



ICL ADVISORY AND VALUATION COMPANY LIMITED



No. 06 – 07 Phan Ton, Da Kao Ward, District 1, HCMC



[www.reanda-icla.com](http://www.reanda-icla.com)



[info@reanda-icla.com](mailto:info@reanda-icla.com)



028 2245 8787

# TAX NEWS

*August 2023*

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1. Official letter No. 52182/CTHN-TTHT about tax rates applicable to companies providing software services directly to organizations and individuals abroad and consumed outside Vietnam.	<p>Official letter No. 52182/CTHN-TTHT answers the question about <b>VAT rate</b> regulations <b>for companies providing software services directly to organizations and individuals abroad and consumed outside of Vietnam</b>:</p> <p><b>“Article 9, tax rate 0%:</b></p> <p><b>1. Tax rate of 0%:</b> <i>Applied to exported goods and services; Construction and installation activities abroad and in non-tariff zones; international transport; Goods and services are not subject to VAT when exported, except for cases where the 0% tax rate guided in Clause 3 of this Article does not apply.</i></p> <p><b>2. Conditions for applying 0% tax rate</b></p> <p><i>b) For exported services:</i></p> <ul style="list-style-type: none"><li>- Have a service supply contract with an organization or individual abroad or in a non-tariff zone;</li><li>- Have proof of payment for export services via bank and other documents as prescribed by law;</li></ul> <p><i>Particularly for aircraft and ship repair services provided to foreign organizations and individuals, the 0% tax rate will apply, in addition to the contract conditions and payment documents mentioned above. Ships brought into Vietnam must go through import procedures. Once repaired, they must go through export procedures.</i></p> <p><b>Response from Hanoi’s Tax Department. Hanoi:</b></p> <p>Companies that <b>provide software services</b> directly to organizations and individuals abroad and for consumption <b>outside of Vietnam that achieved the above conditions will apply a tax rate of 0%.</b></p>	<p><a href="#">Office Letter No. 52182/CTHN-TTHT dated on 19/07/2023</a></p> <p><a href="#">Circular No. 219/2013/TT-BTC dated on 31/12/2013</a></p>

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	Contents	Refs
2. Tax declaration deadline in the third quarter of 2023, tax reports need to be submitted in the third quarter of 2023.	<p><b>Deadline for submitting tax declaration:</b></p> <p><b><u>The company declares by month:</u></b></p> <p><b><i>Submission deadline:</i></b></p> <ul style="list-style-type: none"> <li>- No later than date 20<sup>th</sup> of the following month in which tax liability arises in case of monthly declaration and payment.</li> </ul> <p>=&gt; The deadline for submitting the July declaration is 20<sup>th</sup> August 2023</p> <p>The deadline for submitting the August declaration is no later than 20<sup>th</sup> September 2023</p> <p>The deadline for submitting the September declaration is no later than 20<sup>th</sup> October 2023</p> <p><b><i>Tax reports that need to be submitted:</i></b></p> <ul style="list-style-type: none"> <li>- Monthly VAT declaration</li> <li>- Monthly personal income tax declaration (If any)</li> </ul> <p><b><u>The company declares by quarterly:</u></b></p> <p><b><i>Submission deadline:</i></b></p> <ul style="list-style-type: none"> <li>- No later than the last day of the first month of the quarter following the quarter in which tax obligations arise in case of quarterly declaration and payment.</li> </ul> <p>=&gt; Deadline for submitting the second quarter 2023 declaration is 31<sup>st</sup> July 2023.</p> <p><b><i>Tax reports that need to be submitted:</i></b></p> <ul style="list-style-type: none"> <li>- VAT tax declaration for the second quarter of 2023</li> <li>- Personal income tax declaration for the second quarter of 2023 (If any)</li> <li>- Temporarily calculated corporate income tax for the second quarter of 2023 (however, the payment deadline has been extended to 31<sup>st</sup> October 2023)</li> </ul>	<p><a href="https://thuvienphapluat.vn/phap-luat/thoi-su-phap-luat/han-nop-to-khai-thue-trong-quy-3-nam-2023-la-khi-nao-cac-bao-cao-thue-can-phai-nop-trong-quy-3-2023">https://thuvienphapluat.vn/phap-luat/thoi-su-phap-luat/han-nop-to-khai-thue-trong-quy-3-nam-2023-la-khi-nao-cac-bao-cao-thue-can-phai-nop-trong-quy-3-2023</a></p>

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3. Instructions on tax declaration for dependent accounting branches in other provinces that are manufacturing companies by the Hanoi Tax Department	<p><b>“Article 17. Tax declaration, tax calculation, tax finalization, distribution and payment of corporate income tax and personal income tax</b></p> <p><b>2. Allocation method:</b></p> <p><i>c) Allocation of corporate income tax payable to taxpayers with dependent on business location is a production facility.</i></p> <p><i>The amount of corporate income tax payable in each province where the production facility is located is equal to (=) the amount of corporate income tax payable for production and business activities multiplied by (x) the ratio (%) of the company's costs. each production facility at the taxpayer's total cost (excluding costs of activities eligible for corporate income tax incentives). The costs to determine the allocation rate are the actual costs incurred in the tax period.</i></p> <p><b>4. Tax declaration, tax finalization, tax payment:</b></p> <p><i>Taxpayers declare corporate income tax finalization for all production and business activities according to form No. 03/TNDN, submit an appendix of corporate income tax allocation table to the localities where they are entitled. revenue sources for production establishments according to form No. 03-8/TNDN for direct tax management; pay the tax amount allocated to each province where the production facility is located.”</i></p>	<p>Office letter No. 59245/CTHN-TTHT dated on 15/08/2023</p>



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### Refs

**The company X headquartered in Hanoi, with a dependent accounting branch as a manufacturer in Hai Duong, declares and calculates corporate income tax as follows:**

#### **- Regarding CIT :**

Regarding tax declaration, tax calculation, tax finalization, CIT allocation and payment of the Company for Branches that are factories in Hai Duong are carried out according to the instructions in Point c Clause 2 and Point c Clause 3 Article 17 Circular No. 80/2021/TT-BTC dated 29<sup>th</sup> September 2021 of the Ministry of Finance.

#### **- Regarding PIT :**

**According to Article 19. Tax declaration, tax calculation, personal income tax allocation**

In case the salary of employees working at the branch is paid by the Company (Headquarters), the Company (Headquarters) is responsible for deducting personal income tax on income from wages, wages according to regulations

Tax declaration dossier includes: Form No. 05/Declaration-PIT, appendix table determining the amount of personal income tax payable to localities entitled to revenue according to form No. 05-1/PBT-Declaration-PIT Tax obligations: Pay personal income tax on income from salaries and wages to the state budget for each province where the employee works