

# Vietnam News Brief\*

*A special update on Delayed remittance of PIT liabilities*

19 February 2009

## UPDATE - delayed remittance of PIT liabilities until May 2009

The Ministry of Finance has just issued Official Letter No.1823/BTC-TCT (OL 1823) and Official Letter No.1845/BTC-TCT (OL 1845) guiding the implementation of Circular 27.

Key points as they relate to employment income are as follows.

- All income paid in 2009, irrespective of whether it relates to 2008 or 2009 will be subject to the provisions of the new PIT Law and, to the extent it is paid in the period up till 31 May 2009, will be entitled to the deferral of PIT payments.
- Employers are not allowed to withhold PIT from income paid from 1 January till 31 May 2009. If PIT has already been withheld but not yet paid to the tax authority, it must be returned to the employee by the last working day of February 2009.
- If 2009 tax receipts have already been issued to employees, these must be retrieved by the employer.
- If an employer has already remitted withheld PIT to the state budget, an application for refund should be made. Payments to employees must be made within 5 working days of receiving the refund.
- Non residents are not entitled to the deferral of PIT with respect to employment income. For this purpose, non-residents will include:
  - Individuals not present in Vietnam.
  - Individuals that depart Vietnam before 30 June 2009.
  - Individuals who come to Vietnam from 1 January 2009 and it is not certain that they will become tax resident.

No further guidance has been provided in relation who will be responsible for paying PIT to the tax authority should the National Assembly not approve a PIT exemption in May.

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