



QUESTION-ANSWER AND PROFESSIONAL UPDATE ABOUT TAX

Questions/ New Update	Page
1. How to declare, calculate and pay VAT and CIT for Income from transferring certified emission reduction (CERs)?	02
2. How does the current Tax Administration Law regulate prohibited acts related to invoices?	03
3. VAT rate for commercial discounts on goods eligible for VAT reduction with a tax rate of 8% that were sold in 2022 but from January 1, 2023, invoices were issued showing the content of commercial discounts?	04
4. In case the business establishment has sold goods or provided services in 2022 (subject to VAT reduction according to Decree No. 15/2022/ND-CP) But after 31 st December 2022 the new business establishment When making an invoice, does VAT apply at 8% or 10%?	05

QUESTION-ANSWER AND PROFESSIONAL UPDATE ABOUT TAX (cont.)

Questions/ New update	Answer	Reference
1. How to declare, calculate and pay VAT and CIT for Income from transferring certified emission reduction (CERs)?	<p>Official Dispatch No. 3327/TCT-CS answers questions about declaring, calculating and paying VAT and corporate income tax on income from transferring emission reduction certificates (CERs) as follows:</p> <p>“Article 2. Taxpayers</p> <p>...</p> <p>3. Cases in which value added tax is not required to be declared and paid:</p> <p>a) Organizations and individuals receiving compensation, bonuses, support payments, emission rights transfer fees and other financial revenues.”</p> <p>“Article 5. Cases where VAT declaration and payment are not required</p> <p>first. ...</p> <p>When business establishments receive compensation, bonuses, support payments, emission rights transfer fees and other financial revenues, they must prepare receipts according to regulations. For business establishments that pay money, based on the purpose of payment, prepare payment vouchers.”</p> <p>“Article 8. Tax-exempt income</p> <p>...</p> <p>8. Income from the first transfer of emission reduction certificates (CERs) of enterprises granted emission reduction certificates; Subsequent transfers must pay corporate income tax according to regulations.</p> <p>Income from the transfer of emission reduction certificates (CERs) is tax-free and must be guaranteed when selling or transferring emission reduction certificates (CERs) must be confirmed by competent environmental authorities according to regulations.”</p>	<p>Point a, Clause 3, Article 2, Decree No. 209/2013/ND-CP dated 18th December 2013 of the Government detailing and guiding the implementation of a number of articles of the Law on Value Added Tax</p> <p>Clause 1, Article 5, Circular No. 219/2013/TT-BTC dated 31st December 2013 of the Ministry of Finance guiding on value added tax</p> <p>Clause 8, Article 8, Circular 78/2014/TT-BTC dated 18th June 2014 of the Ministry of Finance guiding on corporate income tax</p>

QUESTION-ANSWER AND PROFESSIONAL UPDATE ABOUT TAX (cont.)

Questions/ New update	Answer	Reference
1. How to declare, calculate and pay VAT and CIT for Income from transferring certified emission reduction (CERs)? (cont.)	<p>Reply from General Department of Taxation:</p> <p>In case an enterprise receives money for transferring certified emission reduction, it does not have to declare and pay value added tax. Income from the first transfer of certified emission reduction (CERs) of enterprises granted emission reduction certificates is exempt from corporate income tax; Income from the transfer of emission reduction certificates (CERs) is tax-free and must be guaranteed when selling or transferring emission reduction certificates (CERs) must be confirmed by competent environmental authorities according to regulations.</p>	<p>Official Dispatch No. 3327/TCT-CS dated August 4, 2023 replied by the General Department of Taxation</p>
2. How does the current Tax Administration Law regulate prohibited acts related to invoices?	<p>In Article 6, Law on Tax Administration No. 38/2019/QH14 stipulates prohibited acts in tax administration including:</p> <ul style="list-style-type: none"> "1. Collusion, connection, and cover-up between taxpayers and tax administration officials and tax administration agencies to transfer prices and evade taxes. 2. Causing trouble and harassment to taxpayers. 3. Taking advantage to appropriate or illegally use tax money. 4. Intentionally not declaring or not declaring tax fully, promptly, and accurately regarding the amount of tax payable. 5. Obstructing tax administration officials from performing their official duties. 6. Using another taxpayer's tax identification number to commit a violation of the law or letting someone else use your tax identification number in contravention of the law. 7. Selling goods, providing services without issuing invoices according to the provisions of law, using illegal invoices and illegally using invoices 	<p>Article 6, Law on Tax Administration No. 38/2019/QH14 stipulates prohibited acts in tax administration</p>

QUESTION-ANSWER AND PROFESSIONAL UPDATE ABOUT TAX (*cont.*)

Questions/ New update	Answer	Reference
2. How does the current Tax Administration Law regulate prohibited acts related to invoices? (<i>cont.</i>)	<p>8. <i>Falsifying, misusing, illegally accessing, destroying taxpayer information systems."</i></p> <p><i>Thus, the acts of selling goods and providing services without issuing invoices according to the provisions of law, using illegal invoices and illegally using invoices are strictly prohibited acts in tax administration."</i></p>	
3. VAT rate for commercial discounts on goods eligible for VAT reduction with a tax rate of 8% that were sold in 2022 but from January 1, 2023, invoices were issued showing the content of commercial discounts?	<p>In Clause 22, Article 7, Circular No. 219/2013/TT-BTC dated December 31, 2013 of the Ministry of Finance.</p> <p>"Article 7. Taxable price</p> <p>...</p> <p>22. Taxable prices for goods and services specified in Clauses 1 to 21 of this Article include surcharges and additional fees in addition to the prices of goods and services that business establishments are entitled to.</p> <p>In case a business establishment applies a commercial discount to customers (if any), the VAT calculation price is the commercially discounted selling price for customers. In case the commercial discount is based on the quantity and sales of goods or services, the discount amount of the sold goods is calculated and adjusted on the sales invoice of the goods or services of the last purchase or period. next. In case the discount amount is established at the end of the sales discount program (period), an adjusted invoice will be issued with a list of invoice numbers to be adjusted, amount, and adjusted tax amount. Based on the adjusted invoice, the seller and the buyer declare adjustments to purchase and sale revenue, output and input taxes.</p>	<p>Clause 22, Article 7, Circular No. 219/2013/TT-BTC dated December 31, 2013 of the Ministry of Finance</p>

QUESTION-ANSWER AND PROFESSIONAL UPDATE ABOUT TAX (cont.)

Questions/ New update	Answer	Reference
<p>3. VAT rate for commercial discounts on goods eligible for VAT reduction with a tax rate of 8% that were sold in 2022 but from January 1, 2023, invoices were issued showing the content of commercial discounts? (cont.)</p>	<p>The General Department of Taxation responded as follows:</p> <p>In case a business establishment applies a commercial discount to customers and for commercial discounts on goods eligible for VAT reduction at a tax rate of 8% sold in 2022 but from 01st January 2023 the Company will an invoice be issued showing the commercial discount content:</p> <p>+ In case the discount amount is made on the last purchase or the next period after December 31, 2022, the discount amount of the sold goods is calculated and adjusted in the content of taxable price and implemented tax rate. according to applicable law at the time of invoicing.</p> <p>+ In case the discount amount is established at the end of the discount program (period) after December 31, 2022, the seller will issue a new invoice to adjust and apply the 8% VAT rate at the time of sale.</p>	<p>Official Dispatch No. 2121/TCT-CS dated May 29, 2023 answered by the General Department of Taxation</p>
<p>4. In case the business establishment has sold goods or provided services in 2022 (subject to VAT reduction according to Decree No. 15/2022/ND-CP) But after December 31, 2022 the new business establishment When making an invoice, does VAT apply at 8% or 10%?</p>	<p>The time for determining VAT and making invoices according to Circular No. 219/2013/TT-BTC dated December 31, 2013 and Decree No. 123/2020/ND-CP dated October 19, 2020 is prescribed as follows:</p> <p>“Article 8. Time to determine VAT</p> <p>1. <i>For sale of goods, it is the moment of transfer of ownership or rights to use the goods to the buyer, regardless of whether money has been collected or not.</i></p> <p>...</p> <p>3. <i>For electricity and clean water supply activities, the date on which the electricity and water consumption index is recorded on the meter to record on the bill.</i></p> <p>...</p>	<p>Clauses 1, 3 and 5, Article 8, Circular No. 219/2013/TT-BTC dated December 31, 2013 of the Ministry of Finance guiding on the time to determine VAT</p>



QUESTION-ANSWER AND PROFESSIONAL UPDATE ABOUT TAX (*cont.*)

Questions/ New update	Answer	Reference
4. In case the business establishment has sold goods or provided services in 2022 (subject to VAT reduction according to Decree No. 15/2022/ND-CP) But after December 31, 2022 the new business establishment When making an invoice, does VAT apply at 8% or 10%? (<i>cont.</i>)	<p>5. For construction and installation, including shipbuilding, it is the time of acceptance and handover of the project, project items, completed construction and installation volume, regardless of whether money has been collected or not. The money has not been collected yet.”</p> <p>“Article 9. Time of invoice issuance</p> <p>1. The time of making invoices for goods sales (including sales of state assets, confiscated assets, restocking state funds and sales of national reserves) is the time of transfer of ownership or use rights. use the goods for the buyer, regardless of whether money has been collected or not.</p> <p>2. The time of invoice for service provision is the time of completion of service provision, regardless of whether money has been collected or not. In case the service provider collects money before or while providing the service, the time of invoice is the time of collection (excluding cases of collecting deposits or advances to ensure performance of the supply contract). providing services: accounting, auditing, financial and tax consulting; price appraisal; survey, technical design; supervision consulting; construction investment project planning).</p>	<p><u>Article 9 of Decree No. 123/2020/ND-CP dated October 19, 2020</u> of the Government regulates the time of invoice issuance.</p>



QUESTION-ANSWER AND PROFESSIONAL UPDATE ABOUT TAX (cont.)

Questions/ New update	Answer	Reference
4. In case the business establishment has sold goods or provided services in 2022 (subject to VAT reduction according to Decree No. 15/2022/ND-CP) But after December 31, 2022 the new business establishment When making an invoice, does VAT apply at 8% or 10%? (cont.)	Response to the General Department of Taxation: In case a business establishment sells goods or provides services (subject to VAT reduction according to Decree No. 15/2022/ND-CP) but after December 31, 2022, the business establishment will issue an invoice for with revenue from sales of goods and services arising from February 1, 2022 to December 31, 2022 and construction and installation activities with a time of acceptance and handover of the project, project items, and volume. Construction and installation completed, regardless of whether money has been collected or not, is determined from February 1, 2022 to December 31, 2022, but after December 31, 2022, the facility New business invoices for construction and installation revenue that has been accepted and handed over are in the case of invoicing at the wrong time and are eligible for VAT reduction according to Decree No. 15/2022/ND-CP dated January 28, 2022 of the Government and be handled for administrative violations for the act of making invoices at the wrong time.	Official Dispatch No. 2121/TCT-CS dated May 29, 2023 answered by the General Department of Taxation