

NEW UPDATES OF DECISION NO.970 ON TAX AUDIT PROCESS

October 2023

INTERNAL ONLY

New updates of Decision No. 970 on tax audit process

On July 14, 2023, the General Department of Taxation issued Decision 970/QD-TCT on Tax Audit Process. From the date this Decision takes effect (July 14, 2023), the provisions of the following Decisions cease to be effective:

- Decision No. 746/QD-TCT dated April 20, 2015 of the Director of the General Department of Taxation on promulgating tax audit process;
- Decision No. 1215/QD-TCT dated September 3, 2020 of the Director General of the General Department of Taxation on amending and supplementing the tax audit process.

New updates on tax inspection of decision No. 970/QD-TCT

	<u>Decision 746/QD_TCT</u>	<u>Decision 970/QD-TCT</u>
Scope of application	<ul style="list-style-type: none"> Applicable to tax agency leaders (General Director, Deputy General Directors; Director, Deputy Directors, Branch Directors, Deputy Directors). This process does not apply to cases of invoice inspection (invoice inspection is carried out according to Decision No. 381/QD-TCT dated March 31, 2011 of the General Department of Taxation issued together with the Inspection Procedure bill). 	<ul style="list-style-type: none"> Applicable to Heads of tax agencies (General Director, Director of Department, Director of Branch). No mention
Extend the inspection time at the taxpayer's headquarters	<ul style="list-style-type: none"> The time limit for inspection at the Taxpayer's headquarters is no more than 5 actual working days. Each inspection can only be supplemented with one additional inspection period. Additional time must not exceed 5 (five) actual working days. 	<ul style="list-style-type: none"> The extension period for inspection at the taxpayer's headquarters shall not exceed 10 (ten) working days at the taxpayer's headquarters. The inspection extension must not exceed 01 time. The extension period for inspection at the taxpayer's headquarters shall not exceed 10 (ten) working days at the taxpayer's headquarters.
Date of making inspection record	<ul style="list-style-type: none"> Within 5 (five) working days from the end of the inspection period, the Inspection Team Leader must publicly announce the Inspection Minutes to taxpayers and members of the Inspection Team. 	<ul style="list-style-type: none"> At the end of the inspection at the taxpayer's headquarters, the draft inspection record must be publicly announced in front of the inspection team and taxpayer and handed over to the taxpayer for comments and explanations (if any) and sign the inspection record.

New updates on tax inspection of decision No. 970/QD-TCT (cont.)

	<u>Decision 746/QD-TCT</u>	<u>Decision 970/QD-TCT</u>
Time to sign inspection records	If the inspection record is announced and the taxpayer does not sign the tax inspection record, then within 05 (five) working days from the date of public announcement of the inspection record, the inspection team leader must make a record of the violation. administrative.	The taxpayer must explain to the inspection team. The explanation, completion of the inspection record, and signing of the inspection record must be done within 05 (five) working days from the date of completion of the inspection. at the taxpayer's headquarters. In case the taxpayer still has an explanation, the form and deadline for the explanation must be recorded in the inspection record.
The explanation period has expired	Determine the amount of tax payable. Or Decide to inspect at the taxpayer's headquarters in case there is not enough basis to determine the tax amount payable.	The inspection team reports to the leader of the tax inspection department and submits it to the head of the tax authority to issue a second notice.
Methods of explanation	Directly at the Tax Authority headquarters or send a written explanation.	Directly at the tax authority headquarters or by working online, making electronic transactions, sending written explanations by post.
Handling of the result of the field audit	<p>Within 5 (five) working days from the date of signing the examination record, the leader of the examination team shall report to the head of the tax audit division to submit the tax audit result.</p> <p>The head of the taxation authority shall issue the decision to sanction tax-related violations, sign the tax audit conclusion:</p> <ul style="list-style-type: none"> If the examination contains a lot of complicated details, the permitted duration is within 30 (thirty) working days from the date of signing the examination record. 	<p>Within 3 (three) working days from the date of signing the examination record, the leader of the examination team shall report to the head of the tax audit division to submit the tax audit result and the draft Decision to sanction tax-related violation, or the Tax audit conclusion.</p> <p>The head of the taxation authority shall issue the decision to sanction tax-related violations, sign the tax audit conclusion:</p> <ul style="list-style-type: none"> In case details of administrative violations must be verified, within 01 month from the date of signing the tax examination record; or the tax audit results have particularly serious circumstances, have many complicated circumstances, and require more time to verify and collect evidence, then within 02 months from the date of signing the tax examination record.

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