



# LEGAL UPDATES

## NOVEMBER, 2013



### I - Invoices used before the date of notice of issuance are illegal those

On November 05, 2013, the General Department of Taxation promulgated the Official Letter No. 3723/TCT-KK giving guidance on handling invoices used before the notice date mentioned in the invoice issuance notice.

Accordingly, invoices used before the date of notice of issuance are considered as illegal those, enterprises using those shall be fined regarding behavior of illegal preparation of invoices and value added tax shall not be deducted, refunded.

### II - Increasing region-based minimum wage levels as from January 01, 2014



On November 14, 2013, the Government has just promulgated the Decree No. 182/2013/ND-CP prescribing the new region-based minimum wage levels for laborers working for enterprises, cooperatives, cooperative groups, farms, households and individuals and agencies, organizations employing laborers.

Accordingly, region-based minimum wage levels 2014 shall increase about 14 percent compared with 2013 and have been applied specifically for the following areas:

- The level of VND 2,700,000 per month applies to enterprises operating in localities of region I;
- The level of VND 2,400,000 per month applies to enterprises operating in localities of region II;
- The level of VND 2,100,000 per month applies to enterprises operating in localities of region III;
- The level of VND 1,900,000 per month applies to enterprises operating in localities of region IV.

Applicable subjects include enterprises which are established; organized and managed; and operated under the Law on Enterprises (including Vietnam-based foreign-invested enterprises);

The cooperatives, cooperative unions, cooperative groups, farms, households, individuals and the other organizations of Vietnam employing laborers.

According to this Decree, the region-based minimum wage levels prescribed above are basis for enterprises and laborers to make agreement on wage. Accordingly, the lowest wage levels paid to laborers who have received vocational training (including laborers trained by enterprises themselves) must be at least 7% higher than the region-based minimum wage levels. Based on the region-based minimum wage levels, each enterprise shall self-determine and adjust wage levels in the wage scales, wage tables, wage allowances, the wage levels in labor contracts in line with agreements and provisions of labor legislation.

Besides, the Decree also encourages the enterprises to pay the wage to the laborers higher than the region-based minimum wage levels prescribed.

This Decree takes into effect on December 31, 2013 and replaces the Government's Decree No. 103/2012/ND-CP, the new wage levels shall be applied as from January 01, 2014.

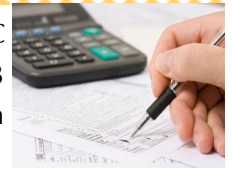
## II - Increasing region-based minimum wage levels as from January 01, 2014 (continued)

List of some localities located in Southeast area where the region-based minimum wage levels have been applied as from January 01, 2014:

Localities	Region 1	Region 2	Region 3
<b>Ho Chi Minh City</b> 1. Urban districts and Cu Chi, Hoc Mon, Binh Chanh and Nha Be rural districts 2. Can Gio rural District	2,700,000 dongs per month	2,400,000 dongs per month	
<b>Dong Nai Province</b> 1. Bien Hoa City and Nhon Trach, Long Thanh, Vinh Cuu and Trang Bom rural districts 2. Long Khanh Town and Dinh Quan and Xuan Loc rural Districts 3. The rest rural districts	2,700,000 dongs per month	2,400,000 dongs per month	2,100,000 dongs per month
<b>Binh Duong Province</b> 1. Thu Dau Mot City, Thuan An and Di An Towns and Ben Cat and Tan Uyen rural Districts located in Binh Duong Province 2. Phu Giao and Dau Tieng rural Districts	2,700,000 dongs per month	2,400,000 dongs per month	
<b>Long An Province</b> 1. Tan An City and Duc Hoa, Ben Luc, Can Duoc and Can Giuoc rural Districts 2. Thu Thua, Duc Hue, Chau Thanh, Tan Tru and Thanh Hoa rural Districts		2,400,000 dongs per month	2,100,000 dongs per month
<b>Ba Ria – Vung Tau Province</b> 1. Vung Tau City 2. Ba Ria City and Tan Thanh rural District 3. Long Dien, Dat Do, Xuyen Moc, Chau Duc and Con Dao rural Districts	2,700,000 dongs per month	2,400,000 dongs per month	2,100,000 dongs per month

### III - Issuing new tax declaration form for the year 2014

On November 06, 2013, the Ministry of Finance promulgated the Circular No. 156/2013/TT-BTC (Circular 156), guiding the Government's the Decree No. 83/2013/ND-CP dated July 22, 2013 detailing the implementation of a number of articles of Law on Tax Administration and Law on amending and supplementing a number of articles of Law on tax administration.



Accordingly, as from January 01, 2014, when organizations, individuals carry out tax declaration, forms prescribed in Circular 156 shall be applied, the former those shall not be applied.

Besides, in the Circular 156 there is also new guidance of tax declaration as follows:

- In case there is error in dossiers of yearly tax finalization submitted detected, taxpayer only needs to submit additional yearly tax finalization declaration form not submit declaration forms of months in which there was error.
- In case taxpayer detects errors by himself/herself after there is a conclusion of tax inspection, examination and errors belong to period, scope of inspection, examination, tax office shall handle as the case they self-detect.

This Circular takes into effect as from December 20, 2013 and replaces the Circular No. 28/2011/TT-BTC dated February 28, 2011 of the Ministry of Finance. Provisions of tax administration prescribed at Law on amending and supplementing a number of articles of Law on tax administration and the Decree No. 83/2013/ND-CP guided in this Circular takes into effect from July 01, 2013.

Dossiers of tax declaration prescribed at this Circular start to be applied for all taxable period as from January 01, 2014.

### IV- Unifying use of export invoice for on-spot exported goods

There is inconsistency of use of type of invoice for on-spot exported goods in Article 45 of the Circular No. 128/2013/TT-BTC and Article 3 of the Circular No. 64/2013/TT-BTC.



To remove obstacles above, on November 22, 2013, the Ministry has just promulgated the Official Letter No. 16239/BTC-TCHQ, to give clearer guidance and officially confirm: for on-spot exported goods, "EXPORT INVOICE" shall be used.

This provision also generally applies to on - spot imported and exported goods which are in electronic customs procedures under Circular No. 196/2012/TT-BTC.

It should be noted that domestic enterprises selling goods to non-tariff zones still have to use VAT invoices (a copy delivered to customer) when carrying put customs procedures.

#### Disclaimer

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