

THE NINTH IMF-JAPAN HIGH-LEVEL TAX CONFERENCE FOR ASIAN COUNTRIES

CORPORATE INCOME TAX IN VIETNAM CURRENT SITUATION AND AMENDMENT PLAN

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Tokyo, 10 April 2018

KEY ISSUES

1. Some main contents of Vietnam's CIT Law
2. Transfer Pricing Management
3. Plans for CIT amendment and implementation



1. Some main contents of Vietnam's CIT Law

1.1 CIT Taxpayers

1.2 CIT Tax rates

1.3 CIT Incentives

a. Localities subject to CIT incentives

b. Sectors subject to CIT incentives

1.4 CIT filing and payment

1.5 CIT examination and audit

2. Transfer Pricing Management

The Government has issued Decree No. 20/2017/NĐ-CP dated 24 February 2017 on providing tax administration applicable to enterprises engaging in controlled transactions and the MOF has issued Circular 41/2017/TT-BTC dated 28/4/2017 guiding the implementation of a number of articles of the Government's Decree No. 20/2017/NĐ-CP with some key points below:

- ▶ The arm's length principle
- ▶ Conditions should be satisfied regarding intra-group services

2. Transfer Pricing Management

- ▶ Provision of limitation on interest deductions
- ▶ Provision of filing and preparation of three-tiered TP Documentation Package
- ▶ Provision on the use of commercial database in filing, determination and management of TP.

3. Plans for CIT amendment and implementation

(1) To research on amendment to CIT regulations relating location-based incentives and economic sector – based incentives.

(2) To amend the Law on Tax Administration towards supplementing some regulations on tax administration applicable to enterprises engaging in controlled transactions.

(3) To enhance tax cooperation in BEPS

3. Plans for CIT amendment and implementation

(4) To amend and supplement some regulations on tax policy and administration application to e-commerce

(5) To strengthen tax audit and improve tax administration applicable to enterprises engaging in controlled transactions

(6) To request Corporate Groups, large enterprises, public corporations to comply with International Accounting Standards – Financial Statements before 2020.

THANK YOU!