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WINWIN AUDIT'S NEWSLETTER

02/2022

1. Instructing the accounting regime for business households and individuals in accordance with Circular 88/2021/TT-BTC.

Accordingly, the Ministry of Finance guides the making of accounting vouchers and recording in accounting books of business households and individuals paying tax according to the declaration method as a basis for the explanation for tax inspection later.

Specifically, the content of accounting vouchers, the preparation, storage and signing of accounting vouchers of business households and individuals are applied according to Articles 16, 18 and 19 of the Law on Accounting and the instructions in Appendix II. Appendix 1 "Form and method of making accounting vouchers" issued together with the Circular.

1. Instructing the accounting regime for business households and individuals in accordance with Circular 88/2021/TT-BTC.

The contents of accounting books, the opening, recording, closing and archiving of accounting books of business households and individuals shall comply with Articles 24, 25, and 26 of the Law on Accounting and the instructions in Appendix 2 "Form and method of recording accounting books" issued together with the Circular.

In addition to the implementation of the accounting regime guided in this Circular, business households and individuals may choose to apply the micro-enterprise accounting regime to suit their management needs and operational characteristics production and business of business households and individuals.

The Circular takes effect from January 1, 2022.

2. 2% VAT reduction in 2022

On January 11, 2022, the National Assembly issued Resolution No. 43/2022/QH15 on fiscal and monetary policies to support the program of socio-economic recovery and development.

The resolution clearly states: 2% VAT reduction applies to groups of goods and services currently applying the value-added tax rate of 10% (remaining 8%), except for some groups of goods and services: Telecommunications, financial activities, banking, securities, insurance, real estate, metals and prefabricated products, mining products (excluding coal), coke mining, refined oil, chemical products, goods and services subject to excise tax, information technology under the law on information technology...

2. 2% VAT reduction in 2022

Regarding the reduction, business establishments that calculate value-added tax by the deduction method are applying the value-added tax rate of 8%. And business establishments that calculate value-added tax according to the percentage method on revenue may reduce 20% of the percentage rate to calculate value-added tax.

Allowed to be included in deductible expenses when determining corporate income taxable income for support and sponsorship expenses of enterprises and organizations for COVID-19 prevention and control activities in Vietnam for the period tax year 2022.

The Resolution 43/2022/QH15 takes effect from January 11, 2022.

3. What's new in Decree 02/2022/ND-CP on real estate business

a. Conditions for real estate business from March 1, 2022

Article 4 of Decree 02/2022/ND-CP stipulates that organizations and individuals trading real estate must satisfy the following conditions:

- Must establish an enterprise in accordance with the law on enterprises or a cooperative in accordance with the law on cooperatives, having a business in real estate;
- Real estate businesses must publicize information;
- Only trade in real estate that fully meets the conditions specified in Article 9, Article 55 of the Law on Real Estate Business.

3. What's new in Decree 02/2022/ND-CP on real estate business

b. Officially abolishing the legal capital of real estate enterprises

Previously, Decree 76/2015/ND-CP stipulates the legal capital level of real estate enterprises at least 20 billion VND and the basis for determining this level of legal capital. However, the Investment Law 2020 has officially abolished the regulation on legal capital of real estate businesses.

3. What's new in Decree 02/2022/ND-CP on real estate business

In case an investor is selected to be the investor of a real estate project according to the provisions of law, such investor must have an equity capital of not less than 20% of the total investment capital for the project having a land use scale of less than 20 hectares, not less than 15% of the total investment capital, for projects with a land use scale of 20 hectares or more. When conducting real estate business, the project investor must satisfy the conditions specified in Clause 1 of this Article.

The determination of equity specified in this clause is based on the results of the most recent audited financial statements or the results of independent audit reports of the operating enterprise (made in the year or immediately preceding year); in the case of a newly established enterprise, the equity capital shall be determined according to the actual contributed charter capital in accordance with law.”

3. What's new in Decree 02/2022/ND-CP on real estate business

c. Applying the general contract form when doing real estate business

Accordingly, 08 forms of real estate business contracts related to the sale, transfer, lease, lease purchase, sublease of real estate, transfer of real estate projects must be made into a contract according to the prescribed form fixed as of March 1, 2022.

3. What's new in Decree 02/2022/ND-CP on real estate business

- Contract of sale, purchase, lease-purchase of the apartment (Form No. 01);
- Contract of sale, lease-purchase of tourist apartments, office apartments combined with accommodation (Form No. 02);
- Contract for purchase, sale, lease-purchase of separate houses (Form No. 03);
- Contracts for sale, purchase, lease purchase of houses and other construction works other than those specified in Clauses 1, 2 and 3 (Form 04);

3. What's new in Decree 02/2022/ND-CP on real estate business

- Contracts for renting houses and construction works (Form No. 05);
- Contract for transfer of land use rights (Form 06);
- Contract for lease, sub-lease of land use rights (Form No. 07);
- Contract for the transfer of the whole or a part of a project (Form No. 08).

3. What's new in Decree 02/2022/ND-CP on real estate business

Therefore, the promulgation of Decree 02/2022/ND-CP, uniform application of legal frameworks of this Decree will minimize legal risks in practice.

The Decree No. 02/2022/ND-CP will take effect from March 1, 2022.

The information in the Newsletter is for general and summary purposes. Therefore, you should contact us directly for advice on a case-by-case basis.

CONTACT

Mr. Nguyen Ngoc Tri
General Director
0903.152.385
tri.nguyen@winwinaudit.com.vn

Ms. Mai Thi Tuyet Lan
Manager of Bookkeeping and Taxation
Department
0977.000.523
lan.mai@winwinaudit.com.vn

Mr. Pham Do Duc Phong
Manager of Audit and Review Department
0938.531.987
phong.pham@winwinaudit.com.vn

Mr. Nguyen Tan Sang
Manager of Transfer Pricing Department
0973.083.379
sang.nguyen@winwinaudit.com.vn

WINWIN AUDIT CO., LTD

Head Office:

WinWin Building, No. 2, D9 Str., Chanh Nghia Ward,
Thu Dau Mot City, Binh Duong Province, Viet Nam

Tel: 0274 3 818 525 **Fax:** 0274 3 818 526

HCM Branch:

139 Le Quang Dinh Str., 14 Ward, Binh Thanh District,
Ho Chi Minh City, Viet Nam

Tel: 0283 8 999 588 **Fax:** 0283 8 999 598

