

Vietnam NewsBrief*

18 August 2008

An update on Registration fee, Corporate Income Tax on transfer of land use right and Enterprise code.

Decree amending registration fee applicable to land, housing and automobiles

On 29 July 2008 the Vietnamese Government issued Decree 80/2008/ND-CP amending registration fees applicable to the transfer of ownership and use rights of housing, land and automobiles.

Accordingly, the registration fee upon registration of ownership or use right of land and housing will be reduced from 1% to 0.5%. However, registration fee applicable to automobiles of less than 10 seats will increase significantly to the range of 10% to 15% from the current fee of only 5%.

The limit on collection of registration fee of maximum five hundred (500) million dong per single asset continues to apply to the registration of land, housing, ships and motorbikes. However, the limit has been removed for automobiles of less than 10 seats.

Decree 80/2008/ND-CP will be effective 15 days after being published in the Official Gazette.

Tax on transfer of land use right together with the sale of high-rise building

The Ministry of Finance issued Decision 62/2008/QD-BTC on 1 August 2008 cancelling Article 8 Part C of Circular No 134 guiding of the Corporate Income Tax Law.

Accordingly, the tax on land use right exemption previously granted to infrastructure developer of investment zones and high-rise apartment's developers is removed.

Decision 62/2008/QD-BTC will be applicable from the tax year 2007 and become effective 15 days after being published in the Official Gazette.

Issuance of enterprise code

The Ministry of Planning and Investment, Ministry of Finance and Ministry of Police jointly issued Circular 05 on 29 July 2008 which simplifies the administrative procedures required for newly established business entities based on the Enterprise Law. Other entities established according to the Investment Law; Banking Law are not yet clarified.

This publication is intended for general guidance only and should not form the basis of specific decisions. Please contact us for further information and details of our services. In Ho Chi Minh City: contact David Fitzgerald, Richard Irwin, Jean Loi, Sira Intarakumthornchai (Tax), Phan Thi Thuy Duong (Legal), Kenji Murayama (Japanese Business), Seong Ryong Cho (Korean Business) Ian Lydall (Assurance), Steve Gaskill (Advisory) at phone (84-8) 8230796, fax (84-8) 8251947. In Ha Noi: contact Dinh Thi Quynh Van (Tax), Le Anh Tuan (Legal), Eisuke Kofugata (Japanese Business), Nguyen Phi Lan (Audit), Marc de Pauw (Advisory) at phone (84-4) 9462246, fax (84-4) 9460705.

According to the Joint-circular, business entities can obtain an investment license, enterprise code (enterprise code is also the company tax code) and seal with one single registration. The provincial Department of Planning and Investment will be responsible to receive and process the registration documents. It will take maximum 5 working-days for the enterprise code and 2 working-days for the seal to be issued.

The Circular will be effective 15 days after being published in the Official Gazette. Enterprises that have already obtained an investment license, enterprise code and seal prior to the effective date of this Circular are not required to carry out re-registration.
