



VALUE ADDED TAX

Decision No. 2790/QD-BTC dated 12/27/2016 of the MoF;

Official letter No. 94/TCT-KK dated 01/10/2017 of the General Department of Taxation.



IMPORT DUTY

Official letter No. 114/TCHQ-TXNK dated 01/06/2017 of the General Department of Customs;

Official letter No. 1264/BTC-TCHQ dated 01/15/2017 of the MoF.



SOCIAL INSURANCE

Official letter No. 5397/BHXH-TCKT dated 12/30/2016 of Vietnam Social Insurance;

Announcement No. 67/TB-BHXH dated 01/10/2017 of Ho Chi Minh Social Insurance.

LEGAL UPDATES

JANUARY 2017

Online value added tax refund will be piloted from December 2016

Decision No. 2790/QD-BTC dated December 27, 2016 of The Ministry of Finance on the pilot application of receiving dossiers and return the result of solving the value added tax (VAT) refund by electronic methods.

According to this Decision, from December 2016, the enterprises in the following provinces and cities are allowed to register for the pilot of VAT refund by electronic methods, including Ha Noi, **Ho Chi Minh**, Hai Phong, **Dong Nai**, **Binh Duong**, Da Nang, Can Tho, Quang Ninh, Kon Tum, Khanh Hoa, Vinh Phuc, Binh Thuan, Thai Nguyen.

The condition for participation in the pilot electronic tax refund is that the enterprise has made the electronic tax declarations, electronic tax payment to the tax agencies.

Dossiers proposed for the electronic tax refund include VAT refund applications for export goods and investment projects.

The receipt of dossiers, return of the VAT refund result will be performed through the electronic portal of the General Department of Taxation. Therefore, the enterprise is allowed to use the digital certificates, email addresses and accounts used for electronic tax declaration for the application of tax refund.

The Decision takes effect from the date of signing.



Having no factory, the enterprises shall not be entitled to exemption from tax imposed on materials under the form of importing for production of exports

It is the content of the Official letter No. 114/TCHQ-TXNK dated January 06, 2017 of the General Department of Customs regarding to the obstacles on importing materials for production of exports.

As stipulated at Clause 2 Article 12, Clause 3 Article 36 of Decree No. 134/2016/ND-CP, one of the conditions for import tax exemption, import tax refund on materials for export production is that the enterprise must have the export production facilities in the territory of Vietnam.



Accordingly, in case that the enterprise has no production facilities, no production operation and only hires the production units or has production facilities but having in-adequate proof of legal use right to the production and factory premises, the enterprise is not entitled to enjoy the import tax exemption or import tax refund.



From 2017, renewal or change of the health insurance card is free of charge

It is the guiding content at the Official letter No. 5397/BHXH-TCKT dated December 30, 2016 of Vietnam Social Insurance on the guideline of the charge for re-issuing and changing the Health Insurance Card (HIC). Accordingly, this Official letter reminds

that the social insurance agencies of the provinces shall not charge the fee for re-issue and change of the HIC. The fee charge for re-issuing and changing the HIC has been abolished at Point d Clause 2 Article 23 of the Law on fees and charges No. 97/2015/

QH13.

The Official letter No. 1160/BHXH-BC dated April 01, 2010 regarding to the guideline on the collection, accounting, management and use of the fee of re-issuing and changing the HIC is abolished.

Due to late payment of social insurance premiums, the enterprises shall bear an interest of 0,967%/month from January 01, 2017 onwards

It is one of the contents in the Announcement No. 67/TB-BHXH dated January 10, 2017 of Ho Chi Minh City Social Insurance Agency on the Adjustment to interest rate on delayed payment, retroactive payment of health insurance premiums.

According to this Announcement, the interest rate on delayed payment of health insurance premiums applicable in Ho Chi Minh City from January 01, 2017 is 0.967% per month, which is lower than the interest rate applicable



in 2016 (1.083% per month according to the Announcement No. 619/TB-BHXH dated March 08, 2016).

According to the regulations as stipulated in Decision No. 60/2015/QĐ-TTg, in case that the enterprise makes late payment of health insurance premiums for over 30 days, the enterprise has to pay the interest rate by 2 times the interbank market interest rate with the 9-month term announced by the State Bank of the previous year with the amount calculated on the amount and delayed time.

Imported machinery and equipment getting fired are free from collection of tax on import

Official letter No. 1264/BTC-TCHQ dated January 15, 2017 of Ministry of Finance regarding to the tax settlement on goods damaged by fire.

Accordingly, in case that the enterprise imports materials for processing but damaged by fire, and the enterprise is confirmed by the insurance agency not to compensate the import duty, the VAT, the enterprise shall be entitled to be

exempted from these taxes.

For machinery imported to create the fixed assets for the preferential investment projects which are considered for the exemption of import duty, VAT but the machinery is fired and is no longer in use, when the enterprise is confirmed by the insurance agency not to compensate the import duty, the VAT, the enterprise are also entitled to be exempted from these taxes.

However, the enterprise must make declarations of VAT and Corporate Income Tax for the income from the disposal of goods and machinery damaged by fire.



Omitted invoices discovered after inspection are allowed for additional declaration

Official letter No. 94/TCT-KK dated January 10, 2017 of the General Department of Taxation regarding to the VAT declaration for deduction of the omitted invoices.

As stipulated at Clause 2 Article 5 Decree No. 83/2013/ND-CP, after being inspected by the tax agencies and having the decision on tax settlement, if the enterprise discovers that the inspected tax declarations are still in error, the enterprise is allowed to make additional declarations and

adjustments; the settlement is pursuant to the regulations and objective, subjective causes of the omitted declarations.

Accordingly, in case that after the inspection of the tax agencies, the Company is allowed to make additional declarations when the Company discovers that there are omitted input VAT invoices. The settlement shall be pursuant to the regulations and objective, subjective causes of the omitted declarations.

Notice:

"The purpose of this news is to provide the clients with further information. Although we have focused much on the ensure of accuracy, the information that is given on this news is not absolutely thorough and the clients would better consult professional opinions before application".

AUDIT

1
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2
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3
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4
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