

TAX ALERT AND LAW

October 2023

INTERNAL ONLY

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1. Note when invoicing for returned goods and calculating discounts for goods that comply with the 8% tax rate

Official Letter 2121/TCT-
CS2023

Decree 44/2023/NĐ-CP

Official Letter
8732/CTTPHCM-TTHT 2023

Ho Chi Minh Tax Department

The General Department of Taxation has issued Official Letter and Decrees related to the use of electronic invoices.

To ensure consistent implementation of the General Department of Taxation's regulations guiding the use of electronic invoices, the Ho Chi Minh City Tax Department instructions are as follows.

1. *Prepare invoices for goods and services subject to reduced VAT according to Decree 44*
2. *Prepare invoice for returned goods due to incorrect specifications and quality*

The seller will issue a return invoice to reduce or replace the previously issued invoice, in addition the seller and buyer sign an agreement for returned goods.

In addition, issuing a goods refund invoice with a tax rate of 8% is done when the following requirements are met:

- *Goods purchased before January 1st , 2023 are subject to VAT reduction at a tax rate of 8%;*
- *Buyers return goods due to incorrect specifications and quality after December 31st , 2022;*

3. *Prepare trade discount invoices applicable to goods eligible for VAT reduction according to Decree 15*

In case an enterprise applies a commercial discount to customers and the commercial discount applies to goods entitled to an 8% VAT reduction sold in 2022 but invoiced from January 1st , 2023

1. Note when invoicing for returned goods and calculating discounts for goods that comply with the 8% tax rate

**Official Letter 2121/TCT-
CS2023**

Decree 44/2023/NĐ-CP

**Official Letter
8732/CTTPHCM-TTHT 2023**

Ho Chi Minh Tax Department

- In case the discount is made on the last purchase or the next period, after December 31st, 2022, the discount level for the sale will be adjusted in the taxable price and tax rate according to current regulations. on the invoice date.

- In case the discount is invoiced at the end of the discount program (period) after December 31, 2022, the seller will issue a new invoice for the adjustment to apply the 8% VAT rate for daily sales.

2. Input invoices are subject to VAT reduction but the seller does not comply.

**Official Letter 5028/CTDAN-
TTHT**

Da Nang Tax Department

In case the Company has production and business activities of goods and services subject to VAT and calculates tax using the deduction method, if it receives an invoice for purchasing input goods and services subject to VAT reduction. According to the provisions of Article 1 of Decree No. 15/2022/ND-CP, but the seller does not issue an invoice at the reduced VAT rate, the Company can only deduct input VAT according to the reduced tax rate in Article 1. Decree No. 15/2022/ND-CP according to instructions in Point b, Clause 5, Article 12 of Circular 219/2013/TT-BTC.

3. It is allowed to issue adjusted invoices at the tax rate of 8% if the reduction has not been calculated

Official Letter 53405/CTHN-TTHT

Decree 15/2022/ND-CP

Ha Noi Tax Department

On July 19th , 2023, the General Department of Taxation issued Official Letter 53405/CTHN-TTHT on handling incorrect invoices according to Decree 15/2022/ND-CP.

- *In case the company applies the withholding VAT method, income arising from construction and installation activities is subject to 10% VAT and is not on the list of goods and services eligible for VAT reduction according to Decree 15/2022. /ND-CP, for example, income is eligible for 8% VAT from February 1st , 2022 to December 31st , 2022 according to the provisions of Clause 2, Article 1 and Clause 1, Article 3 of Decree 15.*

- *In case the company incurs construction and installation activities subject to 10% VAT and reduced VAT according to Decree 15 but the company has issued an invoice and declared that invoice at 10%, the seller and The buyer must sign an amendment note clearly stating the error, and the seller will issue a notice of amendment invoice to correct the error to the buyer. Based on the revised invoice, the seller declares the adjusted output VAT, then the buyer declares the output VAT amount adjusted for input VAT (if any).*

4. Extension of land rent payment deadline in 2023

Decree 12/2023/NĐ-CP

50% of the land rent payable in 2023 of enterprises and business households/individuals directly leasing land from the State are entitled to a 6-month extension in the payment period, from May 31st, 2023 to November 30th, 2023

5. 30% reduction in land rent in 2023

Decision 25/2023/QĐ-TTg

Subjects receive reduced land rent:

According to Decision 25/2023/QĐ-TTg, applicable subjects are organizations, units, businesses, households, and individuals that are directly leasing land from the State according to the Decision or Contract or Certificate. land use rights, ownership of houses and other assets attached to land from a competent state agency in the form of land lease with annual payment (land lessee)

This regulation applies to cases where land renters are not eligible for land rent exemption or reduction, the land rent exemption or reduction period expires, and cases where land renters are receiving land rent reduction according to the provisions of the Law. Land law (Land Law and documents detailing the Land Law) and other relevant laws.

Land rent reduction

Reducing 30% of land rent payable (receipts generated) in 2023 for land renters specified above; No reduction will be made on the outstanding land rent for the years before 2023 and late payment interest (if any).

The above land rent reduction is calculated on the land rent payable (revenue generated) in 2023 according to the provisions of law.


In case the land tenant is receiving a reduction in land rent according to regulations or/and deduction of compensation and site clearance according to the law on land rent, the 30% reduction in land rent is calculated on the amount of land rent. Land rent payable (if any) after being reduced or/and deducted according to the provisions of law (except for the amount of land rent reduced according to Decision 01/2023/QĐ-TTg dated January 31st, 2023 of the Prime Minister).

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