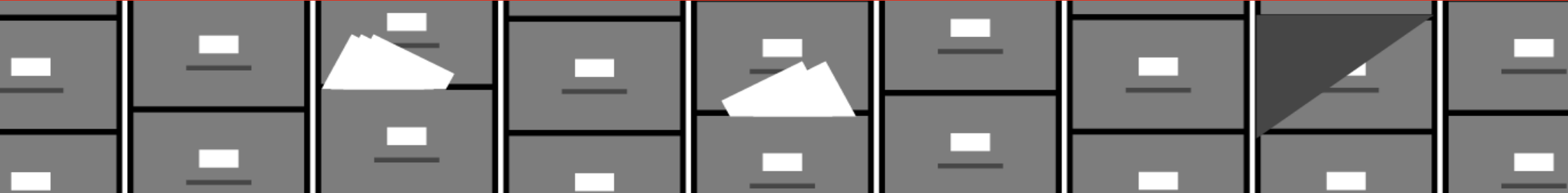

Draft Circular on tax registration



19 May 2020

At a glance...

Further to our [NewsBrief](#) on the 2019 Tax admin law, the Ministry of Finance has now released a draft circular to provide some guidance on its implementation. When it comes into effect, this would replace the current Circular on tax registration, i.e. Circular 95/2016.



Below are some notable points:

- Under the draft Circular, it is proposed that a 10-digit tax code would be issued to companies which directly incur tax liabilities in Vietnam. Under this broadened scope, foreign companies having no permanent establishment here which conduct e-commerce activities & business activities on digital platforms in Vietnam (hereinafter referred to as “e-commerce foreign contractors”) could be covered. Based on the explanatory comments attached to the draft Circular, it is noted that the intention of the draft Circular in this respect is to give guidance on granting tax codes in such cases.
- There is no tax registration form specifically designed for e-commerce foreign contractors in the draft Circular. In the absence of any such specific form, by default the current tax registration form used by foreign contractors which register for VAT here may be used, but this form is not really suitable for e-commerce.
- Outside the e-commerce space, the draft Circular also proposes that certain foreign contractors/subcontractors which previously did not have to register for tax (if they are taxed under the foreign contractor withholding tax regime) will be granted a tax code to perform other tax filing obligations directly with the tax authorities (e.g. personal income tax) if they have operating offices here.
- Companies which have to withhold and pay capital gains tax on behalf of foreign parties shall be granted a separate tax code for this purpose.

Contact us

This publication has been prepared for general guidance on matters of interest only, and does not constitute professional advice. For further information, please reach out to us.

Ha Noi office:



Nguyen Hong Giang

Partner

+84 24 3946 2246 Ext. 1502

n.huong.giang@pwc.com

Ho Chi Minh City office:



Richard Irwin

Partner

+84 28 3823 0796 Ext. 4880

r.j.irwin@pwc.com

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