

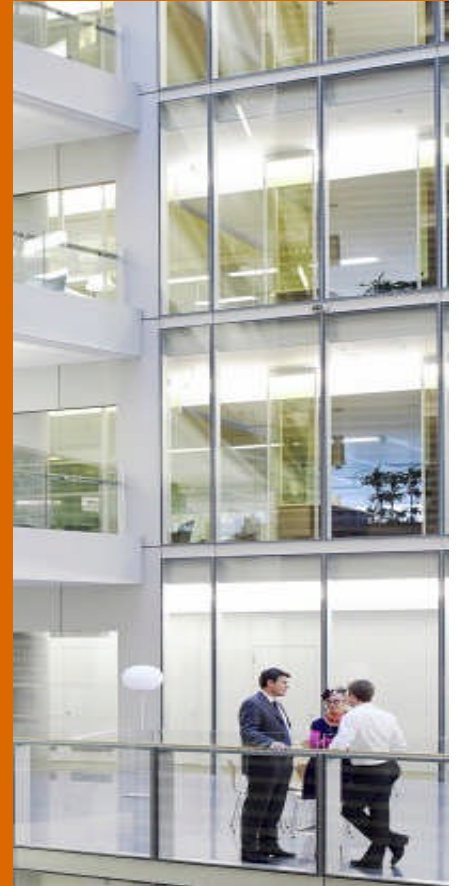
PwC Vietnam NewsBrief

Value Added Tax (VAT) for staff welfare expenses

As covered in previous NewsBriefs, expenses for staff welfare have been deductible for corporate income tax (CIT) purposes since 2014. However, the treatment of input VAT on such expenses has not been entirely clear and subject to different interpretations. Some provincial tax authorities have issued official letters stating that input VAT in relation to staff welfare expenses is creditable, while other tax authorities do not share this view.

On 29 September, the General Department of Taxation issued official letter 4005/TCT-CS to the Dong Nai Tax Department copying all provincial tax departments, confirming that input VAT corresponding with the portion of staff welfare expenses which is CIT deductible, is creditable, provided that the other general conditions for claiming input VAT credits are met.

Please contact us if you need further information on this issue.



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