



WIKI LEGAL LLC

HANOI

7th Floor, HH Office, No. 293/15 Khat Duy Tien Str., Trung Hoa Ward, Cau Giay Dist., Hanoi

Website: www.wikilegal.vn

Email: admin@wikilegal.vn

HO CHI MINH CITY

Ground Floor, DHouse Building, No. 39 Nguyen Thi Dieu Str., Vo Thi Sau Ward, Dist. 3, HCM City

Website: www.wikilegal.vn

Email: hcm.office@wikilegal.vn

LEGAL UPDATE

No. 1 – January 2024

(1 January 2024 – 15 January 2024)



News in focus

Summary of new tax - fees policies effective in early January 2024



New

Legal documents

Remarkable among documents:

ecree 01/2024/ND-CP dated January 1, 2024, amending Decree 11/2010/ND-CP regulating the management and protection of road traffic infrastructure

A – News in focus



Summary of outstanding policies

(Taking effect on January 2024)

This our legal newsletter provide the outstanding policies, which is about tax-fees. These policies will come into effect from the beginning of January 2024.

Moreover, the newsletter also includes a concise summary of the new legal regulations that were announced in early January 2024.

2% VAT REDUCTION FROM JANUARY 1, 2024 TO JUNE 30, 2024

Decree 94/2023/ND-CP issued by the government on December 28, 2023, regulates the value-added tax reduction policy effective from January 1, 2024, to June 30, 2024, notably:

Business establishments that calculate value-added tax using the deduction method may apply the 8% value-added tax rate for prescribed goods and services.

Business establishments (including business households and individual businesses) that calculate value-added tax using the percentage-on-revenue method are entitled to a 20% reduction in the percentage rate to calculate value-added tax when doing so. Issue invoices for goods and services eligible for value-added tax reduction.

AMENDING REGULATIONS ON DECLARATION, COLLECTION, PAYMENT OF FEES

Decree 82/2023/ND-CP was issued by the Government on November 28, 2023, amending and supplementing several articles of Decree No. 120/2016/ND-CP dated August 23, 2016, detailing and Guiding the implementation of several articles of the Law on fees, precisely:

Amend and supplement the name of Article and Clauses 1, 2 and 3 of Article 3 as follows:

Article 3. Declaration, collection, payment of fees, charges and fee settlement

Persons paying fees shall declare and pay fees monthly, quarterly, annually or each time they arise. Pay fees to collect organizations or the State Treasury in the following forms: Pay directly in cash or through credit institutions, service organizations and other forms as prescribed by Law.

Based on the nature and characteristics of each fee and charge, the competent state agency shall specify the appropriate form of payment, declaration period, and payment of fees.

APPLY GLOBAL MINIMUM TAX FROM JANUARY 1, 2024

Resolution No. 107/2023/QH15 was passed by the National Assembly on November 29, 2023, on applying additional corporate income tax according to regulations to prevent global tax base erosion, effective January 1, 2023. 2024. Specifically:

Resolution No. 107/2023/QH15 resolves that a constituent unit of a multinational corporation has revenue in the consolidated financial statements of the ultimate parent company for at least 2 of the four years immediately preceding the fiscal year. Equivalent to 750 million euros (EUR) or more, except in the following cases: Government organizations; International organizations; Non-profit organizations; Retirement; The investment fund is the ultimate parent company; The real estate investment organization is the top parent company; Organizations with at least 85% of the asset value owned directly or indirectly through organizations specified in Points a to e of this Clause.

10% OFF ONLINE PASSPORT FEE

Circular 63/2023/TT-BTC issued by the Ministry of Finance amends and supplements several articles of Circulars regulating fees to encourage the use of online public services. Specifically:

Accordingly, when Vietnamese citizens submit their passport application online, the following fee rates will apply:

- January 1, 2024 - December 31, 2025, the fee collection rate equals 90% of the fee collection rate specified in Point 1, Section I, Fee and charge collection schedule issued with Circular 25/2021/TT- BTC.

- From January 1, 2026, onwards, the fee rates specified in Point 1, Section I of the Fee and Charge Collection Rates issued with Circular 25/2021/TT-BTC will apply.

In addition, Circular 63/2023/TT-BTC also reduces fees when performing online public services as follows:

- From January 1, 2024 - December 31, 2025, organizations submit applications for licenses to use industrial explosives online; the fee is 90% of the fee prescribed in Circular 148/2016/TT -BTC;

- January 1, 2024 - December 31, 2025, public service units and enterprises submit applications to extend the certificate of eligibility for online labour safety technical inspection activities; the fee is equal to 90% of the fee level specified in Circular 245/2016/TT-BTC ;

- January 1, 2024 - December 31, 2025, organizations and individuals submit applications and documents requesting work and online industrial property rights protection services; the fee is 50% of the fee stipulated in Circular 263/2016/TT-BTC;

- December 1, 2023 - December 31, 2025 fee for verifying citizen information and exploiting information results, the fee is equal to 50% of the fee prescribed in Circular 48/2022/TT-BTC;

- December 1, 2023 - December 31, 2025, organizations and individuals submit applications for new, re-issued, or exchanged driving licenses (national and international) online; the fee is 115,000 VND/time issued;

B – New legal documents



Remarkable new legal documents

(Enacted from 01 January 2024 – 15 January 2024)

No.	Legal documents
CONSTRUCTION	
1	Decree 01/2024/ND-CP dated January 1, 2024, amending Decree 11/2010/ND-CP regulating the management and protection of road traffic infrastructure
	Enactment Date: 01/01/2024 Effective Date: 01/01/2024
ADMINISTRATIVE - JUDICIARY	
2	Decision 19/QD-TTg dated January 8, 2024 List and assignment of agencies in charge of drafting guiding documents for Laws and Resolutions passed by the 15th National Assembly at Session 6
	Enactment Date: 08/01/2024 Effective Date: 08/01/2024
BUSINESS	
3	Resolution 02/NQ-CP dated January 5, 2024, on main tasks and solutions to improve the business environment and enhance national competitiveness in 2024
	Enactment Date: 05/01/2024 Effective Date: 05/01/2024

C – Q&A

1. In 2024, how much will the car registration fee be?

Decree 41/2023/ND-CP is effective **until December 31, 2023**

Thus, from January 1, 2024, onwards, the first registration tax rate for cars, trailers or semi-trailers pulled by cars and vehicles similar to cars manufactured and installed by Domestic assembly will increase back to the old level in Clause 5, Article 8 of Decree 10/2022/ND-CP, specifically:

- Cars, trailers, or semi-trailers pulled by cars or vehicles similar to cars have a registration tax rate of 2%.

Especially:

- Passenger cars with nine seats or less (including pick-up cars): pay the first registration fee at a rate of 10%. If it is necessary to apply a higher levy to suit the actual conditions in each locality, the People's Council of the province or centrally run city shall decide to adjust the increase but not exceed 50% of the prescribed levy. General at this point.

- Pick-up cars carrying goods have a permissible transport weight of less than 950 kg and have five seats or less; VAN trucks have a proper traffic volume of less than 950 kg. When paying the first registration fee at a rate equal to 60% of the first registration fee for passenger cars with nine seats or less.

- For battery-powered electric cars, the fees are as follows:

+ Within three years from the effective date of Decree 10/2022/ND-CP: pay the first registration fee at a rate of 0%.

+ Within the next two years: spend the first registration fee at a rate equal to 50% of the rate for gasoline and diesel cars with the same number of seats.

- Types of cars specified in Points a, b, c, Clause 5, Article 8, Decree 10/2022/ND-CP: pay the registration fee for the 2nd time onwards at a rate of 2% and apply the same system nationwide.

2. Does the representative office pay license tax?

Under Article 2 of Decree 139/2016/ND-CP, license fee payers are organizations and individuals engaged in producing and trading goods according to regulations.

Thus, most representative offices only have the function of representing the company in transactions with customers without any business function, so in these cases, the representative office does not have to pay license fees. In addition, if the representative office has activities of producing and trading goods and services, it must pay a license fee.