

HIGHLIGHTS

1. DECREASING THE LOGISTICS COSTS
2. DECLARATION OF HS CODES IS NOT REQUIRED
3. EXEMPTION OF DUTY ON IMPORTED GOODS FORMING FIXED ASSETS
4. E-INVOICES
5. COUNTRY-BY-COUNTRY REPORT
6. 2019'S OFFICIAL SCHEDULE OF PUBLIC HOLIDAYS AND TET HOLIDAY

Many solutions will be implemented to decrease the logistics costs for the enterprises

Directive No. 21/CT-TTg dated July 18, 2018 of the Prime Minister provided the guidelines on accelerating implementation of measures to decrease the logistics costs, making efficient connections of the transportation infrastructure system.

To drastically decrease logistics costs, the Prime Minister has asked Ministries, Branches, and Localities to implement some remarkable solutions, such as:

- **At least 50% cut** in business conditions in the fields of transportation (transportation by automobiles, shipping, inland waterway, rail).
- **Maximum reduction** of specialized testing procedures, reforming administrative procedures strongly at seaports, inland

waterways, railway stations, airports and so on to decrease the clearance time.

- **Promoting** the restructure of domestic transport markets, reducing the market share of road



transport, increasing the market share for sea, railway, inland waterway transports.

- **Priority** to develop strong coastal transport, sea-river transport in

order to transport goods and reduce the load on the road.

- **Focusing** on improving logistics infrastructure associated with e-commerce, logistics combined with e-commerce according to the current development trends in the world.

- **Encouraging** a number of industrial parks and export processing zones to build the industrial park model based on the logistics platform.

- **Promoting** the application of National One-Stop Shopping for all procedures related to import and export goods, transit, immigration and transit of people and means of transport.



Declaration of HS codes is not required

when registering the importation and exportation rights

Official letter No. 5120/BCT-KH dated June 28, 2018 of the Ministry of Industry and Trade provided the guidelines on the implementation on goods purchase and sale activities.

As stipulated at Decree No. 09/2018/ND-CP, FDI enterprises only have to apply for a license upon doing business of activities prescribed in Article 5 of this Decree, while other activities are allowed to perform after having registered in the investment certificate.

At the same time, according to the Ministry of Industry and Trade, Decree No. 09/2018/ND-CP does not regulates that the enterprises are required to declare the list of goods which are registered to perform the rights of importation, exportation, wholesale distribution by the HS codes.

The determination of scope of list of goods and declaration of list of goods according to HS codes, according to names or chapters, etc. belongs to the right of the investor, business entity on the

basis of their own demand balance, trading capacity and finance capacity, advantages upon carrying out customs clearance procedures, tax declaration in accordance with related regulations of laws on tax, finance, customs procedures.



U&I ACCOUNTING CO., LTD

Head office: No. 9 Ngo Gia Tu, Thu Dau Mot Town, Binh Duong (0274 3816 289; 0274 3816 291)

HCMC Office: 40 Ba Huyen Thanh Quan, District 3 (028 3526 0103; 028 3526 0104)

Hanoi Office: Hapro Building, 11B Cat Linh, Dong Da District (024 3734 9363 ; 024 3734 9364)

Expansion projects are also entitled to exemption of duty on goods imported to form fixed assets

Official letter No. 3732/TXNK-CST dated July 09, 2018 of the General Department of Customs provided the guidelines on the import duty policy.

According to the General Department of Customs, the regulations of exemption of duty on imported goods forming fixed assets applied for the investment incentive project stated in Clause 11, Article 16 of the Law on import and export duties No. 107/2016/QH13 are applied uniformly for both new investment and expansion projects.

Accordingly, the expansion projects are also entitled to the exemption of duty of imported goods forming fixed assets (provided they satisfy the conditions for tax exemption).



Procedures for use of electronic invoices

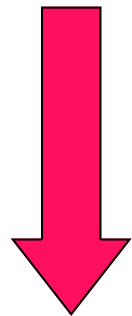
Official letter No. 47491/CT-TTHT dated July 09, 2018 of the Taxation Department of Ha Noi City provided the guidelines on electronic invoices.

According to Circular No. 32/2011/TT-BTC, to use electronic invoices under, the enterprises must implement the following procedures:

(i) **Issuing** and sending the Decision on the application of electronic invoices (Form No. 1) to the tax authority. The implementation time must be before initializing an invoice.

(ii) **Preparing** and sending the Notice of issuing electronic invoices (Form No. 2) accompanied with the sample invoice to the tax authority. The implementation time must be at least 2 days in advance of using invoices.

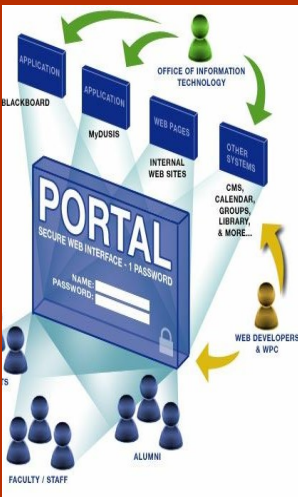
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Sending the forms mentioned above, it is possible to send written forms directly or send electronic forms through the electronic portal of the tax authority.

However, it should be noted that the enterprises are required to digitally sign in the sample electronic invoice and send it to the tax authority electronically.

Issuing notice and sample invoice must be clearly posted at the business establishments using invoices during the using time.



Country-by-country report of the Parent company must be submitted when declaring the related-party transactions



Official letter No. 48085/CT-TTHT dated July 10, 2018 of the Taxation Department of Ha Noi City provided the guidelines on the related-party transaction documentation.

As stipulated in Clause 4, Article 10 of Decree No. 20/2017/ND-CP and Clause 2, Article 4 of Circular No. 41/2017/TT-BTC, for the case that the Company has an overseas ultimate parent company, then a copy of its parent company's country-by-country report must be additionally submitted with the related party transaction documentation (if the parent company is required to submit this report to the host-country tax authority).

If the Company fails to provide the parent company's country-by-country report for the tax period corresponding to the period of the tax finalization period of the Company, it can be replaced with the report for the previous fiscal year, but it is compulsory to submit the written explanation letter.

Finally, if the Company fails to provide the country-by-country report, that the Company is obligated to provide a written explanation letter in which reasons for such failure, legal bases, and references to specific legislative regulations of the counterparty country on prohibiting taxpayers from providing the country-by-country report, should be stated; or showing that the Parent company is not subject to the preparation of country-by-country report.



2019's official schedule of public holidays and Tet holiday

Official letter No. 6519/VPCP-KGVX dated July 11, 2018 of the Government Office provided the information regarding national holidays in 2019 for public employees working for public sector units. According to this Official letter, the Prime Minister has approved the national holiday schedule in 2019 as follows:

As usual, the schedule mentioned above applies only mandatory for public employees working in public sector units.

Privately, the enterprises are allowed to decide the national holidays based on specific plans and programs of each enterprise.

Solar Calendar New Year:

having days off from Monday, 12/31/2018 to end of Tuesday, 01/01/2019, and shall be required to take Saturday, 01/05/2019 as a compensatory workday.

Lunar Calendar New Year:

having days off from Monday, 02/04/2019 to end of Friday, 02/08/2019, not swapping the holidays.

Victory Day (April 30) and International Workers' Day (May 1):

having days off from Monday, 04/29/2019 to end of Wednesday, 05/01/2019, and shall be required to take Saturday, 05/04/2019 as a compensatory workday.

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".