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LEGAL UPDATE

No. 2 – December 2023

(15 Dec 2023 – 31 Dec 2023)



News in focus

Several outstanding policies taking effect from Jan 1, 2024

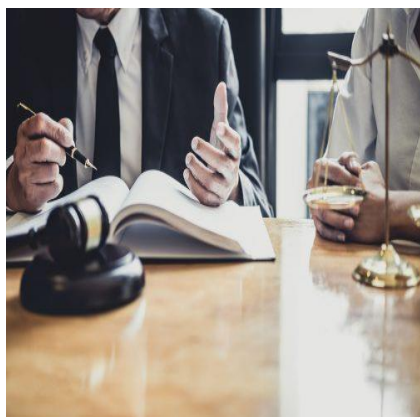


New legal documents

Remarkable among documents:

Decree 94/2023/ND-CP regulating the policy on value added tax reduction in accordance with Resolution 110/2023/QH15

A – News in focus



Several outstanding policies taking effect from Jan 1, 2024

From Jan 1, 2024, several new laws and legal documents related to some aspects of social life officially take effect.

In this legal update, WIKI LEGAL will reveal several outstanding policies coming into effect from Jan 1, 2024.

1. Reduce value added tax in the first 6 months of 2024

On Dec 28, 2023, the Government enacted Decree No. 94/2023/ND-CP regulating VAT reduction policy.

Accordingly, VAT will be reduced from January 1, 2024 to June 30, 2024 for groups of goods and services currently subject to a tax rate of 10%. Excluding:

- Telecommunications, finance, securities, banking, insurance, real estate trading etc., (Annex I of Decree 94/2023/ND-CP);
- Goods and services are subject to special consumption tax (Annex II of Decree 94/2023/ND-CP);
- Information technology according to the laws on information technology (Annex III Decree 94/2023/ND-CP);
- Coal products listed in Annex I of Decree 94/2023/ND-CP at stages other than exploitation and sale.

Goods and services listed in Annexes I, II and III of Decree 94/2023/ND-CP which are not subject to VAT or are subject to 5% VAT according to the provisions of the Law on Value Added Tax 2008 will comply with the provisions of the Law on Value Added Tax 2008 and will not be entitled to VAT reduction.

VAT reduction stipulated as follows:

- In case of tax calculation using the deduction method: apply 2% VAT reduction (**to 8%**);
- In case of tax calculation according to the %/revenue method: apply **20% reduction in VAT rate**.

2. Continue to reduce environmental protection taxes on gasoline and oil

From Jan 1, 2024, Resolution 42/2023/UBTVQH15 on environmental protection tax rates on gasoline, oil, and lubricants officially takes effect.

Accordingly, in 2024, the environmental protection tax on gasoline and oil is **reduced by 50%**. Prices after tax reduction are stipulated as follows:

- Gasoline, except ethanol: VND 2,000/liter;
- Diesel, fuel, mazut oil: VND 1,000/liter.

3. Vietnam applies global minimum tax

From January 1, 2024, Resolution 107/2023/QH15 on the application of additional corporate income tax according to regulations to prevent global tax base erosion officially takes effect.

Accordingly, the global minimum tax is regulated as follows

- Officially applied from the Financial Year 2024.
- The minimum tax rate: **15%**.
- Taxpayers: Constituent units of multinational corporations having revenues in the consolidated financial statements of the ultimate parent company for at least 02 years in the 04 consecutive years preceding the financial year equivalent to 750 million euros (EUR) or more. Excluding:
 - Organizations of the Government;
 - International organizations;
 - Non-profit organizations;
 - Retirement funds;
 - The investment fund is the ultimate parent company;
 - Real estate investment organization is the ultimate parent company;
 - Organizations with at least 85% of asset value owned directly/indirectly through the above organizations.

4. Confirmation of residence information is valid for 01 year from the issuance date

From Jan 1, 2024, Circular 66/2023/TT-BCA amending and supplementing Article 17 confirming residence information of Circular 55/2021/TT-BCA officially takes effect.

Accordingly, citizens can request residence registration agencies throughout the country, regardless of their place of residence, to confirm residence information by making a direct request at the residence registration agency's headquarters, or request via public service portal, VNeID application or other online public service as prescribed by laws.

Confirmation of residence information includes information about current residence, previous residences, length of time living at each residence, form of residence registration and other residence information which are currently in the Resident Database, National Population Database.

Confirmation of residence information is valid for 01 year from the date of issue (*Previously, confirmation of residence information was valid for 30 days*).

B - New legal documents



Remarkable new legal documents (Enacted from 15 Dec 2023 to 31 Dec 2023)

No.	Legal documents
INVESTMENT - COMMERCE	
1	Circular 41/2023/TT-BCT on List of potentially unsafe products and goods under the management responsibility of the Ministry of Industry and Trade
	Enactment Date: 28 Dec 2023 Effective Date: 16 Feb 2024
2	The Minister of Industry and Trade's Circular 42/2023/TT-BCT amending Circular 37/2019/TT-BCT guiding the content of trade remedies
	Enactment Date: 28 Dec 2023 Effective Date: 16 Feb 2024
3	The Minister of Industry and Trade's Circular 43/2023/TT-BCT amending Circular 57/2018/TT-BCT guiding the Decree related to tobacco business
	Enactment Date: 15 Dec 2023 Effective Date: 12 Feb 2024
4	The Government's Resolution 221/NQ-CP of 2023 explains the provisions in Clause 1, Article 6 of the Law on Public Investment
	Enactment Date: 28 Dec 2023 Effective Date: 28 Dec 2023

No.	Legal documents	
FINANCE – BANKING		
5	Decree 94/2023/ND-CP regulating the policy on value added tax reduction in accordance with Resolution 110/2023/QH15	
	Enactment Date: 28 Dec 2023	Effective Date: 01 Jan 2024 (Until the end of 30 June 2024)
6	Circular 16/2023/TT-NHNN amending Circular 28/2015/TT-NHNN regulating the management and use of digital signatures, digital certificates and digital signature authentication services of the State Bank	
	Enactment Date: 15 Dec 2023	Effective Date: 01 July 2024
EXPORT AND IMPORT		
7	The Minister of Industry and Trade’s Circular 37/2023/TT-BCT regulating import tariff quotas for salt and poultry eggs in 2024	
	Enactment Date: 22 Dec 2023	Effective Date: 06 Feb 2024 (Until the end of 31 Dec 2024)
8	The Minister of Industry and Trade’s Circular 39/2023/TT-BCT regulating tariff quotas on import of raw tobacco in 2024	
	Enactment Date: 27 Dec 2023	Effective Date: 12 Feb 2024 (Until the end of 31 Dec 2024)
TRANSPORTATION		
9	The Minister of Transport’s Circular 38/2023/TT-BGTVT amending Circular 40/2019/TT-BGTVT regulating examination, testing, issuance, re-issuance, conversion of certificates of professional competence, professional certificates seafarer and inland waterway vehicle drivers	
	Enactment Date: 18 Dec 2023	Effective Date: 15 Feb 2024
10	The Minister of Transport’s Circular 39/2023/TT-BGTVT on price framework for pilotage services, services using bridges, wharves, mooring buoys, container loading and unloading services, and towing services at Vietnamese seaports	
	Enactment Date: 25 Dec 2023	Effective Date: 15 Feb 2024
11	The Minister of Transport’s Circular 41/2023/TT-BGTVT regulating on loading goods on road vehicles	
	Enactment Date: 29 Dec 2023	Effective Date: 15 Feb 2024