomes from capital investment	5
b/ Incomes from copyright, commercial franchising	5
c/ Incomes from prizes	10
d/ Incomes from inheritances, gifts	10
dd/ Incomes from capital transfer specified in Clause 1, Article 13 of this Law	20
Incomes from securities transfer specified in Clause 1, Article 13 of this Law	0.1
e/ Incomes from real estate transfer	2

Article 3.

To amend and supplement a number of articles of Law No. 13/2008/QH12 on Value-Added Tax, which was amended and supplemented under Law No. 31/2013/QH13.

1. To add the following 3a to Clause 3, Article 5:

“3a. Fertilizers; machinery, special-use equipment for agricultural production; offshore fishing vessels; and feeds for cattle, poultry and other domestic animals;”

2. To amend and supplement Point b, Clause 2, Article 8 as follows:

“b/ Ores for fertilizer production; pesticides and plant and animal growth stimulants;”

3. To annul Points c and k, Clause 2, Article 8.

Article 4.

To amend and supplement a number of articles of Law No. 45/2009/QH12 on Royalties.

1. To amend and supplement Clause 7, Article 2 as follows:

“7. Natural water, including surface water and ground water, except natural water used for agriculture, forestry, fishery and salt production.”

2. To amend and supplement Clause 5, Article 9 as follows:

“5. Royalties are exempted for natural water exploited by households and individuals for daily-life use.”

Article 5.

To amend and supplement a number of articles of Law No. 78/2006/QH11 on Tax Administration, which was amended and supplemented under Law No. 21/2012/QH13.

1. To amend and supplement Clauses 1, 1a and 6, Article 31 as follows:

“1. For taxes declared and paid on a monthly basis, a tax declaration dossier is a monthly tax return;

1a. For taxes declared and paid on a quarterly basis, a tax declaration dossier is a quarterly tax return;”

“6. The Government shall provide taxes subject to monthly, quarterly or annual declaration, quarterly declaration for temporary calculation, declaration upon each time of arising of tax liability, and tax finalization declaration; criteria for identification of

taxpayers to make quarterly tax declaration and tax declaration dossier on a case-by-case basis.”

2. To amend and supplement Article 43 as follows:

“Article 43. Currency for determination of turnover, expenses, taxable prices and taxes to be remitted into the state budget

Taxpayers shall determine turnover, expenses, taxable prices and taxes to be remitted into the state budget in Vietnam dong, except cases of tax payment in foreign currencies under the Government’s regulations. In case turnover is generated, expenses and taxable prices are paid in foreign currencies or taxpayers are obliged to pay taxes in foreign currencies but permitted by competent authorities to pay taxes in Vietnam dong, taxpayers shall convert foreign currencies into Vietnam dong at actual exchange rates applicable at the time of arising of such foreign-currency amounts.

The Government shall detail and guide this Article.”

3. To add the following Clause 11 to Article 7:

“11. Based on the practical situation and information technology conditions, the Government shall specify cases in which taxpayers are not required to submit documents in tax payment declaration, tax refund and other tax-related dossiers which state management agencies have on hand.”

4. To amend and supplement Clause 1, Article 106 as follows:

“1. A taxpayer that pays tax after the prescribed time limit or extended time limit for tax payment or the time limit stated in the notice or handling decision of a tax administration agency shall fully pay tax amounts and late payment interest at the rate of 0.05% of the late paid tax amount per each day of late payment.

For taxpayers that supply goods or services to be paid with the state budget, if they fail to pay tax on time because they have not yet received any payments from the state budget, they do not have to pay late payment interests for owed tax amounts, which must not exceed the amounts not yet paid from the state budget.”

Article 6.

1. This Law takes effect on January 1, 2015.

2. To annul provisions on exchange rates for determination of turnover, expenses, taxable prices, taxable incomes, taxed incomes and taxes to be remitted into the state budget in:

a/ Article 8 and Clause 3, Article 9 of Law No. 14/2008/QH12 on Enterprise Income Tax, which was amended and supplemented under Law No. 32/2013/QH13;

b/ Clause 1, Article 6 of Law No. 04/2007/QH12 on Personal Income Tax, which was amended and supplemented under Law No. 26/2012/QH13;

c/ Clause 3, Article 7 of Law No. 13/2008/QH12 on Value-Added Tax, which was amended and supplemented under Law No. 31/2013/QH13;

d/ Article 6 of Law No. 27/2008/QH12 on Excise Tax;

dd/ Clause 3, Article 9 and Article 14 of Law No. 45/2005/QH11 on Export Duty and Import Duty;

e/ Clause 4, Article 86 of Law No. 54/2014/QH13 on Customs.

3. To annul Point c, Clause 1, Article 49 of Law No. 78/2006/QH11 on Tax Administration, which was amended and supplemented under Law No. 21/2012/QH13.

4. To annul provisions on determination of tax applicable to businesspeople specified in Clause 1, Article 19; Clause 1, Article 20; and Clause 1, Article 21 of Law No. 04/2007/QH12 on Personal Income Tax, which was amended and supplemented under Law No. 26/2012/QH13.

5. The Government and competent agencies shall detail articles and clauses in this Law as assigned.

This Law was passed on November 26, 2014, by the XIIIth National Assembly of the Socialist Republic of Vietnam at its 8th session.-

Chairman of the National Assembly

NGUYEN SINH HUNG

THE NATIONAL ASSEMBLY

No. 27/2008/QH12

SOCIALIST REPUBLIC OF VIET NAM
Independence - Freedom - Happiness

Hanoi, November 14, 2008

LAW

ON EXCISE TAX

Pursuant to the 1992 Constitution of the Socialist Republic of Vietnam, which was amended and supplemented under Resolution No. 51/2001/QH10;

The National Assembly promulgates the Law on Excise Tax

Chapter I

GENERAL PROVISIONS

Article 1. Scope of regulation

This Law provides for taxable and non-taxable objects, and payers, bases, refund, deduction and reduction of excise tax.

Article 2. Taxable objects

1. Goods:

a/ Cigarettes, cigars and other tobacco preparations used for smoking, inhaling, chewing, sniffing or keeping in mouth;

b/ Liquor;

c/ Beer;

d/ Under-24 seat cars, including cars for both passenger and cargo transportation with two or more rows of seats and fixed partitions between passenger holds and cargo holds;

e/ Two- and three-wheeled motorcycles of a cylinder capacity of over 125 cm³;

f/ Aircraft and yachts;

g/ Gasoline of all kinds, naphtha, reformade components and other components for mixing gasoline;

h/ Air-conditioners of 90,000 BTU or less;

i/ Playing cards;

j/ Votive gilt papers and votive objects.

2. Services:

- a/ Dance halls;
- b/ Massage parlors and karaoke bars;
- c/ Casinos; prize-winning video games, including jackpot and slot games and games on similar machines;
- d/ Betting;
- e/ Golf business, including the sale of membership cards and golf playing tickets;
- f/ Lottery business.

Article 3. Non-taxable objects

Goods specified in Clause 1, Article 2 of this Law are not subject to excise tax in the following cases:

1. Goods which are directly exported by producers or processors, or which are sold or entrusted by these producers or processors to other business establishments for export;
2. Imported goods, including:
 - a/ Goods as humanitarian aid or non-refundable aid; gifts for state agencies, political organizations, socio-political organizations, socio-political-professional organizations, social organizations, socio-professional organizations or people's armed forces units; and donations or gifts for individuals in Vietnam within the quotas prescribed by the Government;
 - b/ Goods transited or transported via Vietnamese border gates or borders, and goods transported to and from border gates under the Government's regulations;
 - c/ Goods temporarily imported for re-export and temporarily exported for re-import which are not subject to import duty or export duty within the time limit specified in the law on import duty and export duty;
 - d/ Personal effects of foreign organizations and individuals within diplomatic immunity quotas; personal belongings within duty-free luggage quotas; and goods imported for duty-free sale under law;
3. Aircraft and yachts used for commercial transportation of cargos, passengers and tourists;
4. Ambulances; prison vans; hearses; cars designed with both seats and standing places for transporting 24 or more people; cars running in recreation, entertainment and sports areas which neither are registered for circulation nor move on roads;
5. Goods imported from abroad into non-tariff areas, goods sold from the inland into non-tariff areas for use only in non-tariff areas, and goods traded between non-tariff areas, except under-24 seat cars.

Article 4. Taxpayers

Excise taxpayers include producers and importers of goods and providers of services which are subject to excise tax.

Exporters that purchase excise tax-liable goods from producers for export and do not export but sell them domestically shall pay excise tax.

Chapter II

TAX BASES

Article 5. Tax bases

Excise tax bases include the taxed price of a taxable goods or service and the tax rate. The payable excise tax amount is the excise taxed price multiplied by the excise tax rate.

Article 6. Taxed price

The excise taxed price of a goods or service is the goods selling price or the service charge, exclusive of excise tax and value-added tax. Specifically:

1. For domestically produced goods, it is the selling price set by the producer;
2. For imported goods, it is the import-duty calculation price plus the import duty. For imported goods eligible for import duty exemption or reduction, it is exclusive of the exempted or reduced import duty amount;
3. For processed goods, it is the taxed price of the goods sold by processing-ordering establishment or the selling price of the product of the same or similar kind at the same time with the time of goods sale;
4. For goods sold on installment or deferred payment, it is the one-off selling price of such goods, exclusive of the installment or deferred payment interest;
5. For services, it is the service charge set by the service provider. The service provision in a number of cases is specified as follows:
 - a/ For golf business, it is the selling price of the membership card or golf-playing ticket, inclusive of the golf playing charge and deposit (if any);
 - b/ For casino, prize-winning video game and betting business, it is the turnover from such business minus the prize already paid to customers;
 - c/ For dance hall, massage parlor and karaoke bar business, it is the turnover from such business.
6. For goods and services used for barter, internal consumption or donation, it is the excise taxed price of the goods or service of the same or similar kind at the time of barter, internal consumption or donation.

Excise taxed prices of goods and services specified in this Article are inclusive of additional charges and revenues (if any) enjoyed by business establishments.

Taxed prices are calculated in Vietnam dong. In case taxpayers have foreign-currency turnover, foreign-currency amounts must be converted into Vietnam (long at the average exchange rate on the inter-bank foreign currency market, announced by the State Bank of Vietnam at the time of turnover generation, for determination of taxed prices.

The Government shall speedy this Article.

Article 7. Tax rates

Excise tax rates for goods and services are specified in the Excise Tariff below:

No.	Goods or services	Tax rate (%)
1	Goods	
1	Cigarettes, cigars and other tobacco preparations	65
2	Liquor	
	a/ Of 20° proof or higher	
	From January 1, 2010, through December 31, 2012	45
	From January 1, 2013	50
	b/ Of under 20° proof	25
3	Beer	
	From January 1, 2010, through December 31, 2012	45
	From January 1, 2013	50
4	Under-24 seat cars	
	a/ Passenger cars of 9 seats or fewer, except those specified at Points 4e, 4f and 4g of this Article	
	Of a cylinder capacity of 2,000 cm ³ or less	45
	Of a cylinder capacity of between over 2,000 cm ³ and 3,000 cm ³	50
	Of a cylinder capacity of over 3,000 cm ³	60
	b/ Passenger cars of between 10 seats and under 16 seats, except those specified at Points 4c, 4f and 4g of this Article	30
	c/ Passenger cars of between 16 seats and under 24 seats, except those specified at Points 4e, 4f and 4g of this Article	15
	d/ Cars for both passenger and cargo transportation, except those specified at Points 4e, 4f and 4g of this Article	15
	e/ Cars running on gasoline in combination with electricity or bio-fuel, with gasoline accounting for not more than 70% of the used fuel	70% of the tax rate for cars of the same kind as specified at Points 4a, 4b, 4c and 4d of

		this Article
	f/ Cars running on bio-fuel	50% of the tax rate for cars of the same type as specified at Points 4a, 4b, 4c and 4d of this Article
	g/ Electrically-operated cars	
	Passenger cars of 9 seats or fewer	25
	Passenger cars of between 10 seats and under 16 seats	15
	Passenger cars of between 16 seats and under 24 seats	10
	Cars for both passenger and cargo transportation	10
5	Two- and three-wheeled motorcycles of a cylinder capacity of over 125 cm ³	20
6	Aircraft	30
7	Yachts	30
8	Gasoline of all kinds, naphtha, reformade components and other components for mixing gasoline	10
9	Air conditioners of 90.000 BTU or less	10
10	Playing cards	40
11	Votive gilt papers and votive objects	70
II	Services	
1	Dance halls	40
2	Massage parlors and karaoke bars	30
3	Casinos and prize-winning video games	30
4	Betting	30
5	Golf business	20
6	Lottery business	15

Chapter II

TAX REFUND, DEDUCTION AND REDUCTION

Article 8. Tax refund and deduction

1. Excise taxpayers may have the paid tax amounts refunded in the following cases:

a/ Goods temporarily imported for re-export:

b/ Goods which are raw materials imported for export production and processing;

c/ Finalization of overpaid tax amounts upon merger, consolidation, separation, split-up, dissolution, bankruptcy, ownership change, enterprise transformation or operation termination;

d/ Upon issuance of tax refund decisions by competent agencies under law, and cases of excise tax refund under treaties to which the Socialist Republic of Vietnam is a contracting party.

The excise tax refund under Points a and b of this Clause is applicable only to actually exported goods.

2. Taxpayers that produce excise taxable goods from raw materials for which excise tax has been paid and that can produce lawful documents on tax payment may have the tax amounts paid for raw materials deducted upon the determination of payable excise tax amounts at the stage of production.

The Government shall specify this Article.

Article 9. Tax reduction

Taxpayers that produce excise taxable goods and face difficulties caused by natural disasters or unexpected accidents are entitled to tax reduction.

The tax reduction level shall be determined based on the actual extent of damage caused by natural disasters or unexpected accidents but must neither exceed 30% of the payable tax amount in the year the damage occurs nor exceed the balance between the value of damaged assets and the received compensation (if any).

Chapter IV

IMPLEMENTATION PROVISIONS

Article 10. Effect

1. This Law takes effect on April 1, 2009; the provisions applicable to liquor and beer will take effect on January 1, 2010.

To annul Excise Tax Law No. 05/1998/QH10; Law No. 08/2003/QH11 Amending and Supplementing a Number of Articles of the Excise Tax Law; and Article 1 of Law No. 57/2005/QH11 Amending and Supplementing a Number of Articles of the Excise Tax Law and Value-Added Tax Law, except the provisions applicable to liquor and beer which continue to be effective through December 31, 2009.

Article 11. Implementation guidance

The Government shall detail and guide the articles and clauses of this Law as assigned, and guide other necessary provisions of this Law to meet state management requirements.

This Law was passed on November 14, 2008, by the XIIth National Assembly of the Socialist Republic of Vietnam at its 4th session.

CHAIRMAN OF THE NATIONAL ASSEMBLY

Nguyen Phu Trong

**THE NATIONAL
ASSEMBLY**

**THE SOCIALIST REPUBLIC OF VIETNAM
Independence - Freedom - Happiness**

No. 106/2016/QH13

LAW

Amending and Supplementing a Number of Articles of the Law on Value-Added Tax, the Law on Excise Tax and the Law on Tax Administration

Pursuant to the Constitution of the Socialist Republic of Vietnam;

The National Assembly promulgates the Law Amending and Supplementing a Number of Articles of Law No. 13/2008/QH12 on Value-Added Tax which was amended and supplemented under Law No. 31/2013/QH13, Law No. 27/2008/QH12 on Excise Tax which was amended and supplemented under Law No. 70/2014/QH13, and Law No. 78/2006/QH11 on Tax Administration which was amended and supplemented under Law No. 21/2012/QH13 and Law No. 71/2014/QH13.

Article 1

To amend and supplement a number of articles of Law No. 13/2008/QH12 on Value-Added Tax which was amended and supplemented under Law No. 31/2013/QH13 as follows:

1. To amend Clauses 1, 9 and 23, Article 5 as follows:

“1. Cultivation and husbandry products, and reared and fished aquatic products which have not yet been processed into other products or have been just preliminarily processed and sold by producing and fishing organizations and individuals, and products at the stage of importation.

Enterprises and cooperatives that purchase cultivation and husbandry products, and reared and fished aquatic products which have not yet been processed into other products or have been just preliminarily processed for sale to other enterprises and cooperatives are not required to declare, calculate and pay value-added tax, and may have input value-added tax credited.”

“9. Healthcare and animal health services, including medical examination and treatment and preventive services for humans and domestic animals; and healthcare services for the elderly and disabled.”

“23. Exported products which are mined natural resources or minerals not yet processed into other products; or which are goods processed from mined natural resources and minerals with the total value of natural resources and minerals plus energy cost accounting for at least 51% of the product costs.”

2. To amend and supplement Point g, Clause 1, Article 8 as follows:

“g/ Exported products prescribed in Clause 23, Article 5 of this Law.

Exported goods and services are goods and services used outside Vietnam and in non-tariff areas; and goods and services supplied to foreign customers under the Government’s regulations.”

3. To amend and supplement Clauses 1 and 2, Article 13 as follows:

“1. A business establishment that pays value-added tax according to the tax credit method and has the input value-added tax amount not yet fully credited in a month or a quarter may have such tax credited in the next period.

A business establishment that has registered to pay value-added tax according to the tax credit method shall be entitled to tax refund if it has a new project currently in the investment phase and has an amount of value-added tax on purchased goods or services used for investment not yet credited while the remaining tax amount is VND 300 million or more.

A business establishment shall not be entitled to value-added tax refund but may carry forward the value-added tax amount not yet credited under its investment projects to the next period under the investment law if:

a/ The investment project fails to have sufficient charter capital as registered; the business establishment conducts conditional business investment lines but fails to fully satisfy the business conditions prescribed in the Investment Law or fails to maintain business conditions during its operation;

b/ The investment project on mining natural resources and minerals is licensed on or after July 1, 2016, or the investment project on product or goods production with the total value of natural resources and minerals plus energy cost accounting for at least 51% of the product costs.

The Government shall prescribe in detail this Clause.

2. A business establishment that exports goods or services in a month or quarter shall be entitled to value-added tax refund on a monthly or quarterly basis if it has a non-credited input value-added tax amount of VND 300 million or more, except goods imported for export or goods for export but not exported in customs operation areas under the Customs Law. Taxpayers that produce exported goods and do not violate the tax or customs law during 2 consecutive years and taxpayers that are not prone to high risks under the Law on Tax Administration shall be entitled to tax refund before customs inspection.”

Article 2

To amend and supplement a number of articles of Law No. 27/2008/QH12 on Excise Tax which was amended and supplemented under Law No. 70/2014/QH13 as follows:

1. To amend and supplement Clauses 1 and 2, Article 6 as follows:

“1. For domestically produced goods and imported goods, it is the selling price set by the producer or the importer.

In case excise tax-liable goods are sold to commercial business establishments that have the parent company-subsidiary relationship or are subsidiaries of the same parent company with the producer or importer, or sold to commercial business establishments that have association relationships, the excise taxed price must not be lower in a certain percentage than the average selling price set by commercial business establishments that directly buy goods from the producer or importer under the Government’s regulations;

For imported goods at the stage of importation, it is the import-duty calculation price plus the import duty. For imported goods eligible for import duty exemption or reduction, it is exclusive of the exempted or reduced import duty amount. For imported excise tax-liable goods, the excise tax amount already paid at the stage of importation shall be deducted when determining the amount of payable excise tax on the goods sold;”

2. To amend and supplement Clause 4, Section I of the Excise Tariff specified in Article 7 as follows:

No.	Goods or services	Tax rate (%)
4	Under-24 seat cars	
	a/ Passenger cars of 9 seats or fewer, except those specified at Points 4dd, 4e and 4g of the Tariff provided in this Article	
	- Of a cylinder capacity of 1,500 cm ³ or less	
	+ From July 1, 2016, through December 31, 2017	40
	+ From January 1, 2018	35
	- Of a cylinder capacity of between over 1,500 cm ³ and 2,000 cm ³	

	+ From July 1, 2016, through December 31, 2017	45
	+ From January 1, 2018	40
	- Of a cylinder capacity of between over 2,000 cm ³ and 2,500 cm ³	50
	- Of a cylinder capacity of between over 2,500 cm ³ and 3,000 cm ³	
	+ From July 1, 2016, through December 31, 2017	55
	+ From January 1, 2018	60
	- Of a cylinder capacity of between over 3,000 cm ³ and 4,000 cm ³	90
	- Of a cylinder capacity of between over 4,000 cm ³ and 5,000 cm ³	110
	- Of a cylinder capacity of between over 5,000 cm ³ and 6,000 cm ³	130
	- Of a cylinder capacity of over 6,000 cm ³	150
	b/ Passenger cars of between 10 seats and under 16 seats, except those specified at Points 4dd, 4e and 4g of the Tariff provided in this Article	15
	c/ Passenger cars of between 16 seats and under 24 seats, except those specified at Points 4dd, 4e and 4g of the Tariff provided in this Article	10
	d/ Cars for both passenger and cargo transportation, except those specified at Points 4dd, 4e and 4g of the	

	Tariff provided in this Article	
	- Of a cylinder capacity of 2,500 cm ³ or less	15
	- Of a cylinder capacity of between over 2,500 cm ³ and 3,000 cm ³	20
	- Of a cylinder capacity of over 3,000 cm ³	25
	dd/ Cars operated by gasoline and electricity or bio-fuel, with gasoline accounting for at most 70% of the fuel used	70% of the tax rate for cars of the same kind as specified at Points 4a, 4b, 4c and 4d of the Tariff provided in this Article
	e/ Bio-fuel powered cars	50% of the tax rate for cars of the same kind as specified at Points 4a, 4b, 4c and 4d of the Tariff provided in this Article
	g/ Electricity-operated cars	
	- Passenger cars of 9 seats or fewer	15
	- Passenger cars of between 10 seats and under 16 seats	10
	- Passenger cars of between 16 seats and under 24 seats	5
	- Cars for both passenger and cargo transportation	10
	h/ Motorhomes regardless of cylinder capacity	

	- From July 1, 2016, through December 31, 2017	70
	- From January 1, 2018	75

Article 3

To amend and supplement a number of articles of Law No. 78/2006/QH11 on Tax Administration which was amended and supplemented under Law No. 21/2012/QH13 and Law No. 71/2014/QH13 as follows:

1. To amend and supplement Article 61 as follows:

“Article 61. Tax exemption or reduction

Tax administration agencies shall give tax exemption or reduction to cases eligible for tax exemption or reduction prescribed in legal documents on taxes and shall grant tax exemption for households and individuals that have an annual payable amount of non-agricultural land use tax of VND 50,000 or less.”

2. To amend and supplement Clause 4, Article 92 as follows:

“4. Not to take tax enforcement measures in case taxpayers are permitted by tax administration agencies to pay their tax arrears in installments within 12 months from the first day of the tax enforcement period. The payment of tax arrears in installments shall be considered at taxpayers’ request and guarantee by a credit institution is required. Taxpayers shall pay late-payment interests at a per diem rate of 0.03% of the late-paid tax amount.”

3. To amend and supplement Clause 1, Article 106 as follows:

“1. A taxpayer that pays tax after the prescribed time limit or extended time limit for tax payment, or after the time limit stated in the notice or handling decision of a tax administration agency shall fully pay the tax amount and late-payment interest at a per diem rate of 0.03% of the late paid tax amount.

Tax arrears arising before July 1, 2016, which have not yet been remitted by taxpayers into the state budget, including also tax arrears subject to retrospective collection as detected through inspection or examination results of competent agencies, shall be subject to the late-payment interests under this Clause from July 1, 2016.

Taxpayers that supply goods and services covered by state budget funds but have not yet received any payments, making them unable to promptly pay taxes and having to owe taxes, shall be exempt from late-payment interests on the owed tax amounts which must not exceed the amounts not yet paid by the state budget arising during the period the taxpayers do not yet receive the payments.”

4. To annul Clause 3, Article 42.

Article 4

1. This Law takes effect on July 1, 2016, except the provisions of Clause 2 of this Article.
2. Clause 4, Article 3 of this Law takes effect on September 1, 2016.
3. The Government shall detail the articles and clauses as assigned in this Law.

This Law was passed on April 6, 2016, by the XIIIth National Assembly of the Socialist Republic of Vietnam at its 11th session./.

Chairperson of the National Assembly
NGUYEN THI KIM NGAN

THE NATIONAL ASSEMBLY

Law No. 70/2014/QH13

SOCIALIST REPUBLIC OF VIETNAM
Independence - Freedom - Happiness

Hanoi, November 26, 2014

LAW

AMENDMENTS TO SOME ARTICLES OF THE LAW ON SPECIAL EXCISE DUTY

Pursuant to Constitution of Socialist Republic of Vietnam;

The National Assembly promulgates the Law on amendments to some Articles of the Law on special excise duty No. 27/2008/QH12.

Article 1.

Amendments to some Articles of the Law on special excise duty.

1. Point g Clause 1 Article 2 is amended as follows:

“g) Gasoline;”

2. Clause 3 Article 3 is amended as follows:

“3. Aircraft, yachts used for transport of goods, passengers, tourists, and aircraft used for national defense and security purposes;”

3. The first paragraph of Article 6 is amended is amended as follows:

“Taxable prices of goods/services are selling prices of goods services exclusive of special excise tax, environmental protection tax, and VAT, and are prescribed as follows:”

4. Article 7 is amended as follows:

“Article 7. Tax rate

Rates of special excise tax on goods and services are specified below:

SPECIAL EXCISE TAX

No.	Goods/services	Tax rates (%)
I	Goods	
1	Cigarettes, cigars, and other products derived from tobacco plants	
	From January 01, 2016 until the end of December 31, 2018	70
	From January 01, 2019	75
2	Alcohol	
	a) Alcohol with ABV $\geq 20^{\circ}$	
	From January 01, 2016 until the end of December 31, 2016	55
	From January 01, 2017 until the end of December 31, 2017	60
	From January 01, 2018	65
	b) Alcohol with ABV $< 20^{\circ}$	
	From January 01, 2016 until the end of December 31, 2017	30
	From January 01, 2018	35
3	Beer	
	From January 01, 2016 until the end of December 31, 2016	55
	From January 01, 2017 until the end of December 31, 2017	60
	From January 01, 2018	65
4	Cars having fewer than 24 seats	
	a) Passenger cars having 9 seats or fewer, except for those in Points 4dd,	

4e, and 4g in this Table	
Of a cylinder capacity not exceeding 2,000 cm ³	45
Of a cylinder capacity exceeding 2,000 cm ³ but not exceeding 3,000 cm ³	50
Of a cylinder capacity exceeding 3,000 cm ³	60
b) Passenger cars having 10 – 15 seats , except for those in Points 4dd, 4e, and 4g in this Table	30
c) Passenger cars having 16 – 23 seats , except for those in Points 4dd, 4e, and 4g in this Table	15
d) Cars used for both passenger and cargo transport, except for those in Points 4dd, 4e, and 4g in this Table	15
dd) Car running on both gasoline and electricity or bioenergy, the proportion of gasoline does not exceed 70% of total energy used.	70% of tax rates applied to the same types of cars in Points 4a, 4b, 4, and 4d in this Table
e) Cars running on bioenergy	50% of tax rates applied to the same types of cars in Points 4a, 4b, 4c, and 4d in this Table
g) Cars running on electricity	
Passenger cars having 9 seats or fewer	25
Passenger cars having 10 – 15 seats	15
Passenger cars having 16 – 23 seats	10

	Cars for transport of both people and goods	10
5	Motorcycles, motor tricycles of a cylinder capacity exceeding 125 cm ³	20
6	Aircraft	30
7	yacht	30
8	Gasoline	
	a) Gasoline	10
	b) E5 gasoline	8
	c) E10 gasoline	7
9	Air conditioners not exceeding 90,000 BTU	10
10	Playing cards	40
11	Votive papers	70
II	Services	
1	Dancing club business	40
2	Massage, karaoke business	30
3	Casino business, electronic casino game business	35
4	Betting business	30
5	Golf course business	20
6	Lottery business	15

Article 2.

This Law takes effect on January 01, 2016.

This Law is passed by the 13th National Assembly of Socialist Republic of Vietnam on November 26, 2014 during the 8th session.

PRESIDENT OF THE NATIONAL ASSEMBLY

Nguyen Sinh Hung

**THE NATIONAL
ASSEMBLY**

On personal income tax SOCIALIST REPUBLIC OF VIET NAM

(No. **04/2007/QH12**)

**Independence - Freedom -
Happiness**

Number: 04/2007/QH12

Pursuant to the 1992

Constitution of the Socialist Republic of Vietnam,
which was amended and supplemented under
Resolution No. **51/2001/QH10**;

Ha Noi , November 21, 2007

The National Assembly promulgates the Law on Personal Income Tax.

Chapter I

GENERAL PROVISIONS

Article 1. Scope of regulation

This Law provides for personal income taxpayers, taxable incomes, incomes eligible for personal income tax exemption or reduction, and personal income tax bases.

Article 2. Taxpayers

1. Personal income taxpayers include residents who earn taxable incomes specified in Article 3 of this Law inside and outside the Vietnamese territory and non-residents who earn taxable incomes specified in Article 3 of this Law inside the Vietnamese territory.

2. Resident means a person who satisfies one of the following conditions:

a/ Being present in Vietnam for 183 days or more in a calendar year or 12 consecutive months counting from the first date of their presence in Vietnam;

b/ Having a place of habitual residence in Vietnam, which is a registered place of permanent residence or a rented house for dwelling in Vietnam under a term rent contract.

3. Non-resident means a person who does not satisfy any of the conditions specified in Clause 2 of this Article.

Article 3. Taxable incomes

Incomes liable to personal income tax include the following kinds of income, except for incomes eligible for tax exemption specified in Article 4 of this Law:

1. Incomes from business activities, including:

a/ Incomes from goods production or trading or service provision;

b/ Incomes from independent professional activities of individuals possessing practice licenses or certificates in accordance with law.

2. Incomes from salaries and wages, including:

a/ Salaries, wages and amounts of similar nature;

b/ Allowances, except for those paid under legal provisions on preferential treatment of persons with meritorious services; defense or security allowances; hazard or danger allowances for persons working in branches, occupations or jobs at places where exist hazardous or dangerous elements; allowances for attraction of laborers to work in certain branches or in certain regions specified by law; allowances for sudden difficulties, allowances for laborers having labor accident or suffering from occupational disease, lump-sum maternity or child adoption allowances; allowances for working capacity loss, lump-sum retirement allowances, monthly survivorship allowances,

severance and job loss allowances specified in the Labor Code, other allowances paid by the Social Insurance, and allowances for combat of social evils;

c/ Remuneration of all kinds;

d/ Sums of money earned for participation in business associations, boards of directors, control boards, management boards and other organizations;

e/ Other monetary or non-monetary benefits received by taxpayers;

f/ Bonuses, rewards, except for rewards accompanying honorary titles conferred by the State or international or national prizes; rewards for technical renovations, creations or inventions recognized by competent state agencies; rewards for detection and reporting of illegal acts to competent state agencies.

3. Incomes from capital investment, including:

a/ Interests;

b/ Dividends;

c/ Incomes from capital investment in other forms, except for government bond interests.

4. Incomes from capital transfer, including:

a/ Incomes from transfer of capital holdings in economic organizations;

b/ Incomes from transfer of securities;

c/ Incomes from transfer of capital in other forms.

5. Incomes from transfer of real estate, including:

a/ Incomes from transfer of rights to use land and assets attached to land;

b/ Incomes from transfer of right to own or use residential houses;

c/ Incomes from transfer of right to lease land or water surface;

d/ Other incomes earned from transfer of real estate.

6. Incomes from won prizes, including:

a/ Lottery winnings;

b/ Sales promotion winnings;

c/ Betting or casino winnings;

d/ Winnings in prized games and contests and other forms of winning.

7. Incomes from copyright, including:

a/ Incomes from assignment or licensing of intellectual property objects;

b/ Incomes from technology transfer.

8. Incomes from commercial franchising.

9. Incomes from inheritances that are securities, capital holdings in economic organizations or business establishments, real estate and other assets subject to ownership or use registration.

10. Incomes from gifts that are securities, capital holdings in economic organizations or business establishments, real estate and other assets subject to ownership or use registration.

The Government shall detail and guide the implementation of this Article.

Article 4. Tax-exempt incomes

1. Incomes from transfer of real estate between spouses; parents and their children; adoptive parents and their adopted children; fathers-in-law or mothers-in-law and daughters-in-law or sons-in-law; grandparents and their grandchildren; or among blood siblings.
2. Incomes from transfer of residential houses, rights to use residential land and assets attached to residential land received by individuals who have only one residential house or land plot each.
3. Incomes from the value of land use rights of individuals who are allocated land by the State.
4. Incomes from receipt of inheritances or gifts that are real estate between spouses, parents and their children; adoptive parents and their adopted children; fathers-in-law or mothers-in-law and daughters-in-law or sons-in-law; grandparents and their grandchildren; or among blood siblings.
5. Incomes of households and individuals directly engaged in agricultural or forest production, salt making, aquaculture, fishing and trading of aquatic resources not yet processed into other products or preliminarily processed aquatic products.
6. Incomes from conversion of agricultural land allocated by the State to households and individuals for production.
7. Incomes from interests on deposits at credit institutions or interests from life insurance policies.
8. Incomes from foreign exchange remittances.
9. Wages paid for night shift or overtime work, which are higher than those paid for day shifts or prescribed working hours in accordance with law.

10. Retirement pensions paid by the Social Insurance.

11. Incomes from scholarships, including:

a/ Scholarships granted from the state budget;

b/ Scholarships granted by domestic and foreign organizations under their study promotion programs.

12. Incomes from indemnities paid under life insurance policies, non-life insurance policies, compensations for labor accidents, compensations paid by the State and other compensations as provided for by law.

13. Incomes received from charity funds licensed or recognized by competent state agencies and operating for charity, humanitarian or non-profit purposes.

14. Incomes received from governmental or non-governmental foreign aid for charity or humanitarian purposes approved by competent state agencies.

Article 5. Tax reduction

Taxpayers who face difficulties caused by natural disasters, fires, accidents or severe diseases and affecting their tax payment ability may be considered for tax reduction corresponding to the extent of damage they suffer from but not exceeding payable tax amounts.

Article 6. Conversion of taxable incomes into Vietnam dong

1. A taxable income received in a foreign currency must be converted into Vietnam dong at the average exchange transaction rate on the inter-bank foreign exchange market announced by the State Bank at the time of income generation.

2. A taxable income received in the form of a product or service must be converted into Vietnam dong at the market price of that product or service or of products or services of the same or similar type at the time of income generation.

Article 7. Tax period

1. For residents, tax period is specified as follows:

a/ Annual tax period, which is applicable to incomes from business, salaries and wages.

b/ Tax period upon each time of income generation, which is applicable to incomes from capital investment; incomes from capital transfer, except for incomes from securities transfer; incomes from real estate transfer; incomes from prizes; incomes from copyright; incomes from commercial franchising; incomes from inheritances; and gifts.

c/ Tax period upon each transfer or annual tax period, which is applicable to securities transfer. Individuals who apply the annual tax period shall register with tax offices at the beginning of the year.

2. For non-residents, the tax period counted upon each time of income generation is applicable to all their taxable incomes.

Article 8. Tax administration and tax refund

1. Tax registration, declaration, withholding, payment, finalization and refund, handling of violations of the tax law, and tax administration measures comply with legal provisions on tax administration.

2. Individuals are entitled to tax refund in the following cases:

a/ Their paid tax amounts are larger than payable tax amounts;

b/ They have paid tax but their taxed incomes do not reach a tax-liable level;

c/ Other cases decided by competent state agencies.

Article 9. Application of treaties

If a treaty to which the Socialist Republic of Vietnam is a contracting party contains provisions on personal income tax different from the provisions of this Law, the provisions of that treaty prevail.

Chapter II

TAX BASES FOR RESIDENTS

Section 1. DETERMINATION OF TAXABLE INCOMES AND TAXED INCOMES

Article 10. Taxable incomes from business

1. A taxable income from business is determined to be equal to turnover minus reasonable expenses related to the generation of the taxable income from business in a tax period.

2. Turnover means the total of sales, processing remuneration, commissions, goods or service provision charges generated in a tax period from goods production and trading or service provision.

The time of determination of turnover is the time of transfer of ownership of goods or completion of services or the time of making goods sale or service provision invoices.

3. Reasonable expenses related to the generation of taxable incomes from business in a tax period include:

a/ Salaries, wages, remuneration and other payments to laborers;

b/ Expenses for raw materials, fuels, materials, energy and goods used for production or business, charges for services purchased from outside;

c/ Expenses for depreciation, regular repair and maintenance of fixed assets used for production or business;

d/ Paid interests;

e/ Management expenses;

f/ Taxes, charges and fees payable under law and allowed to be accounted as expenses;

g/ Other expenses related to the generation of incomes.

4. The determination of turnover and expenses is based on accounting norms, standards, regulations, documents and books prescribed by law.

5. If many persons jointly conduct business activities under the same business registration, taxable income of each of them is determined according to one of the following principles:

a/ In proportion to their capital contributions stated in the business registration;

b/ Under their agreement stated in the business registration;

c/ According to the average per-capita income in case the business registration neither states their capital contributions nor contains any agreement on income division among them.

6. For business individuals who fail to strictly comply with regulations on accounting, invoices and documents and cannot measure turnover, expenses and taxable income, competent tax offices shall predetermine turnover and the ratio of taxable income in order to determine taxable income suitable to each industry or business line under the law on tax administration.

Article 11. Taxable incomes from salaries or wages

1. A taxable income from salary or wage is determined to be equal to the total of incomes specified in Clause 2, Article 3 of this Law and earned by a taxpayer in a tax period.

2. Time of determination of a taxable income from salary or wage is the time when an organization or individual pays income to a taxpayer or when a taxpayer receives income.

Article 12. Taxable incomes from capital investment

1. A taxable income from capital investment is the total of incomes from capital investment specified in Clause 3, Article 3 of this Law and earned by a taxpayer in a tax period.

2. Time of determination of a taxable income from capital investment is the time when an organization or individual pays income to a taxpayer or when a taxpayer receives income.

Article 13. Taxable incomes from capital transfer

1. A taxable income from capital transfer is determined to be equal to the selling price minus the buying price and reasonable expenses related to the generation of income from capital transfer.

2. If the buying price and expenses related to the securities transfer are unidentifiable, taxable income is determined to be the selling price of securities.

3. Time of determination of a taxable income from capital transfer is the time when the capital transfer transaction is completed in accordance with law.

The Government shall detail and guide the implementation of this Article.

Article 14. Taxable incomes from real estate transfer

1. A taxable income from real estate transfer is determined to be equal to the real estate transfer price upon the transfer minus the real estate buying price and related expenses, specifically as follows:

a/ Real estate transfer price is the contractual price at the time of transfer;

b/ Real estate buying price is the contractual price at the time of purchase;

c/ Related expenses to be subtracted are those recorded in vouchers and invoices lawfully, including charges and fees related to land use rights as prescribed by law; expenses for land revamp, house renovation, ground leveling; expenses for investment in building residential houses, infrastructures and architectures on land; and other expenses related to the real estate transfer.

2. If the buying price and expenses related to the transfer of a real estate are unidentifiable, the taxable income is determined to be the real estate transfer price.

3. The Government shall stipulate principles and methods of determination of real estate transfer prices in case transfer prices are unidentifiable or land use rights transfer prices stated in contracts are lower than land prices promulgated by provincial-level People's Committees and effective at the time of transfer.

4. Time of determination of a taxable income from real estate transfer is the time when the transfer contract becomes effective in accordance with law.

Article 15. Taxable incomes from won prizes

1. A taxable income from won prize is the prize value in excess of VND 10 million received by a taxpayer upon each time of winning.

2. Time of determination of a taxable income from won prize is the time when an organization or individual pays income to a taxpayer.

Article 16. Taxable incomes from copyright

1. A taxable income from copyright is an income in excess of VND 10 million earned by a taxpayer when assigning or licensing an intellectual property object or transferring a technology under a contract.
2. Time of determination of a taxable income from copyright is the time when an organization or individual pays income to a taxpayer.

Article 17. Taxable incomes from commercial franchising

1. A taxable income from commercial franchising is an income in excess of VND 10 million earned by a taxpayer under a commercial franchising contract.
2. Time of determination of a taxable from commercial franchising is the time when an organization or individual pays income to a taxpayer.

Article 18. Taxable incomes from inheritances or gifts

1. A taxable income from inheritance or gift is the value of an inherited asset or a gift in excess of VND 10 million received by a taxpayer upon each time of inheritance or gift receipt.
2. Time of determination of a taxable income is specified as follows:
 - a/ For an income from inheritance, it is the time when a taxpayer receives an inherited estate;
 - b/ For an income from gift, it is the time when an organization or individual presents a gift to a taxpayer or when a taxpayer receives the income.

Article 19. Reduction based on family circumstances

1. Reduction based on family circumstances means a sum of money deductible from pre-tax income from business, salary or wage of a resident taxpayer. Reduction based on family circumstances consists of the following two parts:

a/ Reduction for the taxpayer, which is VND 4 million/month (VND 48 million/year);

b/ Reduction for each dependant of the taxpayer, which is VND 1.6 million/month.

2. The level of reduction based on family circumstances applicable to dependants is determined on the principle that each dependant may be counted only once for tax reduction for a taxpayer.

3. Dependants of a taxpayer means persons a taxpayer is responsible for nurturing or taking care of, including:

a/ His/her minor children or disabled children who are incapable of working;

b/ Individuals who have no income or have incomes not exceeding the prescribed level, including adult children who are studying at a university, college, professional secondary school or job-training establishment; his/her spouse who is incapable of working; his/her parents who are beyond the working age or incapable of working; other supportless persons whom the taxpayer has to directly nurture.

The Government shall specify the income level and declaration for identification of dependants to be counted for reduction based on family circumstances.

Article 20. Reduction for charity or humanitarian donations

1. Charity or humanitarian donations are deductible from pre-tax income from business, salary or wage of a resident taxpayer, including:

a/ Donations to organizations or establishments that care for or nurture children in special plights, disabled people and supportless elderly people.

b/ Donations to charity funds, humanitarian funds or study promotion funds.

2. Organizations, establishments and funds specified at Points a and b, Clause 1 of this Article must be those licensed or recognized by competent state agencies and operating for charity, humanitarian, study promotion or non-profit purposes.

Article 21. Taxed incomes

1. A taxed income from business, salary or wage is the total of taxable incomes specified in Articles 10 and 11 of this Law minus premiums of social insurance, health insurance and professional liability insurance for some professions and jobs subject to compulsory insurance and reductions specified in Articles 19 and 20 of this Law.

2. Taxed incomes from capital investment, capital transfer, real estate transfer, won prizes, copyright royalties, commercial franchising, inheritances or gifts are taxable incomes specified in Articles 12, 13, 14, 15, 16, 17 and 18 of this Law.

Section 2. TARIFFS

Article 22. Partially progressive tariff

1. The partially progressive tariff applies to taxed incomes specified in Clause 1, Article 21 of this Law.

2. The partially progressive tariff is specified below:

Tax grade	Taxed income per year (VND million)	Taxed income per month (VND million)	Tax rate (%)
1	Up to 60	Up to 5	5

2	Between over 60 and 120	Between over 5 and 10	10
3	Between over 120 and 216	Between over 10 and 18	15
4	Between over 216 and 384	Between over 18 and 32	20
5	Between over 384 and 624	Between over 32 and 52	25
6	Between over 624 and 960	Between over 52 and 80	30
7	Over 960	Over 80	35

Article 23. Whole income tariff

1. The whole income tariff applies to taxed incomes specified in Clause 2, Article 21 of this Law.

2. The whole income tariff is specified below:

Taxed incomes	Tax rate (%)
a/ Incomes from capital investment	5
b/ Incomes from copyright, commercial franchising	5
c/ Incomes from prizes	10
d/ Incomes from inheritances, gifts	10

e/ Incomes from capital transfer specified in Clause 1, Article 13 of this Law	20
Incomes from securities transfer specified in Clause 2, Article 13 of this Law	0.1
f/ Incomes from real estate transfer specified in Clause 1, Article 14 of this Law	25
Incomes from real estate transfer specified in Clause 2, Article 14 of this Law	2

Article 24. Responsibilities of income-paying organizations and individuals and responsibilities of resident taxpayers

1. Responsibility to make tax declaration, withholding, payment and finalization is specified as follows:

a/ Income-paying organizations and individuals shall make tax declaration, withhold and remit tax into the state budget, and make tax finalization for all kinds of taxable income they pay to taxpayers;

b/ Individuals who have taxable incomes shall make tax declaration, pay tax into the state budget and make tax finalization for all their incomes in accordance with the law on tax administration.

2. Income-paying organizations and individuals shall supply information on incomes and dependants of taxpayers under their management in accordance with law.

3. The Government shall specify tax withholding rates suitable to each kind of income specified at Point a, Clause 1 of this Article.

Chapter III

TAX BASES FOR NON-RESIDENTS

Article 25. Tax on incomes from business

1. Tax on incomes from business of a non-resident is determined to be equal to his/her turnover from production or business activities specified in Clause 2 of this Article multiplied by the tax rate specified in Clause 3 of this Article.

2. Turnover is the total sum of money derived from the provision of goods or services, including also expenses paid by the goods or service buyer on behalf of the non-resident but not refunded to the goods or service buyer.

If a contract between the goods or service provider and buyer does not specify personal income tax, the taxable turnover that must be converted is the total sum of money in any form earned by the non-resident from the provision of goods or services in Vietnam, regardless of places where business activities are conducted.

3. Tax rates applicable to incomes from business are specified for different production sectors or business lines as follows:

a/ 1% for goods trading;

b/ 5% for service provision;

c/ 2% for production, construction, transportation and other business activities.

Article 26. Tax on incomes from salaries or wages

1. Tax on income from salary or wage of a non-resident is determined to be equal to his/her income from salary or wage specified in Clause 2 of this Article multiplied by the tax rate of 20%.

2. Taxable income from salary or wage of a non-resident is the total of salary or wage amounts received by a non-resident for job performance in Vietnam, regardless of income payers.

Article 27. Tax on incomes from capital investment

Tax on income from capital investment of a non-resident is determined to be equal to the total sum of money earned by a non-resident from his/her capital investment in organizations or other individuals in Vietnam, multiplied by the tax rate of 5%.

Article 28. Tax on incomes from capital transfer

Tax on income from capital transfer of a non-resident is determined to be equal to the total sum of money earned by a non-resident from the transfer of his/her capital portions in Vietnamese organizations or individuals, multiplied by the tax rate of 0.1%, regardless of whether the transfer is made in Vietnam or abroad.

Article 29. Tax on incomes from real estate transfer

Tax on income from real estate transfer in Vietnam of a non-resident is determined to be equal to the real estate transfer price multiplied by the tax rate of 2%.

Article 30. Tax on incomes from copyright or franchising

1. Tax on income from copyright of a non-resident is determined to be equal to the income in excess of VND 10 million earned from each contract on assignment or licensing of an intellectual property object or technology transfer in Vietnam, multiplied by the tax rate of 5%.

2. Tax on income from commercial franchising of a non-resident is determined to be equal to the income in excess of VND 10 million earned from each contract on commercial franchising in Vietnam, multiplied by the tax rate of 5%.

Article 31. Tax on incomes from won prizes, inheritances or gifts

1. Tax on income from won prize, inheritance or gift of a non-resident is determined to be equal to his/her taxable income specified in Clause 2 of this Article multiplied by the tax rate of 10%.

2. Taxable income from won prize of a non-resident is the prize value in excess of VND 10 million upon each time of winning in Vietnam; taxable income from inheritance or gift is the inheritance or gift value in excess of VND 10 million upon each time of income receipt by a non-resident in Vietnam.

Article 32. Time of determination of taxable income

1. Time of determination of taxable income with respect to incomes specified in Article 25 of this Law is the time when a non-resident earns an income or a goods sale or service provision invoice is issued.

2. Time of determination of taxable income with respect to incomes specified in Articles 26, 27, 30 and 31 of this Law is the time when an organization or individual in Vietnam pays an income to a non-resident or when a non-resident receives an income from an overseas organization or individual.

3. Time of determination of taxable income with respect to incomes specified in Articles 28 and 29 of this Law is the time when a transfer contract becomes effective.

Article 33. Responsibilities of income-paying organizations and individuals and responsibilities of non-resident taxpayers

1. Income-paying organizations and individuals shall withhold and remit tax into the state budget upon each time of payment of taxable incomes to taxpayers.

2. Non-resident taxpayers shall make tax declaration and payment upon each time of generation of taxable income in accordance with the law on tax administration.

Chapter IV

IMPLEMENTATION PROVISIONS

Article 34. Effect

1. This Law takes effect on January 1, 2009.

2. To annul the following documents and regulations:

a/ Ordinance No. [35/2001/PL-UBTVQH10](#) on Income Tax on High-Income Earners, which had a number of articles amended and supplemented by Ordinance No. [14/2004/PL-UBTVQH11](#);

b/ The June 22, 1994 Law on Land Use Rights Transfer Tax, which had a number of articles amended and supplemented by Law No. [17/1999/QH10](#);

c/ Provisions of Enterprise Income Tax Law No. [09/2003/QH11](#) on enterprise income tax applicable to individuals engaged in production or business activities, excluding private enterprises;

d/ Other regulations on personal income tax which are contrary to the provisions of this Law.

3. Individuals having incomes eligible for tax incentives provided for in legal documents promulgated before the effective date of this Law continue enjoying those incentives.

Article 35. Implementation guidance

The Government shall detail and guide the implementation of this Law.

This Law was passed on November 21, 2007, by the 12th National Assembly of the Socialist Republic of Vietnam at its 2nd session.

PRESIDENT

(Signed)

Nguyen Phu Trong

THE PRESIDENT

THE SOCIALIST REPUBLIC OF VIETNAM

Independence - Freedom – Happiness

ORDER

No. 31/2014/L-CTN

Hanoi, December 8, 2014

**On the
promu**

igation of law⁵

**THE PRESIDENT OF
THE SOCIALIST REPUBLIC OF VIETNAM**

Pursuant to Articles 88 and 91 of the Constitution of the Socialist Republic of Vietnam;

Pursuant to Article 91 of the Law on Organization of the National Assembly;

Pursuant to Article 57 of the Law on Promulgation of Legal Documents,

PROMULGATES

The Law Amending and Supplementing a Number of Articles of the Laws on Taxes,

⁵ Công Báo Nos 1173-1174 (30/12/2014)

which was passed on November 26, 2014, by the XIIIth National Assembly of the Socialist Republic of Vietnam at its 8th session.-

President of the Socialist Republic of Vietnam

TRUONG TAN SANG

THE PRESIDENT

THE SOCIALIST REPUBLIC OF VIETNAM

Independence - Freedom - Happiness

No. 71/2014/QH13

LAW

**Amending and Supplementing a Number of Articles
of the Laws on Taxes⁶**

Pursuant to the Constitution of the Socialist Republic of Vietnam;

The National Assembly promulgates the Law Amending and Supplementing a Number of Articles of Law No. 14/2008/QH12 on Enterprise Income Tax, which was amended and supplemented under Law No. 32/2013/QH13; Law No. 04/2007/QH12 on Personal Income Tax, which was amended and supplemented under Law No. 26/2012/QH13; Law No. 13/2008/QH12 on Value-Added Tax, which was amended and supplemented under Law No. 31/2013/QH13; Law No. 45/2009/QH12 on Royalties; Law No. 78/2006/QH11 on Tax Administration, which was amended and supplemented under Law No. 21/2012/QH13; Law No. 27/2008/QH12 on Excise Tax, Law No. 45/2005/QH11 on Export Duty and Import Duty, and Law No. 54/2014/QH13 on Customs.

Article 1.

⁶ Công Báo Nos 1173-1174 (30/12/2014)

To amend and supplement a number of articles of Law No. 14/2008/QH12 on Enterprise Income Tax, which was amended and supplemented under Law No. 32/2013/QH13.

1. To amend and supplement Clause 2, Article 3 as follows:

“2. Other incomes include income from the transfer of capital or transfer of the capital-contributing rights; income from the transfer of real estate, transfer of investment projects, transfer of the right to participate in investment projects or transfer of the right to explore, exploit and process minerals; income from asset use rights or asset ownership rights, including income from intellectual property rights in accordance with law; income from the transfer, lease or liquidation of assets, including also valuable papers; income from interest on deposits, loans provided or foreign currencies sold; revenue from written-off bad debts which are now recovered; revenue from debts owed to unidentified creditors; omitted income from business activities of previous years, and other incomes.

Vietnamese enterprises that are engaged in offshore investment activities and remit their incomes to Vietnam after paying enterprise income tax in foreign countries shall comply with the double taxation avoidance agreements concluded between Vietnam and such countries, for foreign countries with which Vietnam has concluded double taxation avoidance agreements. For foreign countries with which Vietnam has not yet concluded any double taxation avoidance agreement, if the enterprise income tax rate applicable in a country from which incomes are remitted to Vietnam is lower than that prescribed by the Vietnamese law on enterprise income tax, only difference must be collected.”

2. To amend and supplement Clause 1, Article 4 as follows:

“1. Cooperatives’ incomes from cultivation, husbandry, agricultural and aquatic product processing and salt production; incomes from agricultural, forestry, fishing and salt production of cooperatives operating in areas with difficult or extremely difficult socio-economic conditions; enterprises’ incomes from cultivation, husbandry, agricultural and aquatic product processing carried out in areas with extremely difficult socio-economic conditions; and incomes from marine fishing.”

3. To amend and supplement Point a, Clause 1, Article 9 as follows:

“a/ Actual expenses related to the enterprise’s production and business activities; expenses paid for vocational training activities; expenses paid for the performance of the enterprise’s national defense and security tasks in accordance with law;”

4. To annul Point m, Clause 2, Article 9.

5. To add the following Points dd and e to Clause 1, Article 13:

“dd/ Enterprises’ incomes from the implementation of new investment projects to manufacture products on the list of products of support industries prioritized for development that fall into one of the following categories:

- Products of support industries for high technologies provided in the Law on High Technologies;

- Products of support industries for the manufacture of products of textile and garment, leather and footwear and electronic and informatics industries; automobile manufacture and assembly; and mechanical engineering, which cannot be manufactured in the country or can be manufactured in the country but must meet the European Union technical standards or equivalent standards by January 1, 2015.

The Government shall promulgate the list of products of support industries prioritized for development specified in this Clause;

e/ Enterprises' incomes from the implementation of investment projects in the manufacturing fields, except projects to produce goods liable to excise tax and mining projects, which are capitalized at twelve trillion Vietnam dong or more, use technologies subject to appraisal under the Law on High Technologies and the Law on Science and Technology, are planned to disburse their total registered capital amounts within five years from the date of investment licensing under the investment law."

6. To amend and supplement Point d, Clause 2, Article 13 as follows:

"d/ Enterprises' incomes from planting, tending and protecting forests; farming and processing agricultural and aquatic products in areas with difficult socio-economic conditions; farming and rearing forest products in areas with difficult socio-economic conditions; producing, propagating and hybridizing plant varieties and animal breeds; producing, exploiting and refining salt, except salt production prescribed in Clause 1, Article 4 of this Law; and investing in the post-harvest preservation of agricultural products and preservation of agricultural and aquatic products and food;"

7. To add the following Clause 3a to Clause 3, Article 13:

"3a. To apply the tax rate of 15% to enterprises' incomes from cultivation, husbandry and processing of agricultural and aquatic products carried out outside areas with difficult or extremely difficult socio-economic conditions."

8. To amend and supplement Clause 5, Article 13 as follows:

"5. The extension of the period of application of preferential tax rates is provided as follows:

a/ For large-sized hi-tech projects which need special investment attraction, the period of application of preferential tax rates may be extended for not more than fifteen years;

b/ Projects specified at Point e, Clause 1 of this Article must meet one of the following criteria:

- Manufacturing products that are globally competitive, earning an annual turnover of over 20 trillion Vietnam dong within five years from the first year of turnover generation;

- Regularly employing over six thousand workers;

- Investment projects in the field of economic and technical infrastructure, including development investment in water plants, power plants, water supply and drainage system, bridges, roads, railways, airports, seaports, river ports, air terminals, railway stations, new energies, clean energies, energy-efficient industries, and petrochemical projects.

The Prime Minister may decide on the extension of the period of application of preferential tax rates specified at this Point for not more than fifteen years.”

9. To amend and supplement Clause 3, Article 2 of Law No. 32/2013/QH13 as follows:

“3. Enterprises having investment projects are entitled to enterprises income tax preferences under the enterprise income tax law applicable at the time of grant of investment licenses or certificates under the investment law. In case the enterprise income tax law is revised and an enterprise meets the tax preference conditions set by the new law, such enterprise may choose to enjoy the preferential tax rate and tax exemption and reduction periods prescribed by the law applicable at the time of licensing or the new law for the remaining period.

By the end of the 2015 tax period, if an enterprise having investment projects eligible for the preferential tax rate of 20% prescribed in Clause 3, Article 13 of Law No.

14/2008/QH12 on Enterprise Income Tax, which was amended and supplemented under Law No. 32/2013/QH13, it may apply the tax rate of 17% for the remaining period from January 1, 2016.”

Article 2.

To amend and supplement a number of articles of Law No. 04/2007/QH12 on Personal Income Tax, which was amended and supplemented under Law No. 26/2012/QH13.

1. To amend and supplement Clause 1, Article 3 as follows:

“1. Incomes from business activities, including:

a/ Incomes from goods production or trading or service provision;

b/ Incomes from independent professional activities of individuals possessing practice licenses or certificates in accordance with law.

Incomes from business activities specified in this Clause exclude incomes of businesspeople who have an annual turnover of 100 million Vietnam dong or less.”

2. To amend and supplement Point c, Claus 6, Article 3 as follows:

“c/ Betting winnings;”

3. To add the following Clauses 15 and 16 to Article 4:

“15. Incomes from salaries or wages of Vietnamese crewmembers working for foreign shipping companies or Vietnamese shipping companies engaged in international transportation.

16. Incomes of individual shipowners, individuals having the right to use ships and people working on board ships from the provision of goods and services to directly serve offshore fishing activities.”

4. To amend and supplement Article 10 as follows:

“Article 10. Tax applicable to businesspeople

1. Businesspeople shall pay personal income tax calculated as a certain percentage of turnover in each field, industry or business line.

2. Turnover means total sales, processing remuneration, commissions, service provision charges generated in a tax period from goods production and trading or service provision.

In case businesspeople cannot identify their turnover, a competent tax agency shall predetermine turnover in accordance with the tax administration law.

3. Tax rates:

a/ Goods distribution and supply: 0.5%;

b/ Services and construction activities without supply of raw materials and materials: 2%.

Particularly for asset lease, insurance agency, lottery agency and multi-level marketing agency: 5%;

c/ Production, transportation and services associated with goods, construction activities involving supply of raw materials and materials: 1.5%;

d/ Other business activities: 1%.”

5. To amend Article 13 as follows:

“Article 13. Taxable incomes from capital transfer

1. A taxable income from capital transfer is determined to be equal to the selling price minus the buying price and reasonable expenses related to the generation of income from capital transfer.

For securities transfer, a taxable income is determined to be the transfer price for each transfer.

2. Time of determination of a taxable income from capital transfer is the time when the capital transfer transaction is completed in accordance with law.

The Government shall detail and guide the implementation of this Article.”

6. To amend and supplement Article 14 as follows:

“Article 14. Taxable incomes from real estate transfer

1. A taxable income from real estate transfer is determined to be the transfer price for each transfer.

2. The Government shall stipulate principles and methods of determination of real estate transfer price.

3. Time of determination of a taxable income from real estate transfer is the time when the transfer contract becomes effective in accordance with law.”

7. To amend and supplement Clause 2, Article 23 as follows:

“2. The whole income tariff is prescribed as follows:

Taxable incomes	Tax rate (%)
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a/ Incomes from capital investment	5
b/ Incomes from copyright, commercial franchising	5
c/ Incomes from prizes	10
d/ Incomes from inheritances, gifts	10
dd/ Incomes from capital transfer specified in Clause 1, Article 13 of this Law	20
Incomes from securities transfer specified in Clause 1, Article 13 of this Law	0.1
e/ Incomes from real estate transfer	2

Article 3.

To amend and supplement a number of articles of Law No. 13/2008/QH12 on Value-Added Tax, which was amended and supplemented under Law No. 31/2013/QH13.

1. To add the following 3a to Clause 3, Article 5:

“3a. Fertilizers; machinery, special-use equipment for agricultural production; offshore fishing vessels; and feeds for cattle, poultry and other domestic animals;”

2. To amend and supplement Point b, Clause 2, Article 8 as follows:

“b/ Ores for fertilizer production; pesticides and plant and animal growth stimulants;”

3. To annul Points c and k, Clause 2, Article 8.

Article 4.

To amend and supplement a number of articles of Law No. 45/2009/QH12 on Royalties.

1. To amend and supplement Clause 7, Article 2 as follows:

“7. Natural water, including surface water and ground water, except natural water used for agriculture, forestry, fishery and salt production.”

2. To amend and supplement Clause 5, Article 9 as follows:

“5. Royalties are exempted for natural water exploited by households and individuals for daily-life use.”

Article 5.

To amend and supplement a number of articles of Law No. 78/2006/QH11 on Tax Administration, which was amended and supplemented under Law No. 21/2012/QH13.

1. To amend and supplement Clauses 1, 1a and 6, Article 31 as follows:

“1. For taxes declared and paid on a monthly basis, a tax declaration dossier is a monthly tax return;

1a. For taxes declared and paid on a quarterly basis, a tax declaration dossier is a quarterly tax return;”

“6. The Government shall provide taxes subject to monthly, quarterly or annual declaration, quarterly declaration for temporary calculation, declaration upon each time of arising of tax liability, and tax finalization declaration; criteria for identification of

taxpayers to make quarterly tax declaration and tax declaration dossier on a case-by-case basis.”

2. To amend and supplement Article 43 as follows:

“Article 43. Currency for determination of turnover, expenses, taxable prices and taxes to be remitted into the state budget

Taxpayers shall determine turnover, expenses, taxable prices and taxes to be remitted into the state budget in Vietnam dong, except cases of tax payment in foreign currencies under the Government’s regulations. In case turnover is generated, expenses and taxable prices are paid in foreign currencies or taxpayers are obliged to pay taxes in foreign currencies but permitted by competent authorities to pay taxes in Vietnam dong, taxpayers shall convert foreign currencies into Vietnam dong at actual exchange rates applicable at the time of arising of such foreign-currency amounts.

The Government shall detail and guide this Article.”

3. To add the following Clause 11 to Article 7:

“11. Based on the practical situation and information technology conditions, the Government shall specify cases in which taxpayers are not required to submit documents in tax payment declaration, tax refund and other tax-related dossiers which state management agencies have on hand.”

4. To amend and supplement Clause 1, Article 106 as follows:

“1. A taxpayer that pays tax after the prescribed time limit or extended time limit for tax payment or the time limit stated in the notice or handling decision of a tax administration agency shall fully pay tax amounts and late payment interest at the rate of 0.05% of the late paid tax amount per each day of late payment.

For taxpayers that supply goods or services to be paid with the state budget, if they fail to pay tax on time because they have not yet received any payments from the state budget, they do not have to pay late payment interests for owed tax amounts, which must not exceed the amounts not yet paid from the state budget.”

Article 6.

1. This Law takes effect on January 1, 2015.

2. To annul provisions on exchange rates for determination of turnover, expenses, taxable prices, taxable incomes, taxed incomes and taxes to be remitted into the state budget in:

a/ Article 8 and Clause 3, Article 9 of Law No. 14/2008/QH12 on Enterprise Income Tax, which was amended and supplemented under Law No. 32/2013/QH13;

b/ Clause 1, Article 6 of Law No. 04/2007/QH12 on Personal Income Tax, which was amended and supplemented under Law No. 26/2012/QH13;

c/ Clause 3, Article 7 of Law No. 13/2008/QH12 on Value-Added Tax, which was amended and supplemented under Law No. 31/2013/QH13;

d/ Article 6 of Law No. 27/2008/QH12 on Excise Tax;

dd/ Clause 3, Article 9 and Article 14 of Law No. 45/2005/QH11 on Export Duty and Import Duty;

e/ Clause 4, Article 86 of Law No. 54/2014/QH13 on Customs.

3. To annul Point c, Clause 1, Article 49 of Law No. 78/2006/QH11 on Tax Administration, which was amended and supplemented under Law No. 21/2012/QH13.

4. To annul provisions on determination of tax applicable to businesspeople specified in Clause 1, Article 19; Clause 1, Article 20; and Clause 1, Article 21 of Law No. 04/2007/QH12 on Personal Income Tax, which was amended and supplemented under Law No. 26/2012/QH13.

5. The Government and competent agencies shall detail articles and clauses in this Law as assigned.

This Law was passed on November 26, 2014, by the XIIIth National Assembly of the Socialist Republic of Vietnam at its 8th session.-

Chairman of the National Assembly

NGUYEN SINH HUNG

THE NATIONAL ASSEMBLY

No. 45/2009/QH12

SOCIALIST REPUBLIC OF VIET NAM
Independence - Freedom – Happiness

Hanoi, November 25, 2009

LAW

ON SEVERANCE TAX

Pursuant to the 1992 Constitution of the Socialist Republic of Vietnam, which was amended and supplemented under Resolution No. 51/2001/QH10;

The National Assembly promulgates the Law on Severance tax.

Chapter I

GENERAL PROVISIONS

Article 1. Scope of regulation

This Law provides for severance tax-liable objects, severance tax payers, severance tax bases, and severance tax declaration, payment, exemption and reduction.

Article 2. Severance tax-liable objects

1. Metallic minerals.
2. Non-metallic minerals.
3. Crude oil.
4. Natural gas, coal gas.
5. Natural forest products, other than animals.
6. Natural aquatic products, including marine animals and plants.
7. Natural water, including surface water and groundwater.
8. Natural swallow's nests.
9. Other resources prescribed by the National Assembly Standing Committee.

Article 3. Severance tax payers

1. Severance tax payers include organizations and individuals that exploit severance tax-liable natural resources.
2. In some cases, severance tax payers shall be defined as follows:

a/ For a mining enterprise established on the basis of joint venture, the joint-venture enterprise shall pay severance tax:

b/ For Vietnamese and foreign parties to a business cooperation contract to exploit natural resources, the parties' liability to pay severance tax must be specified in such contract:

c/ In case an exploiter conducts small-scale exploitation of natural resources and sells them to a principal purchaser that has a written commitment or an approval to declare and pay severance tax on the exploiter's behalf, the principal purchaser shall pay severance tax.

Chapter II

SEVERANCE TAX BASES

Article 4. Severance tax bases

Severance tax bases include natural resource output used for severance tax calculation, severance tax-liable price and severance tax rate.

Article 5. Natural resource output used for severance tax calculation

1. For an exploited natural resource the quantity, weight or volume of which can be determined, the natural resource output used for royalty calculation is the quantity, weight or volume of natural resource actually exploited in a severance tax period.
2. For an exploited natural resource the quantity, weight or volume of which cannot be determined because this natural resource contains different substances and impurities, the natural resource output used for severance tax calculation shall be determined based on the quantity, weight or volume of each substance obtained from sorting and classification.
3. For natural resources which are not sold but used for turning out other products, if their actually exploited quantity, weight or volume cannot be directly determined, the natural resource output used for severance tax calculation shall be determined based on the output of products turned out in a severance tax period and the use norm of natural resource per unit of product.
4. For natural water used for hydropower generation, the natural resource output used for severance tax calculation is the output of electricity sold by a hydropower generation establishment to an electricity buyer under an electricity purchase and sale contract or the output of delivered electricity, in case such contract is unavailable, which is determined according to the metering system up to Vietnam's measurement and quality standards, certified by the purchaser and seller or the deliverer and recipient.
5. For natural mineral water, natural thermal water and natural water used for industrial purposes, the natural resource output used for severance tax calculation shall be determined in cubic meter (m³) or liter (l) according to the metering system up to Vietnam's measurement and quality standards.
6. For natural resources exploited on a manual, scattered or mobile, irregular basis, if the planned output of exploited natural resources in a year is valued at under VND 200 million, a fixed output of exploited natural resources may be determined on a regular or seasonal basis for severance tax calculation. Tax offices shall coordinate with local concerned agencies in determining the fixed output of exploited natural resources for severance tax calculation.

The Government shall detail this Article.

Article 6. Severance tax-liable prices

1. The severance tax-liable price is the exploiter's selling price of a unit of natural resource product, exclusive of value-added tax.

2. In case the natural resource's selling price cannot be determined yet. the severance tax-liable price shall be determined based on either of the following grounds:

a/ The regional market's actual selling price of a unit of natural resource product of the same grade, which must not be lower than the royally-liable price set by the People's Committee of a province or centrally run city (below collectively referred to as provincial-level People's Committee);

b/ In case the exploited natural resource contains different substances, the severance tax-liable price shall be determined based on the unit selling price and content of each substance, which must not be lower than the severance tax-liable price set by the provincial-level People's Committee.

3. In some cases, the severance tax-liable price shall be determined as follows:

a/ For natural water used for hydropower generation, it is the average selling price of commodity electricity:

b/ For timber, it is the selling price at the place of delivery; if the selling price at the place of delivery cannot be determined, the severance tax-liable price shall be determined based on the severance tax-liable price set by the provincial-level People's Committee;

c/ For exploited natural resources which are not domestically sold but exported, it is the export price;

d/ For crude oil. Natural gas and coal gas. It is the selling price at the place of delivery. The place of delivery is a place agreed upon in the oil and gas contract under which the ownership over crude oil. Natural gas and coal gas is transferred to the contractual parties.

4. Provincial-level People's Committees shall set specific severance tax-liable prices of natural resources for which unit selling prices of natural resource products cannot be determined, except crude oil. Natural gas. Coal gas. And natural water used for hydropower generation.

The Government shall detail this Article.

Article 7. Severance tax rates

1. The frame severance tax tariff is specified below:

No.	Group or category of natural resource	Severance tax rate (%)
I	Metallic minerals	
1	Iron and manganese	7-20
2	Titan	7-20

3	Gold	9-25
4	Rare earths	12-25
5	Platinum, silver and tin	7-25
6	Wolfram and antimony	7-25
7	Lead, zinc, aluminum, bauxite, copper and nickel	7-25
8	Cobalt, molybdenum, mercury, magnesium and vanadium	7-25
9	Other metallic minerals	5-25
II	Non-metallic minerals	
1	Soil exploited for ground leveling and work construction	3-10
2	Rock, except rock used for lime baking and cement production; gravel; sand, except sand used for glass-making	5-15
3	Soil used for brick-making	5-15
4	Granite and refractory clay	7-20
5	Dolomite and quartzite	7-20
6	Kaolin, mica, technical quartz, and sand used for glass-making	7-15
7	Pyrite, phosphorite, and stone for lime baking and cement production	5-15
8	Apatite and serpentine	3-10
9	Pit anthracite coal	4-20
10	Open-cast anthracite coal	6-20
11	Lignite and fat coal	6-20
12	Other coals	4-20
13	Diamond, ruby and sapphire	16-30
14	Emerald, alexandrite and black precious opal	16-30
15	Adrite, rodolite, pyrope, berine. Spinel and topaz	12-25

16	Bluish-purple, greenish-yellow or orange crystalline quartz; chrysolite; white or scarlet precious opal; feldspar; birusa; and nephrite	12-25
17	Other non-metallic minerals	4-25
III	Crude oil	6-40
IV	Natural gas and coal gas	1-30
V	Natural forest products	
1	Timber of group I	25-35
2	Timber of group II	20-30
3	Timber of groups III and IV	15-20
4	Timber of groups V, VI, VII and VIII and of other categories	10-15
5	Tree branches, tops, stumps and roots	10-20
6	Firewood	1-5
7	Bamboo of all kinds	10-15
8	Sandalwood and calambac	25-30
9	Anise, cinnamon, cardamom and liquorice	10-15
10	Other natural forest products	5-15
	Natural aquatic resources	
1	Pearl, abalone and sea-cucumber	6-10
2	Other natural aquatic resources	1-5
VII	Natural water	
1	Natural mineral water, natural thermal water and refined natural water, bottled or tinned	8-10
2	Natural water used for hydropower generation	2-5
3	Natural water used for production and business activities, except water mentioned at Points 1 and 2 of this group	

3.1	.Surface water	1-3
3.2	Groundwater	3-8
VIII	Natural swallow's nests	10-20
IX	Other resources	1-20

2. Specific severance tax rates for crude oil, natural gas and coal gas shall be determined as partially progressive based on their daily exploited average output.

3. Pursuant to Clauses 1 and 2 of this Article, the National Assembly Standing Committee shall stipulate specific severance tax rates for each category of natural resource in each period on the following principles:

a/ Ensuring conformity with the list of groups and categories of natural resource and within the severance tax rate bracket prescribed by the National Assembly:

b/ Contributing to the state management of natural resources; protection, exploitation and rational, economical and effective use of natural resources:

c/ Contributing to assuring state budget revenues and market stabilization.

Chapter III

SEVERANCE TAX DECLARATION. PAYMENT. EXEMPTION AND REDUCTION

Article 8. Severance tax declaration and payment

Severance tax payers shall register, declare, calculate and pay severance tax under the law on tax administration.

Article 9. Severance tax exemption and reduction

1. Severance tax payers that encounter natural disasters, fires or unexpected accidents, causing losses of natural resources for which severance tax have been declared and paid, may be considered for exemption from or reduction of payable severance tax for the lost volumes of natural resources. The paid severance tax amount will be refunded or cleared against the subsequent period's payable severance tax amount.

2. Severance tax are exempted for natural aquatic resources.

3. Severance tax are exempted for tree branches and tops, firewood and bamboo of all kinds which individuals are permitted to exploit for their daily-life needs.

4. Severance tax are exempted for natural water used for hydropower generation by households and individuals for their daily-life needs.

5. Severance tax are exempted for natural water used for agriculture, forestry, fishery and salt-making; natural water exploited by households and individuals for their daily-life needs.

6. Severance tax are exempted for soil exploited and used right on allocated and leased land areas; and soil exploited for ground leveling and construction of security and military works and dikes.

7. Others cases eligible for severance tax exemption or reduction as prescribed by the National Assembly Standing Committee.

Chapter IV

IMPLEMENTATION PROVISIONS

Article 10. Effect

1. This Law takes effect on July 1. 2010.

2. On the effective date of this Law, the following legal documents cease to be effective:

a/ Ordinance No. 05/1998/PL-UBTVQH10 on Severance tax;

b/ Ordinance No. 07/2008/PL-UBTVQH12 Amending and Supplementing Article 6 of the Ordinance on Severance tax.

3. For investment projects or oil and gas contracts signed before July 1. 2010. with severance tax specified in their investment licenses, investment certificates or oil and gas contracts, the provisions of these investment licenses, investment certificates or signed oil and gas contracts apply. In case severance tax incentives indicated in these investment licenses, investment certificates or oil and gas contracts are lower than those provided in this Law. the severance tax incentives specified in this Law will apply for the remaining duration.

Article 11. Implementation detailing and guidance

The Government shall detail and guide the implementation of articles and clauses assigned to it under this Law: and guide other necessary contents of this Law to meet state management requirements.

This Law was passed on November 25, 2009, by the XIIth National Assembly of the Socialist Republic of Vietnam at its 6th session.-

CHAIRMAN OF THE NATIONAL ASSEMBLY

Nguyen Phu Trong

**THE NATIONAL
ASSEMBLY**

On personal income tax SOCIALIST REPUBLIC OF VIET NAM

(No. **04/2007/QH12**)

**Independence - Freedom -
Happiness**

Number: 04/2007/QH12

Pursuant to the 1992

Constitution of the Socialist Republic of Vietnam,
which was amended and supplemented under
Resolution No. **51/2001/QH10**;

Ha Noi , November 21, 2007

The National Assembly promulgates the Law on Personal Income Tax.

Chapter I

GENERAL PROVISIONS

Article 1. Scope of regulation

This Law provides for personal income taxpayers, taxable incomes, incomes eligible for personal income tax exemption or reduction, and personal income tax bases.

Article 2. Taxpayers

1. Personal income taxpayers include residents who earn taxable incomes specified in Article 3 of this Law inside and outside the Vietnamese territory and non-residents who earn taxable incomes specified in Article 3 of this Law inside the Vietnamese territory.

2. Resident means a person who satisfies one of the following conditions:

a/ Being present in Vietnam for 183 days or more in a calendar year or 12 consecutive months counting from the first date of their presence in Vietnam;

b/ Having a place of habitual residence in Vietnam, which is a registered place of permanent residence or a rented house for dwelling in Vietnam under a term rent contract.

3. Non-resident means a person who does not satisfy any of the conditions specified in Clause 2 of this Article.

Article 3. Taxable incomes

Incomes liable to personal income tax include the following kinds of income, except for incomes eligible for tax exemption specified in Article 4 of this Law:

1. Incomes from business activities, including:

a/ Incomes from goods production or trading or service provision;

b/ Incomes from independent professional activities of individuals possessing practice licenses or certificates in accordance with law.

2. Incomes from salaries and wages, including:

a/ Salaries, wages and amounts of similar nature;

b/ Allowances, except for those paid under legal provisions on preferential treatment of persons with meritorious services; defense or security allowances; hazard or danger allowances for persons working in branches, occupations or jobs at places where exist hazardous or dangerous elements; allowances for attraction of laborers to work in certain branches or in certain regions specified by law; allowances for sudden difficulties, allowances for laborers having labor accident or suffering from occupational disease, lump-sum maternity or child adoption allowances; allowances for working capacity loss, lump-sum retirement allowances, monthly survivorship allowances,

severance and job loss allowances specified in the Labor Code, other allowances paid by the Social Insurance, and allowances for combat of social evils;

c/ Remuneration of all kinds;

d/ Sums of money earned for participation in business associations, boards of directors, control boards, management boards and other organizations;

e/ Other monetary or non-monetary benefits received by taxpayers;

f/ Bonuses, rewards, except for rewards accompanying honorary titles conferred by the State or international or national prizes; rewards for technical renovations, creations or inventions recognized by competent state agencies; rewards for detection and reporting of illegal acts to competent state agencies.

3. Incomes from capital investment, including:

a/ Interests;

b/ Dividends;

c/ Incomes from capital investment in other forms, except for government bond interests.

4. Incomes from capital transfer, including:

a/ Incomes from transfer of capital holdings in economic organizations;

b/ Incomes from transfer of securities;

c/ Incomes from transfer of capital in other forms.

5. Incomes from transfer of real estate, including:

a/ Incomes from transfer of rights to use land and assets attached to land;

b/ Incomes from transfer of right to own or use residential houses;

c/ Incomes from transfer of right to lease land or water surface;

d/ Other incomes earned from transfer of real estate.

6. Incomes from won prizes, including:

a/ Lottery winnings;

b/ Sales promotion winnings;

c/ Betting or casino winnings;

d/ Winnings in prized games and contests and other forms of winning.

7. Incomes from copyright, including:

a/ Incomes from assignment or licensing of intellectual property objects;

b/ Incomes from technology transfer.

8. Incomes from commercial franchising.

9. Incomes from inheritances that are securities, capital holdings in economic organizations or business establishments, real estate and other assets subject to ownership or use registration.

10. Incomes from gifts that are securities, capital holdings in economic organizations or business establishments, real estate and other assets subject to ownership or use registration.

The Government shall detail and guide the implementation of this Article.

Article 4. Tax-exempt incomes

1. Incomes from transfer of real estate between spouses; parents and their children; adoptive parents and their adopted children; fathers-in-law or mothers-in-law and daughters-in-law or sons-in-law; grandparents and their grandchildren; or among blood siblings.
2. Incomes from transfer of residential houses, rights to use residential land and assets attached to residential land received by individuals who have only one residential house or land plot each.
3. Incomes from the value of land use rights of individuals who are allocated land by the State.
4. Incomes from receipt of inheritances or gifts that are real estate between spouses, parents and their children; adoptive parents and their adopted children; fathers-in-law or mothers-in-law and daughters-in-law or sons-in-law; grandparents and their grandchildren; or among blood siblings.
5. Incomes of households and individuals directly engaged in agricultural or forest production, salt making, aquaculture, fishing and trading of aquatic resources not yet processed into other products or preliminarily processed aquatic products.
6. Incomes from conversion of agricultural land allocated by the State to households and individuals for production.
7. Incomes from interests on deposits at credit institutions or interests from life insurance policies.
8. Incomes from foreign exchange remittances.
9. Wages paid for night shift or overtime work, which are higher than those paid for day shifts or prescribed working hours in accordance with law.

10. Retirement pensions paid by the Social Insurance.

11. Incomes from scholarships, including:

a/ Scholarships granted from the state budget;

b/ Scholarships granted by domestic and foreign organizations under their study promotion programs.

12. Incomes from indemnities paid under life insurance policies, non-life insurance policies, compensations for labor accidents, compensations paid by the State and other compensations as provided for by law.

13. Incomes received from charity funds licensed or recognized by competent state agencies and operating for charity, humanitarian or non-profit purposes.

14. Incomes received from governmental or non-governmental foreign aid for charity or humanitarian purposes approved by competent state agencies.

Article 5. Tax reduction

Taxpayers who face difficulties caused by natural disasters, fires, accidents or severe diseases and affecting their tax payment ability may be considered for tax reduction corresponding to the extent of damage they suffer from but not exceeding payable tax amounts.

Article 6. Conversion of taxable incomes into Vietnam dong

1. A taxable income received in a foreign currency must be converted into Vietnam dong at the average exchange transaction rate on the inter-bank foreign exchange market announced by the State Bank at the time of income generation.

2. A taxable income received in the form of a product or service must be converted into Vietnam dong at the market price of that product or service or of products or services of the same or similar type at the time of income generation.

Article 7. Tax period

1. For residents, tax period is specified as follows:

a/ Annual tax period, which is applicable to incomes from business, salaries and wages.

b/ Tax period upon each time of income generation, which is applicable to incomes from capital investment; incomes from capital transfer, except for incomes from securities transfer; incomes from real estate transfer; incomes from prizes; incomes from copyright; incomes from commercial franchising; incomes from inheritances; and gifts.

c/ Tax period upon each transfer or annual tax period, which is applicable to securities transfer. Individuals who apply the annual tax period shall register with tax offices at the beginning of the year.

2. For non-residents, the tax period counted upon each time of income generation is applicable to all their taxable incomes.

Article 8. Tax administration and tax refund

1. Tax registration, declaration, withholding, payment, finalization and refund, handling of violations of the tax law, and tax administration measures comply with legal provisions on tax administration.

2. Individuals are entitled to tax refund in the following cases:

a/ Their paid tax amounts are larger than payable tax amounts;

b/ They have paid tax but their taxed incomes do not reach a tax-liable level;

c/ Other cases decided by competent state agencies.

Article 9. Application of treaties

If a treaty to which the Socialist Republic of Vietnam is a contracting party contains provisions on personal income tax different from the provisions of this Law, the provisions of that treaty prevail.

Chapter II

TAX BASES FOR RESIDENTS

Section 1. DETERMINATION OF TAXABLE INCOMES AND TAXED INCOMES

Article 10. Taxable incomes from business

1. A taxable income from business is determined to be equal to turnover minus reasonable expenses related to the generation of the taxable income from business in a tax period.

2. Turnover means the total of sales, processing remuneration, commissions, goods or service provision charges generated in a tax period from goods production and trading or service provision.

The time of determination of turnover is the time of transfer of ownership of goods or completion of services or the time of making goods sale or service provision invoices.

3. Reasonable expenses related to the generation of taxable incomes from business in a tax period include:

a/ Salaries, wages, remuneration and other payments to laborers;

b/ Expenses for raw materials, fuels, materials, energy and goods used for production or business, charges for services purchased from outside;

c/ Expenses for depreciation, regular repair and maintenance of fixed assets used for production or business;

d/ Paid interests;

e/ Management expenses;

f/ Taxes, charges and fees payable under law and allowed to be accounted as expenses;

g/ Other expenses related to the generation of incomes.

4. The determination of turnover and expenses is based on accounting norms, standards, regulations, documents and books prescribed by law.

5. If many persons jointly conduct business activities under the same business registration, taxable income of each of them is determined according to one of the following principles:

a/ In proportion to their capital contributions stated in the business registration;

b/ Under their agreement stated in the business registration;

c/ According to the average per-capita income in case the business registration neither states their capital contributions nor contains any agreement on income division among them.

6. For business individuals who fail to strictly comply with regulations on accounting, invoices and documents and cannot measure turnover, expenses and taxable income, competent tax offices shall predetermine turnover and the ratio of taxable income in order to determine taxable income suitable to each industry or business line under the law on tax administration.

Article 11. Taxable incomes from salaries or wages

1. A taxable income from salary or wage is determined to be equal to the total of incomes specified in Clause 2, Article 3 of this Law and earned by a taxpayer in a tax period.

2. Time of determination of a taxable income from salary or wage is the time when an organization or individual pays income to a taxpayer or when a taxpayer receives income.

Article 12. Taxable incomes from capital investment

1. A taxable income from capital investment is the total of incomes from capital investment specified in Clause 3, Article 3 of this Law and earned by a taxpayer in a tax period.

2. Time of determination of a taxable income from capital investment is the time when an organization or individual pays income to a taxpayer or when a taxpayer receives income.

Article 13. Taxable incomes from capital transfer

1. A taxable income from capital transfer is determined to be equal to the selling price minus the buying price and reasonable expenses related to the generation of income from capital transfer.

2. If the buying price and expenses related to the securities transfer are unidentifiable, taxable income is determined to be the selling price of securities.

3. Time of determination of a taxable income from capital transfer is the time when the capital transfer transaction is completed in accordance with law.

The Government shall detail and guide the implementation of this Article.

Article 14. Taxable incomes from real estate transfer

1. A taxable income from real estate transfer is determined to be equal to the real estate transfer price upon the transfer minus the real estate buying price and related expenses, specifically as follows:

a/ Real estate transfer price is the contractual price at the time of transfer;

b/ Real estate buying price is the contractual price at the time of purchase;

c/ Related expenses to be subtracted are those recorded in vouchers and invoices lawfully, including charges and fees related to land use rights as prescribed by law; expenses for land revamp, house renovation, ground leveling; expenses for investment in building residential houses, infrastructures and architectures on land; and other expenses related to the real estate transfer.

2. If the buying price and expenses related to the transfer of a real estate are unidentifiable, the taxable income is determined to be the real estate transfer price.

3. The Government shall stipulate principles and methods of determination of real estate transfer prices in case transfer prices are unidentifiable or land use rights transfer prices stated in contracts are lower than land prices promulgated by provincial-level People's Committees and effective at the time of transfer.

4. Time of determination of a taxable income from real estate transfer is the time when the transfer contract becomes effective in accordance with law.

Article 15. Taxable incomes from won prizes

1. A taxable income from won prize is the prize value in excess of VND 10 million received by a taxpayer upon each time of winning.

2. Time of determination of a taxable income from won prize is the time when an organization or individual pays income to a taxpayer.

Article 16. Taxable incomes from copyright

1. A taxable income from copyright is an income in excess of VND 10 million earned by a taxpayer when assigning or licensing an intellectual property object or transferring a technology under a contract.
2. Time of determination of a taxable income from copyright is the time when an organization or individual pays income to a taxpayer.

Article 17. Taxable incomes from commercial franchising

1. A taxable income from commercial franchising is an income in excess of VND 10 million earned by a taxpayer under a commercial franchising contract.
2. Time of determination of a taxable from commercial franchising is the time when an organization or individual pays income to a taxpayer.

Article 18. Taxable incomes from inheritances or gifts

1. A taxable income from inheritance or gift is the value of an inherited asset or a gift in excess of VND 10 million received by a taxpayer upon each time of inheritance or gift receipt.
2. Time of determination of a taxable income is specified as follows:
 - a/ For an income from inheritance, it is the time when a taxpayer receives an inherited estate;
 - b/ For an income from gift, it is the time when an organization or individual presents a gift to a taxpayer or when a taxpayer receives the income.

Article 19. Reduction based on family circumstances

1. Reduction based on family circumstances means a sum of money deductible from pre-tax income from business, salary or wage of a resident taxpayer. Reduction based on family circumstances consists of the following two parts:

a/ Reduction for the taxpayer, which is VND 4 million/month (VND 48 million/year);

b/ Reduction for each dependant of the taxpayer, which is VND 1.6 million/month.

2. The level of reduction based on family circumstances applicable to dependants is determined on the principle that each dependant may be counted only once for tax reduction for a taxpayer.

3. Dependants of a taxpayer means persons a taxpayer is responsible for nurturing or taking care of, including:

a/ His/her minor children or disabled children who are incapable of working;

b/ Individuals who have no income or have incomes not exceeding the prescribed level, including adult children who are studying at a university, college, professional secondary school or job-training establishment; his/her spouse who is incapable of working; his/her parents who are beyond the working age or incapable of working; other supportless persons whom the taxpayer has to directly nurture.

The Government shall specify the income level and declaration for identification of dependants to be counted for reduction based on family circumstances.

Article 20. Reduction for charity or humanitarian donations

1. Charity or humanitarian donations are deductible from pre-tax income from business, salary or wage of a resident taxpayer, including:

a/ Donations to organizations or establishments that care for or nurture children in special plights, disabled people and supportless elderly people.

b/ Donations to charity funds, humanitarian funds or study promotion funds.

2. Organizations, establishments and funds specified at Points a and b, Clause 1 of this Article must be those licensed or recognized by competent state agencies and operating for charity, humanitarian, study promotion or non-profit purposes.

Article 21. Taxed incomes

1. A taxed income from business, salary or wage is the total of taxable incomes specified in Articles 10 and 11 of this Law minus premiums of social insurance, health insurance and professional liability insurance for some professions and jobs subject to compulsory insurance and reductions specified in Articles 19 and 20 of this Law.

2. Taxed incomes from capital investment, capital transfer, real estate transfer, won prizes, copyright royalties, commercial franchising, inheritances or gifts are taxable incomes specified in Articles 12, 13, 14, 15, 16, 17 and 18 of this Law.

Section 2. TARIFFS

Article 22. Partially progressive tariff

1. The partially progressive tariff applies to taxed incomes specified in Clause 1, Article 21 of this Law.

2. The partially progressive tariff is specified below:

Tax grade	Taxed income per year (VND million)	Taxed income per month (VND million)	Tax rate (%)
1	Up to 60	Up to 5	5

2	Between over 60 and 120	Between over 5 and 10	10
3	Between over 120 and 216	Between over 10 and 18	15
4	Between over 216 and 384	Between over 18 and 32	20
5	Between over 384 and 624	Between over 32 and 52	25
6	Between over 624 and 960	Between over 52 and 80	30
7	Over 960	Over 80	35

Article 23. Whole income tariff

1. The whole income tariff applies to taxed incomes specified in Clause 2, Article 21 of this Law.

2. The whole income tariff is specified below:

Taxed incomes	Tax rate (%)
a/ Incomes from capital investment	5
b/ Incomes from copyright, commercial franchising	5
c/ Incomes from prizes	10
d/ Incomes from inheritances, gifts	10

e/ Incomes from capital transfer specified in Clause 1, Article 13 of this Law	20
Incomes from securities transfer specified in Clause 2, Article 13 of this Law	0.1
f/ Incomes from real estate transfer specified in Clause 1, Article 14 of this Law	25
Incomes from real estate transfer specified in Clause 2, Article 14 of this Law	2

Article 24. Responsibilities of income-paying organizations and individuals and responsibilities of resident taxpayers

1. Responsibility to make tax declaration, withholding, payment and finalization is specified as follows:

a/ Income-paying organizations and individuals shall make tax declaration, withhold and remit tax into the state budget, and make tax finalization for all kinds of taxable income they pay to taxpayers;

b/ Individuals who have taxable incomes shall make tax declaration, pay tax into the state budget and make tax finalization for all their incomes in accordance with the law on tax administration.

2. Income-paying organizations and individuals shall supply information on incomes and dependants of taxpayers under their management in accordance with law.

3. The Government shall specify tax withholding rates suitable to each kind of income specified at Point a, Clause 1 of this Article.

Chapter III

TAX BASES FOR NON-RESIDENTS

Article 25. Tax on incomes from business

1. Tax on incomes from business of a non-resident is determined to be equal to his/her turnover from production or business activities specified in Clause 2 of this Article multiplied by the tax rate specified in Clause 3 of this Article.

2. Turnover is the total sum of money derived from the provision of goods or services, including also expenses paid by the goods or service buyer on behalf of the non-resident but not refunded to the goods or service buyer.

If a contract between the goods or service provider and buyer does not specify personal income tax, the taxable turnover that must be converted is the total sum of money in any form earned by the non-resident from the provision of goods or services in Vietnam, regardless of places where business activities are conducted.

3. Tax rates applicable to incomes from business are specified for different production sectors or business lines as follows:

a/ 1% for goods trading;

b/ 5% for service provision;

c/ 2% for production, construction, transportation and other business activities.

Article 26. Tax on incomes from salaries or wages

1. Tax on income from salary or wage of a non-resident is determined to be equal to his/her income from salary or wage specified in Clause 2 of this Article multiplied by the tax rate of 20%.

2. Taxable income from salary or wage of a non-resident is the total of salary or wage amounts received by a non-resident for job performance in Vietnam, regardless of income payers.

Article 27. Tax on incomes from capital investment

Tax on income from capital investment of a non-resident is determined to be equal to the total sum of money earned by a non-resident from his/her capital investment in organizations or other individuals in Vietnam, multiplied by the tax rate of 5%.

Article 28. Tax on incomes from capital transfer

Tax on income from capital transfer of a non-resident is determined to be equal to the total sum of money earned by a non-resident from the transfer of his/her capital portions in Vietnamese organizations or individuals, multiplied by the tax rate of 0.1%, regardless of whether the transfer is made in Vietnam or abroad.

Article 29. Tax on incomes from real estate transfer

Tax on income from real estate transfer in Vietnam of a non-resident is determined to be equal to the real estate transfer price multiplied by the tax rate of 2%.

Article 30. Tax on incomes from copyright or franchising

1. Tax on income from copyright of a non-resident is determined to be equal to the income in excess of VND 10 million earned from each contract on assignment or licensing of an intellectual property object or technology transfer in Vietnam, multiplied by the tax rate of 5%.

2. Tax on income from commercial franchising of a non-resident is determined to be equal to the income in excess of VND 10 million earned from each contract on commercial franchising in Vietnam, multiplied by the tax rate of 5%.

Article 31. Tax on incomes from won prizes, inheritances or gifts

1. Tax on income from won prize, inheritance or gift of a non-resident is determined to be equal to his/her taxable income specified in Clause 2 of this Article multiplied by the tax rate of 10%.

2. Taxable income from won prize of a non-resident is the prize value in excess of VND 10 million upon each time of winning in Vietnam; taxable income from inheritance or gift is the inheritance or gift value in excess of VND 10 million upon each time of income receipt by a non-resident in Vietnam.

Article 32. Time of determination of taxable income

1. Time of determination of taxable income with respect to incomes specified in Article 25 of this Law is the time when a non-resident earns an income or a goods sale or service provision invoice is issued.

2. Time of determination of taxable income with respect to incomes specified in Articles 26, 27, 30 and 31 of this Law is the time when an organization or individual in Vietnam pays an income to a non-resident or when a non-resident receives an income from an overseas organization or individual.

3. Time of determination of taxable income with respect to incomes specified in Articles 28 and 29 of this Law is the time when a transfer contract becomes effective.

Article 33. Responsibilities of income-paying organizations and individuals and responsibilities of non-resident taxpayers

1. Income-paying organizations and individuals shall withhold and remit tax into the state budget upon each time of payment of taxable incomes to taxpayers.

2. Non-resident taxpayers shall make tax declaration and payment upon each time of generation of taxable income in accordance with the law on tax administration.

Chapter IV

IMPLEMENTATION PROVISIONS

Article 34. Effect

1. This Law takes effect on January 1, 2009.

2. To annul the following documents and regulations:

a/ Ordinance No. [35/2001/PL-UBTVQH10](#) on Income Tax on High-Income Earners, which had a number of articles amended and supplemented by Ordinance No. [14/2004/PL-UBTVQH11](#);

b/ The June 22, 1994 Law on Land Use Rights Transfer Tax, which had a number of articles amended and supplemented by Law No. [17/1999/QH10](#);

c/ Provisions of Enterprise Income Tax Law No. [09/2003/QH11](#) on enterprise income tax applicable to individuals engaged in production or business activities, excluding private enterprises;

d/ Other regulations on personal income tax which are contrary to the provisions of this Law.

3. Individuals having incomes eligible for tax incentives provided for in legal documents promulgated before the effective date of this Law continue enjoying those incentives.

Article 35. Implementation guidance

The Government shall detail and guide the implementation of this Law.

This Law was passed on November 21, 2007, by the 12th National Assembly of the Socialist Republic of Vietnam at its 2nd session.

PRESIDENT

(Signed)

Nguyen Phu Trong

THE PRESIDENT

THE SOCIALIST REPUBLIC OF VIETNAM

Independence - Freedom – Happiness

ORDER

No. 31/2014/L-CTN

Hanoi, December 8, 2014

**On the
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igation of law⁷

**THE PRESIDENT OF
THE SOCIALIST REPUBLIC OF VIETNAM**

Pursuant to Articles 88 and 91 of the Constitution of the Socialist Republic of Vietnam;

Pursuant to Article 91 of the Law on Organization of the National Assembly;

Pursuant to Article 57 of the Law on Promulgation of Legal Documents,

PROMULGATES

The Law Amending and Supplementing a Number of Articles of the Laws on Taxes,

⁷ Công Báo Nos 1173-1174 (30/12/2014)

which was passed on November 26, 2014, by the XIIIth National Assembly of the Socialist Republic of Vietnam at its 8th session.-

President of the Socialist Republic of Vietnam

TRUONG TAN SANG

THE PRESIDENT

THE SOCIALIST REPUBLIC OF VIETNAM

Independence - Freedom - Happiness

No. 71/2014/QH13

LAW

**Amending and Supplementing a Number of Articles
of the Laws on Taxes⁸**

Pursuant to the Constitution of the Socialist Republic of Vietnam;

The National Assembly promulgates the Law Amending and Supplementing a Number of Articles of Law No. 14/2008/QH12 on Enterprise Income Tax, which was amended and supplemented under Law No. 32/2013/QH13; Law No. 04/2007/QH12 on Personal Income Tax, which was amended and supplemented under Law No. 26/2012/QH13; Law No. 13/2008/QH12 on Value-Added Tax, which was amended and supplemented under Law No. 31/2013/QH13; Law No. 45/2009/QH12 on Royalties; Law No. 78/2006/QH11 on Tax Administration, which was amended and supplemented under Law No. 21/2012/QH13; Law No. 27/2008/QH12 on Excise Tax, Law No. 45/2005/QH11 on Export Duty and Import Duty, and Law No. 54/2014/QH13 on Customs.

Article 1.

⁸ Công Báo Nos 1173-1174 (30/12/2014)

To amend and supplement a number of articles of Law No. 14/2008/QH12 on Enterprise Income Tax, which was amended and supplemented under Law No. 32/2013/QH13.

1. To amend and supplement Clause 2, Article 3 as follows:

“2. Other incomes include income from the transfer of capital or transfer of the capital-contributing rights; income from the transfer of real estate, transfer of investment projects, transfer of the right to participate in investment projects or transfer of the right to explore, exploit and process minerals; income from asset use rights or asset ownership rights, including income from intellectual property rights in accordance with law; income from the transfer, lease or liquidation of assets, including also valuable papers; income from interest on deposits, loans provided or foreign currencies sold; revenue from written-off bad debts which are now recovered; revenue from debts owed to unidentified creditors; omitted income from business activities of previous years, and other incomes.

Vietnamese enterprises that are engaged in offshore investment activities and remit their incomes to Vietnam after paying enterprise income tax in foreign countries shall comply with the double taxation avoidance agreements concluded between Vietnam and such countries, for foreign countries with which Vietnam has concluded double taxation avoidance agreements. For foreign countries with which Vietnam has not yet concluded any double taxation avoidance agreement, if the enterprise income tax rate applicable in a country from which incomes are remitted to Vietnam is lower than that prescribed by the Vietnamese law on enterprise income tax, only difference must be collected.”

2. To amend and supplement Clause 1, Article 4 as follows:

“1. Cooperatives’ incomes from cultivation, husbandry, agricultural and aquatic product processing and salt production; incomes from agricultural, forestry, fishing and salt production of cooperatives operating in areas with difficult or extremely difficult socio-economic conditions; enterprises’ incomes from cultivation, husbandry, agricultural and aquatic product processing carried out in areas with extremely difficult socio-economic conditions; and incomes from marine fishing.”

3. To amend and supplement Point a, Clause 1, Article 9 as follows:

“a/ Actual expenses related to the enterprise’s production and business activities; expenses paid for vocational training activities; expenses paid for the performance of the enterprise’s national defense and security tasks in accordance with law;”

4. To annul Point m, Clause 2, Article 9.

5. To add the following Points dd and e to Clause 1, Article 13:

“dd/ Enterprises’ incomes from the implementation of new investment projects to manufacture products on the list of products of support industries prioritized for development that fall into one of the following categories:

- Products of support industries for high technologies provided in the Law on High Technologies;

- Products of support industries for the manufacture of products of textile and garment, leather and footwear and electronic and informatics industries; automobile manufacture and assembly; and mechanical engineering, which cannot be manufactured in the country or can be manufactured in the country but must meet the European Union technical standards or equivalent standards by January 1, 2015.

The Government shall promulgate the list of products of support industries prioritized for development specified in this Clause;

e/ Enterprises' incomes from the implementation of investment projects in the manufacturing fields, except projects to produce goods liable to excise tax and mining projects, which are capitalized at twelve trillion Vietnam dong or more, use technologies subject to appraisal under the Law on High Technologies and the Law on Science and Technology, are planned to disburse their total registered capital amounts within five years from the date of investment licensing under the investment law."

6. To amend and supplement Point d, Clause 2, Article 13 as follows:

"d/ Enterprises' incomes from planting, tending and protecting forests; farming and processing agricultural and aquatic products in areas with difficult socio-economic conditions; farming and rearing forest products in areas with difficult socio-economic conditions; producing, propagating and hybridizing plant varieties and animal breeds; producing, exploiting and refining salt, except salt production prescribed in Clause 1, Article 4 of this Law; and investing in the post-harvest preservation of agricultural products and preservation of agricultural and aquatic products and food;"

7. To add the following Clause 3a to Clause 3, Article 13:

"3a. To apply the tax rate of 15% to enterprises' incomes from cultivation, husbandry and processing of agricultural and aquatic products carried out outside areas with difficult or extremely difficult socio-economic conditions."

8. To amend and supplement Clause 5, Article 13 as follows:

"5. The extension of the period of application of preferential tax rates is provided as follows:

a/ For large-sized hi-tech projects which need special investment attraction, the period of application of preferential tax rates may be extended for not more than fifteen years;

b/ Projects specified at Point e, Clause 1 of this Article must meet one of the following criteria:

- Manufacturing products that are globally competitive, earning an annual turnover of over 20 trillion Vietnam dong within five years from the first year of turnover generation;

- Regularly employing over six thousand workers;

- Investment projects in the field of economic and technical infrastructure, including development investment in water plants, power plants, water supply and drainage system, bridges, roads, railways, airports, seaports, river ports, air terminals, railway stations, new energies, clean energies, energy-efficient industries, and petrochemical projects.

The Prime Minister may decide on the extension of the period of application of preferential tax rates specified at this Point for not more than fifteen years.”

9. To amend and supplement Clause 3, Article 2 of Law No. 32/2013/QH13 as follows:

“3. Enterprises having investment projects are entitled to enterprises income tax preferences under the enterprise income tax law applicable at the time of grant of investment licenses or certificates under the investment law. In case the enterprise income tax law is revised and an enterprise meets the tax preference conditions set by the new law, such enterprise may choose to enjoy the preferential tax rate and tax exemption and reduction periods prescribed by the law applicable at the time of licensing or the new law for the remaining period.

By the end of the 2015 tax period, if an enterprise having investment projects eligible for the preferential tax rate of 20% prescribed in Clause 3, Article 13 of Law No.

14/2008/QH12 on Enterprise Income Tax, which was amended and supplemented under Law No. 32/2013/QH13, it may apply the tax rate of 17% for the remaining period from January 1, 2016.”

Article 2.

To amend and supplement a number of articles of Law No. 04/2007/QH12 on Personal Income Tax, which was amended and supplemented under Law No. 26/2012/QH13.

1. To amend and supplement Clause 1, Article 3 as follows:

“1. Incomes from business activities, including:

a/ Incomes from goods production or trading or service provision;

b/ Incomes from independent professional activities of individuals possessing practice licenses or certificates in accordance with law.

Incomes from business activities specified in this Clause exclude incomes of businesspeople who have an annual turnover of 100 million Vietnam dong or less.”

2. To amend and supplement Point c, Clause 6, Article 3 as follows:

“c/ Betting winnings;”

3. To add the following Clauses 15 and 16 to Article 4:

“15. Incomes from salaries or wages of Vietnamese crewmembers working for foreign shipping companies or Vietnamese shipping companies engaged in international transportation.

16. Incomes of individual shipowners, individuals having the right to use ships and people working on board ships from the provision of goods and services to directly serve offshore fishing activities.”

4. To amend and supplement Article 10 as follows:

“Article 10. Tax applicable to businesspeople

1. Businesspeople shall pay personal income tax calculated as a certain percentage of turnover in each field, industry or business line.

2. Turnover means total sales, processing remuneration, commissions, service provision charges generated in a tax period from goods production and trading or service provision.

In case businesspeople cannot identify their turnover, a competent tax agency shall predetermine turnover in accordance with the tax administration law.

3. Tax rates:

a/ Goods distribution and supply: 0.5%;

b/ Services and construction activities without supply of raw materials and materials: 2%.

Particularly for asset lease, insurance agency, lottery agency and multi-level marketing agency: 5%;

c/ Production, transportation and services associated with goods, construction activities involving supply of raw materials and materials: 1.5%;

d/ Other business activities: 1%.”

5. To amend Article 13 as follows:

“Article 13. Taxable incomes from capital transfer

1. A taxable income from capital transfer is determined to be equal to the selling price minus the buying price and reasonable expenses related to the generation of income from capital transfer.

For securities transfer, a taxable income is determined to be the transfer price for each transfer.

2. Time of determination of a taxable income from capital transfer is the time when the capital transfer transaction is completed in accordance with law.

The Government shall detail and guide the implementation of this Article.”

6. To amend and supplement Article 14 as follows:

“Article 14. Taxable incomes from real estate transfer

1. A taxable income from real estate transfer is determined to be the transfer price for each transfer.

2. The Government shall stipulate principles and methods of determination of real estate transfer price.

3. Time of determination of a taxable income from real estate transfer is the time when the transfer contract becomes effective in accordance with law.”

7. To amend and supplement Clause 2, Article 23 as follows:

“2. The whole income tariff is prescribed as follows:

Taxable incomes	Tax rate (%)
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a/ Incomes from capital investment	5
b/ Incomes from copyright, commercial franchising	5
c/ Incomes from prizes	10
d/ Incomes from inheritances, gifts	10
dd/ Incomes from capital transfer specified in Clause 1, Article 13 of this Law	20
Incomes from securities transfer specified in Clause 1, Article 13 of this Law	0.1
e/ Incomes from real estate transfer	2

Article 3.

To amend and supplement a number of articles of Law No. 13/2008/QH12 on Value-Added Tax, which was amended and supplemented under Law No. 31/2013/QH13.

1. To add the following 3a to Clause 3, Article 5:

“3a. Fertilizers; machinery, special-use equipment for agricultural production; offshore fishing vessels; and feeds for cattle, poultry and other domestic animals;”

2. To amend and supplement Point b, Clause 2, Article 8 as follows:

“b/ Ores for fertilizer production; pesticides and plant and animal growth stimulants;”

3. To annul Points c and k, Clause 2, Article 8.

Article 4.

To amend and supplement a number of articles of Law No. 45/2009/QH12 on Royalties.

1. To amend and supplement Clause 7, Article 2 as follows:

“7. Natural water, including surface water and ground water, except natural water used for agriculture, forestry, fishery and salt production.”

2. To amend and supplement Clause 5, Article 9 as follows:

“5. Royalties are exempted for natural water exploited by households and individuals for daily-life use.”

Article 5.

To amend and supplement a number of articles of Law No. 78/2006/QH11 on Tax Administration, which was amended and supplemented under Law No. 21/2012/QH13.

1. To amend and supplement Clauses 1, 1a and 6, Article 31 as follows:

“1. For taxes declared and paid on a monthly basis, a tax declaration dossier is a monthly tax return;

1a. For taxes declared and paid on a quarterly basis, a tax declaration dossier is a quarterly tax return;”

“6. The Government shall provide taxes subject to monthly, quarterly or annual declaration, quarterly declaration for temporary calculation, declaration upon each time of arising of tax liability, and tax finalization declaration; criteria for identification of

taxpayers to make quarterly tax declaration and tax declaration dossier on a case-by-case basis.”

2. To amend and supplement Article 43 as follows:

“Article 43. Currency for determination of turnover, expenses, taxable prices and taxes to be remitted into the state budget

Taxpayers shall determine turnover, expenses, taxable prices and taxes to be remitted into the state budget in Vietnam dong, except cases of tax payment in foreign currencies under the Government’s regulations. In case turnover is generated, expenses and taxable prices are paid in foreign currencies or taxpayers are obliged to pay taxes in foreign currencies but permitted by competent authorities to pay taxes in Vietnam dong, taxpayers shall convert foreign currencies into Vietnam dong at actual exchange rates applicable at the time of arising of such foreign-currency amounts.

The Government shall detail and guide this Article.”

3. To add the following Clause 11 to Article 7:

“11. Based on the practical situation and information technology conditions, the Government shall specify cases in which taxpayers are not required to submit documents in tax payment declaration, tax refund and other tax-related dossiers which state management agencies have on hand.”

4. To amend and supplement Clause 1, Article 106 as follows:

“1. A taxpayer that pays tax after the prescribed time limit or extended time limit for tax payment or the time limit stated in the notice or handling decision of a tax administration agency shall fully pay tax amounts and late payment interest at the rate of 0.05% of the late paid tax amount per each day of late payment.

For taxpayers that supply goods or services to be paid with the state budget, if they fail to pay tax on time because they have not yet received any payments from the state budget, they do not have to pay late payment interests for owed tax amounts, which must not exceed the amounts not yet paid from the state budget.”

Article 6.

1. This Law takes effect on January 1, 2015.

2. To annul provisions on exchange rates for determination of turnover, expenses, taxable prices, taxable incomes, taxed incomes and taxes to be remitted into the state budget in:

a/ Article 8 and Clause 3, Article 9 of Law No. 14/2008/QH12 on Enterprise Income Tax, which was amended and supplemented under Law No. 32/2013/QH13;

b/ Clause 1, Article 6 of Law No. 04/2007/QH12 on Personal Income Tax, which was amended and supplemented under Law No. 26/2012/QH13;

c/ Clause 3, Article 7 of Law No. 13/2008/QH12 on Value-Added Tax, which was amended and supplemented under Law No. 31/2013/QH13;

d/ Article 6 of Law No. 27/2008/QH12 on Excise Tax;

dd/ Clause 3, Article 9 and Article 14 of Law No. 45/2005/QH11 on Export Duty and Import Duty;

e/ Clause 4, Article 86 of Law No. 54/2014/QH13 on Customs.

3. To annul Point c, Clause 1, Article 49 of Law No. 78/2006/QH11 on Tax Administration, which was amended and supplemented under Law No. 21/2012/QH13.

4. To annul provisions on determination of tax applicable to businesspeople specified in Clause 1, Article 19; Clause 1, Article 20; and Clause 1, Article 21 of Law No. 04/2007/QH12 on Personal Income Tax, which was amended and supplemented under Law No. 26/2012/QH13.

5. The Government and competent agencies shall detail articles and clauses in this Law as assigned.

This Law was passed on November 26, 2014, by the XIIIth National Assembly of the Socialist Republic of Vietnam at its 8th session.-

Chairman of the National Assembly

NGUYEN SINH HUNG

NATIONAL ASSEMBLY

No: 57/2010/QH12

SOCIALIST REPUBLIC OF VIET NAM
Independence - Freedom – Happiness

Hanoi, November 15, 2010

LAW

ENVIRONMENTAL PROTECTION TAX

Pursuant to the Constitution of the Socialist Republic of Vietnam in 1992 has been amended and supplemented a number of articles under Resolution No.51/2001/QH10; National Assembly promulgated the Law on Environmental Protection Tax

Chapter 1

GENERAL PROVISIONS

Article 1. Adjusting scope

This Law provides for taxable subject, un-taxable subject, taxpayers, tax base, tax declaration, tax calculation, tax payment and environmental protection tax refund.

Article 2. Interpretation of terms

In this Law, the terms below are construed as follows:

1. Environmental protection tax means indirect-collected tax, collected on products and goods (hereafter referred to as goods) when used to cause negative environmental impacts.
2. Absolute tax rate means tax rate prescribed by the amount of money per unit of taxable goods.
3. Taxable-plastic bag means bags; packages are made from polyethylene plastic film unit, its technical name is a porous plastic bag
4. Hydrogen-chlorofluorocarbon liquid (HCFC) means group of substance causing reduction of ozone used as refrigerant.

Article 3. Taxable subject

1. Gasoline, oil, grease, including:
 - a) Gasoline, except ethanol;
 - b) aircraft fuel;
 - c) diesel oil;
 - d) Petroleum;
 - e) Fuel oil;

- f) lubricants;
- g) Grease.
- 2. Coal, including:
 - a) Lignite;
 - b) Anthracite Coal (anthracite);
 - c) Fat coal;
 - d) Other coal.
- 3. Hydrogen-chlorofluorocarbon liquid (HCFC).
- 4. Taxable-plastic bag.
- 5. Herbicide which is restricted from use.
- 6. Pesticide which is restricted from use.
- 7. Forest product preservative which is restricted from use.
- 8. Warehouse disinfectant which is restricted from use.
- 9. When it is necessary to supplement other taxable objects as per period, the National Assembly Standing Committee shall consider and regulate.

The Government shall specify this Article.

Article 4. Un-taxable object

- 1. Goods is not specified in Article 3 of this Law shall not be subject to environmental tax.
- 2. Goods provided for in Article 3 of this Law shall not be subject to environmental tax in the following cases:
 - a) Goods transported in transit or transshipped through the border gate, Vietnam border in accordance with the law, including the transportation of goods from exporting countries to importing countries through the border gate of Vietnam but it is not made import & export procedures into and out of Vietnam; transit goods through the border gate, the border of Vietnam on the basis of agreements signed between the Government of Vietnam and a foreign government or an agreement between agencies, representative authorized under the provisions of law by government of Vietnam and foreign governments;
 - b) Goods temporarily imported for re-export within the time limit prescribed by law;
 - c) Goods directly exported by production facilities or entrusted for the export business to export, except for organizations, households and individuals to purchase goods which environmental protection taxable subject to export.

Article 5. Taxpayer

1. Environmental protection taxpayer is organizations, households and individuals producing, importing goods under taxable subject provided for in Article 3 of this Law.

2. Environmental protection taxpayer in some specific cases shall be provided for as follows:

a) in case of goods importing commission, the person who entrusted importing goods shall be taxpayer;

b) In cases where organizations, households and individuals act procurement hub of coal to develop small, retail but they can not produce the documents proving that goods have been paying environmental protection tax, the organizations, households individuals act as procurement hub shall be taxpayer.

Chapter 2.

TAX BASE

Article 6. Tax base

1. Tax base of environmental protection is the number of taxable goods and absolute rate.

2. The number of taxable goods shall be provided for as follows:

a) For goods produced in the country, the number of taxable goods is the quantity of goods produced and sold, exchanged, internally consumed, donated;

b) For imported goods, the number of taxable goods is the quantity of imported goods.

3. Absolute rate for tax calculation specified in Article 8 of this Law.

Article 7. Tax calculation method

The amount of environmental protection tax payable equal the quantity of unit of dutiable goods multiply absolute rate specified on a unit of goods.

Article 8. Tariff table

1. Absolute rates are specified in the tariff table below:

No	Goods	Calculation unit	Tax rate
1	Gasoline, oil, grease		
1	Gasoline, except ethanol	lit	1.000-4.000
2	aircraft fuel	lit	1.000-3.000
3	diesel oil;	lit	500-2.000
4	Petroleum	lit	300-2.000
5	Fuel oil	lit	300-2.000

6	lubricants	lit	300-2.000
7	Grease	kg	300-2.000
II	Coal		
1	Lignite	Tấn	10.000-30.000
2	Anthracite Coal (anthracite)	Tấn	20.000-30.000
3	Fat coal	Tấn	10.000-30.000
4	Other coal	Tấn	10.000-30.000
III	Hydrogen-chlorofluorocarbon liquid (HCFC).	kg	1.000-5.000
IV	Taxable-plastic bag	kg	30.000-50.000
V	Herbicide which is restricted from use	kg	500-2.000
VI	Pesticide which is restricted from use	kg	1.000-3.000
VII	Forest product preservative which is restricted from use	kg	1.000-3.000
VIII	Warehouse disinfectant which is restricted from use	kg	1.000-3.000

2. On the basis of the tax bracket prescribed in Clause 1 of this Article, the National Assembly Standing Committee provide for specific tax rate to each type of dutiable goods ensuring the following principles:

- a) The tax rate on taxable goods in line with socio-economic development policy – social in each period;
- b) The tax rate on taxable goods shall be determined under the extent of causing negative environmental impacts of the goods.

Chapter 3.

TAX DECLARATION, TAX CALCULATION, AND TAX REFUND

Article 9. Taxable time

1. For goods manufactured, sold, exchanged, donated, taxable time is the time transferring the ownership or right to use goods.
2. For manufactured goods brought into internal consumption, taxable time is the time when taxable goods brought into use.

3. For imported goods, taxable time is the time of registration of customs declarations.

For gasoline, petroleum produced or imported for sale, taxable time is the time when the business hub of petrol and oil sold.

Article 10. Tax declaration, tax calculation and tax payment

1. The tax declaration, tax calculation, tax payment for environmental protection on goods produced and sold, exchanged, internally consumed, donated shall be made by the month and the provisions of the law on tax administration.

2. The tax declaration, tax calculation, tax payment for environmental protection on imported goods shall be made at the same to time of import tax declaration and tax payment.

3. Environmental protection tax is only paid once for goods produced or imported.

Article 11. Tax refund

Environmental protection taxpayer is paid tax refund in the following cases:

1. Imported goods are still stored in warehouse, storage at the border gate and are subject to be supervised by the customs authority for re-export to foreign countries;

2. Imported goods to transport, sell abroad through agents in Vietnam; gasoline, petrol sold for vehicles of foreign firms on the route through Vietnam's ports or means of Vietnam's transportation on international transport road under the provisions of law;

3. Goods temporarily imported for re-export by business mode of temporary import for re-export.

4. Goods imported by the importer re-exporting to foreign countries;

5. Goods temporarily imported for participation in fairs, exhibitions and introduction of products in accordance with the law when re-exported to foreign countries.

Chapter 4.

IMPLEMENTING PROVISIONS

Article 12. Effect

1. This Law takes effect from January 1st, 2012.

2. The provisions on charges of petrol, oil in the Ordinance on fees and charges No. 38/2001/PL-UBTVQH10 expire effect from the date when this law takes effect.

Article 13. Detailing and regulating the implementation

The Government shall detail and guide the implementation of the articles and clauses assigned in the Law; guide the necessary content of this law in order to meet requirements of state management.

This law was adopted by the National Assembly of Socialist Republic of Vietnam term XII, 8th session through November 15th, 2010.

CHAIRMAN OF NATIONAL ASSEMBLY

Nguyen Phu Trong

**THE NATIONAL
ASSEMBLY**

Number: 48/2010/QH12

**SOCIALIST REPUBLIC OF
VIET NAM**

**Independence - Freedom -
Happiness**

Hà Nội , June 17, 2010

**LAW
ON NON-AGRICULTURAL LAND USE TAX**

Pursuant to 1992 Constitution of the Socialist Republic of Vietnam, which was amended and supplemented under Resolution No. [51/2001/QH10](#); The National Assembly promulgates the Law on Non-Agricultural Land Use Tax.

Chapter I

GENERAL PROVISIONS

Article 1. Scope of regulation

This Law provides for objects liable or not liable to, payers of, bases for, registration, declaration, calculation and payment of, exemption from and reduction of, non-agricultural land use tax.

Article 2. Tax-liable objects

1. Residential land in rural and urban areas.
2. Non-agricultural production and business land, including land for the construction of industrial parks; land for the construction of production and business establishments; land for mineral exploitation and processing; and land for the production of construction materials and pottery articles.
3. Non-agricultural land specified in Article 3 of this Law which is used for commercial purposes.

Article 3. Objects not liable to tax

Non-agricultural land used for purposes other than commercial ones, including:

1. Land used for public purposes, including traffic and irrigation land, land for the construction of cultural, healthcare, education and training, and physical training and sports works for public interests; land with historical cultural relics or scenic places; and land for the construction of other public works under the Government's regulations;
2. Land used by religious institutions;
3. Land used for cemeteries and graveyards;
4. Land under rivers, canals, ditches, streams and special-use water surface;
5. Land with communal houses, temples, worship halls or clans' worship houses;
6. Land for the construction of working offices or non-business works or for national defense and security purposes;
7. Other non-agricultural land provided for by law.

Article 4. Taxpayers

1. Taxpayers are organizations, households and individuals that have the right to use taxable land specified in Article 2 of this Law. 2. When organizations, households or individuals have not yet been granted land use right certificates or house and land-attached asset ownership certificates (below collectively referred to as certificates), current land users will be taxpayers.
3. Taxpayers in some cases are specified as follows:
 - a/ When land is leased by the State for the implementation of investment projects, lessees will be taxpayers;
 - b/ When persons having land use rights lease land under contracts, taxpayers shall be identified as agreed upon in these contracts. When no agreement on taxpayers is made in contracts, persons having land use rights will be taxpayers;
 - c/ When land has been granted a certificate but is currently under dispute, pending the dispute settlement, current land users will be taxpayers. Tax payment does not serve as a ground for the settlement of disputes over land use rights;
 - d/ When many persons have the right to co-use a land plot, the lawful representative of these co-users will be the taxpayer;

e/ When a person having land use rights contributes his/her land use rights as business capital, thereby forming a new legal entity that has the right to use tax-liable land specified in Article 2 of this Law, the new legal entity will be the taxpayer.

Chapter II

TAX BASES, REGISTRATION, DECLARATION, CALCULATION AND PAYMENT

Article 5. Tax bases

Tax bases are taxable price and tax rate.

Article 6. Taxable price

1. Taxable price of land is the taxable land area multiplied by the price of one square meter of land.

2. The taxable land area is specified as follows: a/ The taxable land area is the actually used land area.

When a person has the right to use many residential land plots, the taxable land area is the total area of taxable land plots.

When land is allocated or leased by the State for the construction of an industrial park, the taxable land area is exclusive of the land area for the construction of infrastructure facilities under common use;

b/ For residential land of a multi-story building with many users or a condominium with areas for both dwelling and commercial purposes, the taxable land area is the allocation coefficient multiplied by the area of the apartment of each user.

The allocation coefficient is the land area for the construction of a multistory building with many users or a condominium divided by the total area of apartments of users.

If a multi-story building with many users or a condominium has a basement, 50% of the basement area used by organizations, households and individuals shall be added to the total area of their apartments for calculating the allocation coefficient;

c/ For underground construction works, the applicable allocation coefficient is 0.5 of the constructed land area divided by the total area of works used by organizations,

households and individuals. 3. The price of a square meter of land is the price of land

based on its use purpose which is set by the provincial-level People's Committee for a 5 year stabilization period from the effective date of this Law.

Article 7. Tax rates

1. Tax rates for residential land, including land used for commercial purposes, to be applied according to the Partially Progressive Tariff are specified as follows:

Tax grade	Taxable land area (m2)	Tax rate (%)
1	Area within the set quota	0.03
2	Area in excess of up to 3 times the set quota	0.07
3	Area in excess of over 3 times the set quota	0.15

2. The residential land quota used as a basis for tax calculation is the new quota of residential land allocation set by provincial-level People's Committees from the effective date of this Law.

When residential land quotas have been set before the effective date of this Law, the following provisions shall be applied:

a/ When the residential land quota set before the effective date of this Law is lower than the new quota of residential land allocation, the new quota will be used as a basis for tax calculation;

b/ When the residential land quota set before the effective date of this Law is higher than the new quota of residential land allocation, the old quota will be used as a basis for tax calculation.

3. Residential land of multi-story buildings with many households, condominiums or underground construction works is subject to the tax rate of 0.03%.

4. Non-agricultural production and business land is subject to the tax rate of 0.03%.

5. Non-agricultural land specified in Article 3 of this Law which is used for commercial purposes is subject to the tax rate of 0.03%. 6. Land used for improper purposes or land not yet used under regulations is subject to the tax rate of 0.15%. Land of a phased investment project as registered by the investor and approved by a competent state

agency will not be regarded as unused land and is subject to the tax rate of 0.03%. 7.

Encroached or appropriated land is subject to the tax rate of 0.2% and has no applicable quota. Tax payment does not serve as a basis for recognizing taxpayers' lawful land use rights for the encroached or appropriated land area.

Article 8. Tax registration, declaration, calculation and payment

1. Taxpayers shall register, declare, calculate and pay tax under the law on tax administration.

2. Taxpayers shall register, declare, calculate and pay tax at tax offices of rural districts, urban districts, towns or provincial cities in which they have land use rights.

Taxpayers in deep-lying or remote areas difficult to access may register, declare, calculate and pay tax at commune-level People's Committees. Tax offices shall create conditions for taxpayers to fulfill their obligations.

3. When a taxpayer has the right to use many residential land plots, the taxable area is the total area of taxable residential-land plots within a province or centrally run city. Tax registration, declaration, calculation and payment are specified as follows:

a/ Taxpayers shall register, declare, calculate and pay tax at tax offices of rural districts, urban districts, towns or provincial cities in which they have land use rights;

b/ Taxpayers may choose the residential land quota applicable in a rural district, urban district, town or provincial city in which they have land use rights. A taxpayer who has one or more than one residential land plot in excess of the set quota may choose one place in which he/she has a residential land plot in excess of the set quota for determining the land plots' area in excess of the set quota .

The applicable taxable price is the land price applied in each rural district, urban district, town or provincial city in which the land plot exists. Taxpayers shall make general declarations according to a set form for determining the total area of residential land plots for which they have use rights and the paid tax amount, and send them to the tax office of the locality they have chosen for determining the residential land quota in order to pay the difference between the tax amount payable under this Law and the paid tax amount.

Chapter III

TAX REDUCTION AND EXEMPTION

Article 9. Tax exemption

1. Land of investment projects in domains eligible for special investment promotion; investment projects in areas with extreme socio-economic difficulties; investment projects in domains eligible for investment promotion in areas with socio-economic difficulties; and land of enterprises with over 50% of their employees being war invalids and diseased soldiers.
2. Land of establishments carrying out socialized educational, vocational training, healthcare, cultural, sports or environmental activities.
3. Land for the construction of houses of gratitude, houses of great solidarity, establishments nurturing lonely aged people, people with disabilities or orphans, and social-disease treatment establishments.
4. Residential land within the set quota in areas with extreme socioeconomic difficulties.
5. Residential land within the set quota , of revolutionary activists before August 19, 1945; war invalids of 1/4 or 2/4 grade and people enjoying policies like these war invalids; diseased soldiers of 1/3 grade; people's armed forces heroes; heroic Vietnamese mothers; natural parents of, or people nurturing, martyrs when they were minors; spouses of martyrs; martyrs' children eligible for monthly allowances; agent orange victims who are revolutionary activists; and agent orange victims with difficult family circumstances.
6. Poor households' land within the set quota under the Government's regulations.
7. Households and individuals whose residential land is actually recovered in a year under the approved planning or plan will be exempt from tax on the recovered land and the land in the new place of residence in that year.
8. Land with garden houses certified by a competent state agency as historical-cultural relics.
9. Taxpayers who face difficulties due to force majeure circumstances if the value of damage related to land and houses on land accounts for over 50% of the taxable price.

Article 10. Tax reduction

Fifty per cent reduction of the payable tax amount is applied in the following cases:

1. Land of investment projects in domains eligible for investment promotion; investment projects in areas with socio-economic difficulties; and land of enterprises with between 20% and 50% of their employees being war invalids and diseased soldiers;
2. Land within the set quota in areas with socio-economic difficulties; 3. Land within the set quota, of war invalids of 3/4 or 4/4 grade and people enjoying policies like these war invalids; diseased soldiers of 2/3 or 3/3 grade; and martyrs' children ineligible for monthly allowances; 4. Taxpayers who face difficulties due to force majeure circumstances if the value of damage related to land and houses on land accounts for between 20% and 50% of the taxable price.

Article 11. Tax exemption and reduction principles

1. Taxpayers who are eligible for both tax exemption and reduction for the same land plot will be exempt from tax. Taxpayers who concurrently fall into two or more cases eligible for tax reduction specified in Article 10 of this Law will be exempt from tax.
2. Residential land taxpayers will be eligible for tax exemption or reduction only in one place chosen by them, except the cases specified in Clause 9, Article 9 and Clause 4, Article 10 of this Law.
3. Taxpayers who have many investment projects eligible for tax exemption or reduction will enjoy tax exemption or reduction under each investment project.
4. Tax exemption or reduction will only apply directly to taxpayers and be calculated only on the tax amounts payable under this Law.

Chapter IV

IMPLEMENTATION PROVISIONS

Article 12. Effect

1. This Law takes effect on January 1, 2012.
2. The following legal documents will cease to be effective on the effective date of this Law:
 - a/ The 1992 Ordinance on Housing and Land Tax;
 - b/ The 1994 Ordinance Amending and Supplementing a Number of Articles of the Ordinance on Housing and Land Tax.

Article 13. Implementation detailing and guidance

The Government shall detail and guide necessary contents of this Law to meet state management requirements.

This Law was passed on June 17, 2010, by the 12th National Assembly of the Socialist Republic of Vietnam at its 7th session.

CHỦ TỊCH QUỐC HỘI

(Signed)

Nguyen Phu Trong