



서우회계법인 베트남

SEOU VIETNAM ACCOUNTING COMPANY LIMITED

Tax Updates in Q1 2024

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CORPORATE INCOME TAX (“CIT”)

Global minimum tax

On 29 November 2023, the National Assembly passed Resolution 107/2023/QH15 on the application of additional corporate income tax according to regulations to prevent global tax base erosion. Here are the key points of this Resolution:

Accordingly, 15% tax rate is applied to taxpayers who are part of multinational corporations with consolidated financial statement revenue of the ultimate parent company amounting to 750 million euros or more for at least two out of the four consecutive years preceding the fiscal year:

The clarification provided in the Resolution indicates that the measures to prevent global tax base erosion consist of the provisions within the Resolution itself, as well as additional regulations set forth by the Government. These are in line with the global minimum tax regulations established by the Joint Cooperation Forum on Preventing Tax Base Erosion and Global Profit Shifting, of which Vietnam is a member. Collectively, these are referred to as the Global Minimum Tax Regulations.

Definitions

QDMTT: Constituent entities in Vietnam of: Multinational enterprises with parent entities located overseas (**in-bound investment**) and Vietnamese Multinational enterprises.

IIR: Parent entities in Vietnam (including Ultimate Parent Entity, Intermediate Parent Entity and Partially Owned Parent Entity) of Multinational enterprises holding direct or indirect ownership in constituent entities outside Vietnam (**out-bound investment**).

Filing obligations

QDMTT and IIR taxpayers need to prepare and submit:

- GloBE Information Return.
- Supplementary Global Minimum Tax return together with the explanatories on variances due to different accounting standards
- Deadline: 12 months after the last day of the fiscal year
- Deadline: 18 months after the last day of the fiscal year for the first year and 15 months for the subsequent years.
- Taxpayers: Constituent entity in Vietnam. In case the Group has more than 01 constituent entity, the Ultimate Parent Entity (within 30 days from the end of the fiscal year) will designate a constituent entity as the filing entity
- Taxpayers: Parent entities in Vietnam.

Resolution 107/2023/QH15 takes effect from 01 January 2024, applicable from fiscal year 2024.

<https://thuvienphapluat.vn/van-ban/Doanh-nghiep/Nghi-quyet-107-2023-QH15-ap-dung-thue-thu-nhap-bo-sung-chong-xoi-mon-co-so-thue-toan-cau-578567.aspx>

PERSONAL INCOME TAX (“PIT”)

Statutory minimum wages

The Government's Resolution No. 01/NQ-CP outlines the primary tasks and solutions for executing the socio-economic development plan and state budget estimate for 2024. The Ministry of Labor, Invalids, and Social Affairs has been tasked with finalizing the Decree on the minimum wage for employees under labor contracts by May 2024. This decree is regulated the minimum wage adjustments to ensure fair compensation for employees in Vietnam.

On 20 December 2023, the National Wage Council met and agreed to recommend to the Government a minimum wage plan to **apply from 01 July 2024**, adjusted to an average increase of 6% (corresponding to an increase from 200,000 VND to 280,000 VND).

The region-based statutory minimum wages per month and per hour paid to employees are provided for as follows:

Region	Statutory minimum wages per month (Unit: VND/month)	Statutory minimum wages per hour (Unit: VND/hour)
Region I	4,960,000	23,800
Region II	4,410,000	21,200
Region III	3,860,000	18,600
Region IV	3,450,000	16,600

<https://thuvienphapluat.vn/van-ban/Thuong-mai/Nghi-quyet-01-NQ-CP-2024-nhiem-vu-giai-phap-thuc-hien-phat-trien-kinh-te-xa-hoi-594739.aspx>

Salary paid for compulsory social insurance

According to the provisions of Clause 3, Article 89 of the Law on Social Insurance 2014, the monthly salary on which social insurance/health insurance premiums are based is equal to 20 times the base salary as shown below.

From 01/01/2024 to 30/06/2024	From 01/07/2024
The base salary increased to VND 1,800,000/month (<i>The National Assembly passed Resolution 69/2022/QH15</i>)	From 01 July 2024, when implementing salary reform, the base salary will be abolished. Currently, there is no written guidance on how the monthly salary for social insurance payment will be calculated when removing the base salary

VALUE ADDED TAX (“VAT”)

VAT Rate

On 28 December 2023, the Government issued the Decree No. 94/2023/ND-CP on VAT reduction of 2024, applicable to goods and services subject to 10% VAT sold during the period from 01 January 2024 to 30 June 2024.

VAT on goods and services currently subject to 10% VAT shall be reduced to 8%, except for the following goods and services:

- a) Telecommunication, financial activities, banking activities, securities, insurance, trading of real estate, metal and precast metal products, mining products (excluding coal mining), coke mining, refined oil, chemical products.
- b) Goods and services subject to excise tax.
- c) Information technology as prescribed in the Law on information technology.

Enterprises must declare VAT-reduced goods and services under the Form No. 01 in Appendix IV to this Decree together with the VAT return.

<https://thuvienphapluat.vn/van-ban/Thue-Phi-Le-Phi/Nghi-dinh-94-2023-ND-CP-chinh-sach-giam-thue-gia-tri-gia-tang-theo-Nghi-quyet-110-2023-QH15-589156.aspx>

OTHER TAXES

Continue to reducing environmental protection tax on petroleum products

On 18 December 2023, the National Assembly Standing Committee passed Resolution 42/2023/UBTVQH15 on environmental protection tax rates on gasoline, oil, and lubricants.

According to the regulations in Resolution No. 42/2023/UBTVQH15, the environmental protection tax rate on gasoline, diesel, and lubricants from 1 January 2024 until 31 December 2024 is as follows:

- Gasoline decreased from 4,000 VND/liter to 2,000 VND/liter. Aviation fuel decreased from 3,000 VND/liter to 1,000 VND/liter.
- Diesel oil, mazut oil, lubricants decreased from 2,000 VND/liter to 1,000 VND/liter.
- Fuel oil decreased from 1,000 VND/liter to 600 VND/liter.
- Lubricants decreased from 2,000 VND/kg to 1,000 VND/kg.

The environmental protection tax rate on gasoline, diesel, and lubricants from January 1, 2025 shall be implemented according to the regulations in Section I, Clause 1, Article 1 of Resolution No. 579/2018/UBTVQH14 dated September 26, 2018, of the Standing Committee of the National Assembly on the Environmental Protection Tax Schedule."

(According to Resolution No. 42/2023/UBTVQH15 dated 18 December 2023)

<https://thuvienphapluat.vn/van-ban/Thue-Phi-Le-Phi/Nghi-quyet-42-2023-UBTVQH15-muc-thue-bao-ve-moi-truong-doi-voi-xang-dau-mo-nhon-582482.aspx>