



WINWIN AUDIT

Newsletter 12/2022



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1. Circular No. 31/2022/TT-BTC issued on June 8, 2022 on the list of import and export goods in Vietnam

Therefore, the List of Vietnam Import and Export Goods Attached to Circular No. 31/2022/TT-BTC (2022 List) will replace the list of Vietnam Import and Export Goods Attached to Circular No. 65/2017/TT-BTC (as approved by No. 09/2019/TT- BTC Circular Revised) (2017 List).

In the official document No. 4891/TCHQ-TXNK dated November 17, 2022, the General Administration of Customs proposed some new contents in the circular No. 31/2022/TT-BTC as follows:

- The 2022 list includes 21 copies, 97 chapters, 1228 groups with 4 digits, 4084 groups with 6 digits, and 11414 lines for 8-digit details (601 lines more than the 2017 list).
- Compared with the 2017 list, the 2022 list focuses on updating the technology, process and commercial changes of product changes to adapt to the actual situation of the industry, including:

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- + Seafood (Chapter 3);
- + Processed foods (Chapter 16, 19, 21);
- Cigarettes (Chapter 24);
- + chemicals (Chapter 28, 29, 38);
- Drugs (Chapter 30);
- Machinery and equipment (Chapter 84, 85);
- Means of transport (Chapter 87);
- Artwork (Chapter 97). . .

This notice will come into effect on December 1, 2022.

2. Decision No. 1795/QD-TCT of November 11, 2022 on the Promulgation of Mandatory Tax Debt Procedures

Principles regarding the application of mandatory measures for tax debts:

- Compulsory measures to debit and freeze accounts for taxpayers who have accounts with the State Treasury, commercial banks or other credit institutions.

If the taxpayer is an enterprise or organization, but the database of the tax authority has no information or is wrong, the tax authority will enforce the verification of the account information.

Enforcement Wage/income deductions apply only to individuals entitled to wages, salaries, or income from:

- Institutions and organizations of personal establishment;
- Individuals of agencies and organizations sign labor contracts for more than 6 months;
- Institutions, organizations only pay retirement benefits and disability benefits.

2. Decision No. 1795/QD-TCT of November 11, 2022 on the Promulgation of Mandatory Tax Debt Procedures

- The measure of cessation of customs formalities for import and export of goods is only applicable if the tax authorities have sufficient information and documents to establish that the taxpayer is currently importing or exporting goods or has carried out at least one activity within 12 months. ..

This Decision is effective from November 11, 2022 and supersedes the General Tax Administration Decision No. 751/QD-TCT of April 20, 2015 promulgating the procedure for the enforcement of tax debts.

Therefore, 07 measures to enforce tax debt enforcement include:

- Freezing taxpayers' accounts with the state treasury, commercial banks or other credit institutions

- Deduction of part of salary or income

- Customs are required to stop handling customs declaration procedures for import and export goods.

- Stop using invoices.

- Confiscation, auction confiscation

- Taxpayer money and other property held by other organizations or individuals.

- Withdrawal of business registration certificate

3. Circular No. 67/2022/TT-BTC dated November 7, 2022, instructing enterprises on their tax obligations for the establishment and use of science and technology development funds.

The new content of Circular No. 67/2022/TT-BTC aims to eliminate difficulties and create more favorable conditions for enterprises to fulfill their tax obligations when establishing and using enterprise technology development funds.

a) According to regulations, the science and technology development fund can only be used for scientific and technological research activities of enterprises. However, in order to eliminate difficulties for enterprises and restore the economy in a timely manner after the COVID-19 epidemic, in point c of Article 5, Point 1 of Circular No. 67/2022/TT-BTC, enterprises are specifically instructed to use the enterprise's technology development fund development fund 2 Years (2022 and 2023) are used to purchase machinery and equipment for technological transformation, which directly serve the production and operation activities of enterprises.

b) Supplementing fixed assets is used simultaneously for asset management guidance of enterprise scientific and technological research activities and production and operation activities.

3. Circular No. 67/2022/TT-BTC dated November 7, 2022, instructing enterprises on their tax obligations for the establishment and use of science and technology development funds.

Article 5, paragraph 4 of the Circular No. 67/2022/TT-BTC stipulates that when the fixed assets formed by the fund are used for scientific and technological research activities at the same time, the enterprise only needs to continue to monitor and manage according to the regulations, and there is no need to determine the taxable income of the enterprise income tax. When , the depreciation of fixed assets is included in the deductible expenses.

c) When an enterprise enjoys tax incentives and accepts the transfer of technology funds from other enterprises, the enterprise income tax must be determined when setting up the fund.

Point b, paragraph 4, Article 4 of this notice, for the case of deducting funds from other enterprises in the case of enterprises enjoying preferential corporate income tax, if the enterprise misappropriates, does not use or has not used up 70% of the allocated funds. If so, the recovered enterprise income tax shall be calculated on the basis of the amount received by the enterprise as follows:

3. Circular No. 67/2022/TT-BTC dated November 7, 2022, instructing enterprises on their tax obligations for the establishment and use of science and technology development funds.

+ When accepting fund transfers, if the transferring enterprise does not enjoy the preferential corporate income tax, the recovered corporate income tax amount shall be determined at the corporate income tax rate that does not enjoy the preferential corporate income tax.

+ When accepting the fund transfer, if the transferring enterprise is enjoying the enterprise income tax preference, the amount of enterprise income tax to be recovered shall be determined according to the enterprise income tax preference of the transferring enterprise at the time of the transfer.

The determination of misappropriated, unused or unused 70% of the allocated funds shall be allocated according to the ratio of the allocated amount to the funds in the tax period (including the deduction of the transferred funds and the allocated amount).

This notice will come into effect on December 23, 2022, and is applicable to the determination of corporate income tax payment obligations in 2022.

4. Document No. 57306/CTHN-TTHT dated November 23, 2022 on Corporate Income Tax Policy on Bank Deposit Interest

- Pursuant to Clause 7, Article 7 of Circular No. 78/2014/TT-BTC dated June 18, 2014 issued by the Ministry of Finance, other income includes:

"Article 7 Other Income

... 7 Deposit interest income, including deferred repayment interest, installment interest, credit guarantee fees and other expenses agreed in the loan contract.

- If the interest on deposits and capital loans is higher than the loan interest paid according to the regulations, the difference shall be included in other income when determining the taxable income after liquidation.

- If the interest on deposits and capital loans is lower than the loan interest paid according to regulations, the difference shall be deducted from the income from production and operation when determining income tax after liquidation. "

According to the above provisions, the Enterprise Income Tax Law does not include the determination of expected receivable income that has not yet occurred in the current taxable income. When the enterprise actually generates bank deposit interest income, it shall be included in the taxable income of the tax period in which the income is actually generated in accordance with the provisions of Article 7, paragraph 7 of the Circular No. 78/2014/TT-BTC.

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.

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