

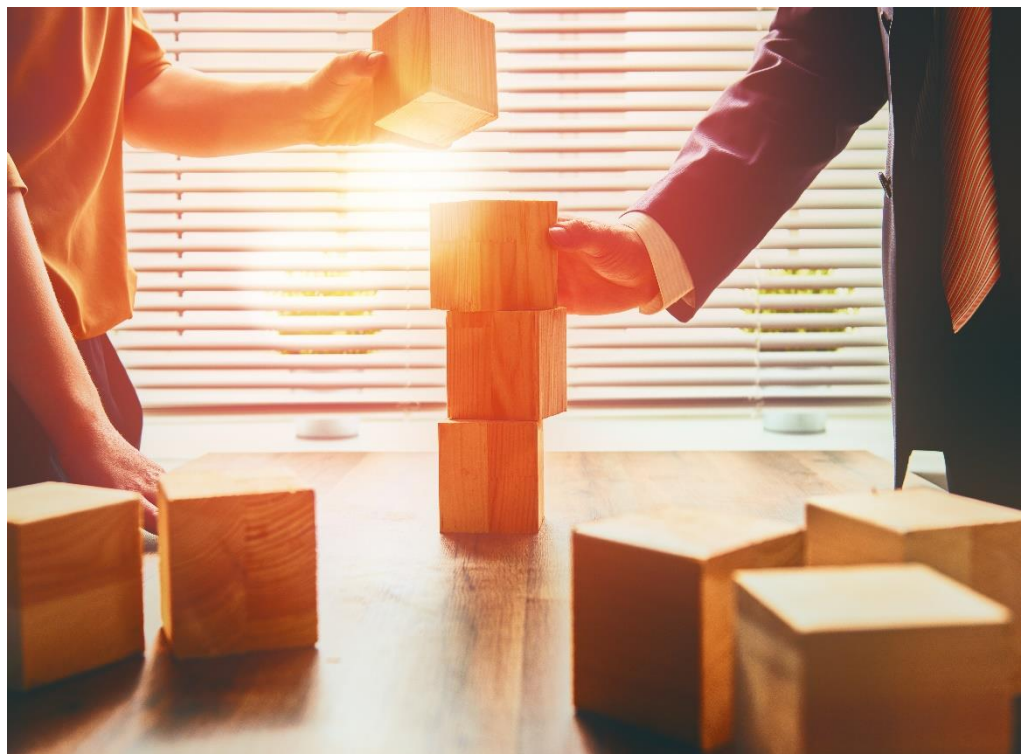
# Monthly Newsletter

## July, 2018

# Table of Content

---

Guidance for PIT on lucky draw prizes .....	1
PIT withholding on cash promotion programs.....	2
Payment voucher for allowance of transportation fees .....	3
Risk of shortfall of import tax and VAT on import.....	4
Guidance to use e-invoice.....	5



# Smart decisions. Lasting value.



This e-newsletter facilitated by **Crowe Vietnam** serves as a knowledge sharing tool with the main purpose of information exchange and dissemination. This e-newsletter benefits the readers by keeping you up-to-date on the latest issues, which are your matters of concern.

[About Us](#) | [Subscribe](#)

## Guidance for PIT on lucky draw prizes

On 04<sup>th</sup> June 2018, Binh Duong tax department issued official letter no. 10134/CT-TT&HT as guidance on PIT on lucky draw prizes.

- If the winner is not an employee of the company, and the prize value exceeds VND 10,000,000; the company is responsible to withhold, declare and pay PIT on the excess of each draw as stipulated at Point g, Clause 1, Article 25, Circular 111/2013/TT-BTC.
- If the winner is an employee of the company, prize value is treated as assessable income earned from employment and be taxed at progressive rate. The company is responsible for withhold, declare and pay PIT as stipulated at Point b, clause 1, Article 25, Circular 111/2013/TT-BTC. In case the company had already withheld, declared and paid PIT on the excess of VND 10,000,000 of each draw as stipulated at Point g, Clause 1, Article 25, Circular 111/2013/TT-BTC; then the company is required to make amendment as stipulated at Clause 5, Article 10, Circular 156/2013/TT-BTC.

## PIT withholding on cash promotion programs

On 10<sup>th</sup> July 2018, Bac Ninh Tax Department issued official letter no. 1760/CT-TTHT as guidance for document preparation of cash disbursement of promotion program.

If the company runs promotion programs in form of cash disbursement to purchasers, which is in compliance with current regulations, and proper notification is submitted to relevant authorities (Department of Industry and Trade); if the promotion value is higher than VND 2 million, then the company is required to withhold 10% PIT and make PIT payment on behalf of the winner as per PIT regulations.

## Payment voucher for allowance of transportation fees

On 30<sup>th</sup> May 2018, Binh Duong Tax Department issued official letter No. 9873/CT-TT&HT as guidance for Payment voucher for allowance of transportation fees.

If selling price as per distribution contract between the company and the distributors does include transportation fee to the distributor's registered place of delivery; and the distributor is in charge of goods delivery; then the company shall pay for such transportation fee. Such transaction shall be treated as provision of transportation service to the company. Therefore, upon receipt of transportation fee, the distributor is required to issue VAT invoice to the company; declare and pay VAT as per current regulations.

## Risk of shortfall of import tax and VAT on import

Copyright, license fee can be counted as customs value of imported goods. Inaccurate assessment of customs value shall lead to shortfall payment of import tax and VAT on import; hence the company shall be exposed to tax collections of the shortfall amount. To avoid such risk, it's noted that:

Customs value is the actual amount payable up to the first import border gate, being assessed using 6 methods, in which the most common one is transaction value method (*Circular 39/2015/TT-BTC, article 5 to article 12*).

Copyright, license fee related to the imported goods must be counted as customs value in case (*Article 14, Circular 39/2015/TT-BTC*):

- *The purchaser pays copyright, license fee for usage, transfer of intellectual property rights in relation to imported goods as stipulated at Clause 4 of this Article.*
- *Copyright, license fee paid directly or indirectly by the purchaser as part of the conditions of goods sales as stipulated at Clause 6 of this Article of which customs value is under assessment as per sales contract, license contract or other arrangements of intellectual rights transfer.*
- *Unable to finalize actual or future payment of the imported goods of which customs value is under assessment.*

## Guidance to use e-invoice

On 2<sup>nd</sup> July 2018, Bac Ninh Tax Department issued official letter no. 1678/CT-TTHT as guidance for e-invoice.

### 1. *Purchaser's signature*

If the purchaser is not an accounting unit, or an accounting unit with sufficient documents and voucher served as proof of goods & service provision between the seller and the purchaser, then upon issuance of e-invoice, **purchaser's signature is not a compulsory item.**

### 2. *Omission of legal rep's signature and corporate seal on converted invoice*

If the legal representative already issued authorization letter to allow the seller's signature on invoice, Bac Ninh tax department approves that the seller or the person converting e-invoice can sign on the converted version. The company shall affix corporate seal at the top left-hand corner of the converted invoice.

### 3. *Amendment of issued e-invoice*

If the e-invoice was already issued to client, and then turned out to be incorrect, the company is required to prepare and amendment minute which clearly states the mistakes with wet signature of the seller and purchaser. Issuance of amended invoice is in accordance with Article 9, Circular 32/2011/TT-BTC.

# Contact Us

## Hanoi office:

Address: R.1205, 12th Floor, IPH Office Tower,  
241 Xuan Thuy, Cau Giay District,  
Hanoi, Vietnam

Tel: +84 (24) 7300 6386

Fax: +84 (24) 2220 8335

Newsletter in-charge

**Ms. Nguyen Thi Thu Huyen**

Mobile: +84 988 238 234

## Ho Chi Minh office:

Address: 14th Floor, TNR Tower, 180-192  
Nguyen Cong Tru, District 1, Ho Chi  
Minh City, Vietnam

Tel: +84 (28) 7300 6386

Fax: +84 (28) 3827 8517

Newsletter in-charge

**Mr. Phan Doan Khanh**

Mobile: +84 972 487 048

Website: [www.crowe.vn](http://www.crowe.vn)

Facebook: <http://www.facebook.com/crowevietnam>

LinkedIn: <https://www.linkedin.com/in/crowevietnam/>

**Note:** General news in this e-newsletter is provided without liability. The content of the e-newsletter only includes general information on issues of concern and, therefore, does not constitute professional advice. Documents in the form of official letters are for reference only and cannot apply to all cases. Please contact us for more information.

