

Vietnam NewsBrief*

An update on procedures to claim tax exemption under Double Tax Agreement (DTA) between Vietnam and other countries.

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Guidance on the procedures to claim entitlements under DTA

On 16 June 2008 the General Department of Taxation (GDT) issued Official Letter 2279/TCT-HTQT to all provincial tax departments addressing the ambiguities faced by the provincial tax departments in applying Circular 60/2007/TT-BTC which was issued last year in relation to tax administration.

With Circular 60 becoming effective mid way through 2007 there have been questions raised in relation to whether it could be applied for all of 2007 or just the second half of the year. The GDT has confirmed that Circular 60 will be applied with respect to DTA entitlements for the whole tax year 2007.

Key points from OL 2279:

- Circular 60 allow taxpayers to self determine their ability to access DTA entitlements and submit notification to the tax authorities. Taxpayers are not required to pay tax in advance as were required previously.
- Following submission of a notification by a taxpayer, the tax authorities will not issue any approval or confirmation. The tax authorities have the right to review and inspect the notification post submission.
- In order to not pay tax, notifications must be submitted at least 15 days prior to commencement of the contract (e.g. labour contract, service contracts). If taxpayers do not meet this deadline, they are entitled to submit the notification at a later date and claim a refund/offset of taxes paid.
