

Significant changes on tax administration



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On July 22nd, 2013 the Government issued Decree No. 83/2013/ND-CP (Decree 83) detailing a number of articles of the Law on Tax Administration and the amended Law on Tax Administration. Decree 83 takes effect from September 15th, 2013 and repeals Decree No. 85/2007/ND-CP, dated 25 May 2007, and Decree No. 106/2010/ND-CP, dated October 28th, 2010, detailing a number of articles of the Law on Tax Administration.

Decree 83 elaborates the administration of taxes, charges and fees; land rent, water surface rent and land use fees; royalties from the exploitation of natural resources and other revenues belonging to the State budget collected by tax authorities in accordance with law.

Risk management and IT application in tax administration

Tax authorities shall use taxpayers' information to build a database for risk management in tax administration. From this database, the tax authorities will assess, among other things, the taxpayers' legal compliance in order to identify and select subjects for tax inspection.

Decree 83 also provides that taxpayers who are business organisations and are located in areas with information technology (IT) infrastructure may be required to conduct tax declarations and tax payment via electronic means.

Correction, adjustment of tax declarations and registration information

If a taxpayer finds that the tax declaration submitted to the tax authority is incorrect after the deadline for submitting the tax declaration, the taxpayer may adjust the tax declaration and submit the adjustment to the tax authority on any business day prior to the deadline for the next submission. If the tax authority or competent authority announces a decision on tax inspection with respect to such taxpayer prior to the adjustment, such decision will stand and an inspection will occur.

Under Decree 83, the taxpayer when changing information in the submitted tax registration application shall notify their relevant tax authority within 10 working days from the day on which the information is changed. In case where the change in the head office

of the taxpayer leads to the change in the tax authority in another central-affiliated city or province directly responsible for management of taxpayers, the taxpayer, before moving to the new head office, is responsible for settling the unpaid tax, requesting the refund of overpaid tax (except for the personal income tax), and residual value added tax (VAT) after deduction, which is refundable (or request the tax authority to certify the residual VAT after deduction as the basis for the new tax authority to monitor). The overpaid personal income tax shall be offset against the tax payable at the new tax authority.

Taxpayers who have obtained tax registration certificates but have not yet notified the tax authority of bank accounts opened by them at banks / credit institutions before the effective date of Decree 83 are required to notify the tax authority no later than December 31st, 2013. Any change or supplementation of the bank accounts of taxpayers during business operation must be stated in quarterly corporate income tax declarations.

Completion of tax obligations before leaving Vietnam

Under Decree 83, Vietnamese persons leaving Vietnam for residence abroad, Vietnamese expatriates and foreigners must obtain the tax authority's written confirmation on completion of tax obligations before leaving Vietnam. Upon written notice / electronic information from the tax authority, the immigration agencies may prevent such persons from leaving Vietnam.

Cancellation of unrecoverable tax arrears and fines

Decree 83 provides that unrecoverable tax arrears and fines arising before July 1st, 2007 may be forgiven/canceled in favour of the following:

- Households and individuals meeting difficulties, being incapable of paying tax arrears and fines, stopping their business; and
- State enterprises having been dissolved or privatised.

Conditions for such forgiveness shall be guided by the Ministry of Finance.

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