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LEGAL UPDATE

No. 2 – June 2024

(15 June 2024 – 30 June 2024)



News in focus

Several important policies taking effect from July 2024



New legal documents

Remarkable among documents:

Decree 64/2024/ND-CP on extending the deadline for payment of value-added tax, corporate income, personal income tax and land rent in 2024

A – News in focus



Several important policies taking effect from July 2024

From July 2024, many important policies on salary, tax, security of online payments, and integration of many official documents will officially take effect.

In this legal update, WIKI LEGAL reveals several highlights of policies coming into effect from July 2024.

1. VAT reduction from 01 July 2024 to the end of 31 December 2024

On 30 June 2024, The Government enacted Decree 72/2024/ND-CP stipulating the value-added tax reduction policy according to Resolution 142/2024/QH15 dated June 29, 2024 of the National Assembly.

1.1. Accordingly, VAT reduction for groups of goods and services currently applying the tax rate of 10%, EXCEPT for the following groups of goods and services:

- Telecommunications, financial activities, banking, securities, insurance, real estate business, metals and prefabricated metal products... Details in Appendix I attached with Decree 72/2024/ND-CP;
- Goods and services are subject to excise tax. Details in Appendix II attached with Decree 72/2024/ND-CP;
- Information technology according to the laws on information technology. Details in Appendix III attached with Decree 72/2024/ND-CP.

1.2. Rate of reduction:

- Business establishments that calculate VAT by the deduction method will be applied at the rate of 8%;
- Business establishments (including business households and individuals) that calculate VAT by the percentage method on turnover are entitled to a 20% reduction in the percentage rate for VAT calculation when issuing invoices for goods and services eligible for tax reduction mentioned above.

2. Increase the base salary from VND 1.8 to 2.34 million

Pursuant to Conclusion No. 83-KL/TW dated June 21, 2024 of the Politburo and Report No. 329/BC-CP dated June 21, 2024 of the Government, the National Assembly agreed to implement the contents of wage reform; adjustment of pensions, social insurance allowances, preferential allowances for meritorious people and social allowances from July 1, 2024. Specifically, from July 1, 2024:

- Adjustment of the regional minimum wage in accordance with the provisions of the Labor Code (an average increase of 6%);
- Adjust the base salary from VND 1.8 million/month to VND 2.34 million/month (up 30%) from 01 July 2024;
- Adjustment to increase 15% of the current pension and social insurance allowance:
 - Persons who are enjoying pensions before 1995, if after adjustment, the benefit level is lower than VND 3.2 million/month => Adjust to 300,000 VND/month;
 - Persons with benefits from VND 3.2 million to less than VND 3.5 million/month => Adjust to equal to VND 3.5 million/month;
 - Adjust the preferential allowance for meritorious people according to the standard allowance from VND 2,055,000 to VND 2,789,000/month (up 35.7%);
 - Adjust social allowances according to the standard level of social assistance from VND 360,000 to VND 500,000/month (up 38.9%).

3. Integration of driver's licenses and IDs on VNeID

According to Circular 28/2024/TT-BCA issued by the Ministry of Public Security on June 29, 2024, in addition to the form of paper copies, road users can submit the following documents to the traffic police via the VNeID application:

- Driver's License;
- Certificate of fostering legal knowledge on road traffic;
- Special-use vehicle driver's license;
- Vehicle registration certificate or certified copy of vehicle registration certificate enclosed with the original receipt of a valid credit institution.

According to Decree 69/2024/ND-CP regulating electronic identification and authentication, the Government stipulates that electronic identity cards are expressed in the form of a feature and utility on citizens' VNeID accounts. For those who already have a level 2 electronic identification account, the Ministry of Public Security is responsible for creating and displaying electronic identification for them on VNeID from July 1, 2024.

Electronic identification has legal validity as a hard copy of the identity card, which is permanently stored in the electronic identification and authentication system.

4. Birth, permanent residence, health insurance card co-registration

According to Decree 63/2024/ND-CP, from July 1, 2024, people can carry out procedures for registration of birth, permanent residence and health insurance cards for children under 6 years old at the same time on the National Public Service Portal or on the VNeID application, select the item "Birth, death registration public services".

Accordingly, people settle administrative procedures online, do not have to submit paper copies. Administrative procedures for interconnection have the same legal validity as other forms and do not increase costs for individuals and organizations.

5. 4 levels of authentication of online banking transactions from 01/7/2024

According to Decision 2345/QD-NHNN effective from July 1, 2024, authentication in online banking payments on the internet (including Internet Banking and Mobile Banking) will be divided into four different levels of security.

- Type A - authenticate with username, password or PIN code: Applicable to information lookup transactions, money transfers within the same bank, same account holder or payment transactions of less than VND 5 million;
- Type B – OTP, biometric identification associated with a handheld device, or with a secure electronic signature: Applicable to payment transactions valued at VND 5 million to 100 million in 01 time or 01 transaction day;
- Type C – biometric authentication matching identified data sources: Applicable to money transfers at VND 10 million to 500 million/time;
- Type D – combines biometrics with another measure such as entering an OTP code; combines the online fast authentication method (FIDO) with a secure electronic signature: Applicable to money transfers of at least VND 10 million or the total amount of money transfer in a day exceeding VND 20 million, transactions over VND 100 million.

B – New legal documents



Remarkable new legal documents

(Enacted from 15 June 2024 – 30 June 2024)

No.	Legal documents
ADMINISTRATIVE REGULATIONS	
1	Circular No. 28/2024/TT-BCA amending and supplementing a number of Articles of Circular No. 32/2023/TT-BCA dated August 1, 2023 of the Minister of Public Security stipulating the tasks, powers, forms, contents and processes of patrolling, controlling and handling administrative violations on road traffic by the traffic police; Circular No. 24/2023/TT-BCA dated July 1, 2023 of the Minister of Public Security regulating the issuance and revocation of registration and number plates of motor vehicles
	Enactment Date: 17 June 2024
REAL ESTATE	
2	Decree 71/2024/ND-CP regulating land prices
	Enactment Date: 27 June 2024
3	The Minister of Finance's Circular 42/2024/TT-BTC regarding Vietnam Valuation Standards on Real Estate Price Appraisal
	Enactment Date: 20 June 2024

No.	Legal documents	
TAX – BANKING		
4	Decree 64/2024/ND-CP on extending the deadline for payment of value-added tax, corporate income, personal income tax and land rent in 2024	
	Enactment Date: 17 June 2024	Effective Date: 17 June 2024 (Until the end of 31 Dec 2024)
5	Decree 72/2024/ND-CP stipulating the value-added tax reduction policy according to Resolution No. 142/2024/QH15 dated June 29, 2024 of the National Assembly	
	Enactment Date: 30 June 2024	Effective Date: 17 June 2024 (Until the end of 31 Dec 2024)
6	Decree 65/2024/ND-CP on extension of the deadline for paying excise tax on domestically manufactured or assembled cars	
	Enactment Date: 17 June 2024	Effective Date: 17 June 2024 (Until the end of 31 Dec 2024)
7	The Governor of the State Bank of Vietnam’s Circular 06/2024/TT-NHNN amending Circular 02/2023/TT-NHNN regulating credit institutions and foreign bank branches to restructure debt repayment terms and maintain the same debt group to support customers in difficulties	
	Enactment Date: 18 June 2024	Effective Date: 18 June 2024
8	The Governor of the State Bank of Vietnam’s Circular 07/2024/TT-NHNN on payment agent activities	
	Enactment Date: 21 June 2024	Effective Date: 01 July 2024
9	The Governor of the State Bank of Vietnam’s Circular 08/2024/TT-NHNN regulating the management, operation and use of the National Interbank Electronic Payment System	
	Enactment Date: 25 June 2024	Effective Date: 15 Aug 2024
INFORMATION TECHNOLOGY		
10	Decree 68/2024/ND-CP regulating official-duty digital signatures	
	Enactment Date: 25 June 2024	Effective Date: 01 July 2024
11	Decree 69/2024/ND-CP regulating electronic identification and authentication	
	Enactment Date: 25 June 2024	Effective Date: 01 July 2024