

MINISTRY OF FINANCE

SOCIALIST REPUBLIC OF VIETNAM

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CIRCULAR

VALUE-ADDED TAX PERSONAL INCOME TAX AND TAX ADMINISTRATION OF HOUSEHOLD BUSINESSES AND INDIVIDUAL BUSINESSES

Pursuant to the Law on Personal Income Tax dated November 21, 2007; the Law dated November 22, 2012 on Amendments to the Law on Personal Income Tax;

Pursuant to the Law on Value-added Tax dated June 03, 2008; the Law dated June 19, 2013 on Amendments to the Law on Value-added Tax;

Pursuant to the Law on Amendments to TAX Laws dated November 26, 2014;

Pursuant to the Law on Tax Administration dated June 13, 2019;

Pursuant to the Government's Decree No. 209/2013/ND-CP dated December 18, 2013 elaborating some Articles of the Law on Value-added Tax;

Pursuant to the Government's Decree No. 12/2015/ND-CP dated February 12, 2015 elaborating some Articles of the Law on Amendments to Tax Laws and Tax Decrees;

Pursuant to the Government's Decree No. 126/2020/ND-CP dated October 19, 2020 elaborating some Articles of the Law on Tax Administration;

Pursuant to the Government's Decree No. 87/2017/ND-CP dated July 26, 2017 on functions, tasks, powers and organizational structure of the Ministry of Finance;

At the request of the Director of the General Department of Taxation (GDT);

The Minister of Finance promulgates a Circular on value-added tax personal income tax and tax administration of household businesses and individual businesses:

Chapter I

GENERAL PROVISIONS

Article 1. Scope

This Circular provides guidance on value-added tax personal income tax and tax administration of household businesses and individual businesses.

Article 2. Regulated entities

1. Household businesses, individual businesses that are residents having activities manufacture, sale of goods and services (hereinafter referred to as “business operation”) in any of the business lines and sectors prescribed by law, including the following cases:

a) Independent practitioners in the business lines or sectors under licenses or practice certificates as prescribed by law;

b) Lottery agents; insurance agents, multi-level marketing (MLM) agents of individuals that directly sign commission agent contracts with lottery enterprises, insurers, MLM enterprises respectively;

c) Business cooperation with organizations;

d) Agricultural production and business, forestry, salt production, aquaculture that are not eligible for tax exemption as prescribed by value-added tax (VAT) laws and personal income tax (PIT) laws;

dd) E-commerce, including individuals earning incomes from provision of digital products or services as prescribed by e-commerce laws.

2. Household businesses and individual businesses having business operation at bordering markets, checkpoint markets, markets within border-gate economic zones in Vietnam;

3. Individuals leasing out their property

4. Individuals transferring Vietnam’s top-level domains “.vn”;

5. Organizations having business cooperation with individuals;

6. Organizations and individuals declaring and paying tax on behalf of other individuals;

7. lottery enterprises, insurers, MLM enterprises paying individuals who directly sign commission agent contracts with them;

8. Tax authorities, state authorities; relevant organizations and individuals.

Article 3. Definitions

In addition to the terms defined by the Law on Tax Administration, tax Laws and relevant Decrees, the terms below are construed as follows for the purpose of this Circular:

1. “household business” means a business or manufacture facility the established by an individual or members of a household who take responsibility with all of their property for its business operation as prescribed in Article 79 of the Government’s Decree No. 01/2021/ND-CP dated 04/01/2021 on enterprise registration and its guiding, amending or replacing documents (if any). In case the household business is registered by household members, one of them shall be authorized as the household business’ representative. The individual who registers the household business, the person authorized by household members as the household business’ representative shall be the household business owner. Households doing agriculture, forestry, aquaculture, salt production, street vendors, peddlers, merchant traders, travelling vendors, seasonal traders, low-earners are not required to apply for household business registration, except in conditional business lines. The People’s Committees of provinces shall specify the levels of lower incomes in their provinces.

2. A “large-scale” household business or individual business means a household business or individual business that satisfies the highest criteria for revenue and employees of extra-small enterprises. To be specific: A household business or individual business in aquaculture, forestry, aquaculture, industry, construction has an annual average number of at least 10 employees participating in social insurance or has a total revenue in the preceding year of at least 3 billion VND; a household business or individual business in the field of commerce or services has an annual average number of at least 10 employees participating in social insurance or has a total revenue in the preceding year of at least 10 billion VND.

3. “periodic declaration” means a method of declaring, calculating proportional tax on actual revenue earned per month or quarter.

4. “household businesses and individual businesses paying tax under periodic declarations” are large-scale household businesses and individual businesses or other household businesses and individual businesses that choose to pay tax under periodic declarations.

5. “separate declaration” means a method of declaring, calculating proportional tax on actual revenue earned separately.

6. “individual businesses paying tax under separate declarations” are individual businesses who have casual business operation and do not have fixed business locations.

7. “fixed tax payment” means payment of a fixed amount of proportional tax on a fixed amount of revenue determined by the tax authority as prescribed by Article 51 of the Law on Tax Administration.

8. “household businesses and individual businesses paying fixed tax” are household businesses and individual businesses that fail to comply with or fully comply with regulations on accounting, invoices and documents, except household businesses and individual businesses paying tax under periodic or separate declarations.

9. “fixed tax” means a fixed amount of tax and other amounts payable to state budget by household businesses and individual businesses that have to pay fixed tax determined by tax authorities as prescribed in Article 51 of the Law on Tax Administration.

10. “organizations having business cooperation with individuals” are organizations that have agreements with individuals on contribution of assets and work to operate a business and jointly reap benefits and take responsibility in accordance with Article 504 of the Civil Code dated 24/11/2015, its guiding, amending or replacing documents (if any).

11. “e-commerce” means the execution of some or all e-commerce processes with electronic devices that are connected to the Internet, mobile telecommunications network or other open networks as prescribed in Clause 1 Article 3 of the Government’s Decree No. 52/2013/ND-CP dated 16/5/2013 on e-commerce and its guiding, amending or replacing documents (if any).

12. “digital information products” include digital documents, data, images, sounds that are stored and transmitted in cyberspace as prescribed in Clause 11 Article 3 of the Government’s Decree No. 71/2007/ND-CP dated 03/5/2007 elaborating some Article of the Law on Information technology on information technology industry and its guiding, amending or replacing documents (if any).

13. “digital information services” are services that are provided in cyberspace to directly assist in or serve the production, utilization, publishing, upgrade, repair, maintenance of digital information products and similar activities relevant to digital information prescribed in Clause 12 Article 3 of Decree No. 71/2007/ND-CP and its guiding, amending or replacing documents (if any).

14. “sub-departments of taxation” include sub-departments of taxation of districts and sub-departments of taxation of regions.

15. “databases of tax authorities” include the centralized integrated information system of tax authorities; results of verification and survey of production and business elements; tax inspection result; separate databases. production and business elements to be verified and surveyed include: costs of labor, electricity, water supply, telecommunications; warehouse and premises leases; management; other costs.

16. “separate database” is the database developed by a tax authority for use in a particular administrative division.

Chapter II

RULES, METHOD AND BASIS FOR CALCULATING TAX PAYABLE BY HOUSEHOLD BUSINESSES AND INDIVIDUAL BUSINESSES

Article 4. Tax calculation rules

1. Rules for calculating tax payable by household businesses and individual businesses shall comply with applicable regulations of law on VAT, TIN and relevant legislative documents.
2. A household business or individual business whose revenue from business operation in the calendar year is not exceeding 100 million VND shall not be required to pay VAT and PIT as prescribed by VAT and PIT laws. Household businesses and individual businesses shall declare tax truthfully and accurately; submit tax documents punctually; take legal responsibility for the accuracy, truthfulness and adequacy of the tax documents submitted.
3. For household businesses and individual businesses in the form of groups of individuals or households, the revenue of not exceeding 100 million VND/year as the basis for exemption from VAT and PIT shall be determined for 01 representative of the group of individuals of household in the tax year.

Article 5. Method and basis for calculating tax payable by household businesses and individual businesses under periodic declarations

1. Periodic declarations shall be prepared by large-scale household businesses and individual businesses or other household businesses and individual businesses that choose to pay tax under periodic declarations.
2. Household businesses and individual businesses paying tax under periodic declarations shall declare tax monthly, except new businesses and businesses that satisfy the criteria for declaring tax quarterly prescribed in Article 9 of Decree No. 126/2020/ND-CP.
3. If the revenue of a household business or individual business that is paying tax under periodic declarations is found to be false, the tax authority shall impose the taxable revenue as prescribed in Article 50 of the Law on Tax Administration.
4. Household businesses and individual businesses paying tax under periodic declarations shall comply with on accounting, invoices and documents. A household business or individual business is not required to do accounting if their a business line has the basis for determination of revenue which is confirmed by a competent authority,
5. Household businesses and individual businesses paying tax under periodic declarations are not required to finalize tax.

Article 6. Method for calculating tax individual businesses under separate declarations

1. Individual businesses who have casual business operation and do not have fixed business locations shall pay tax separately. The individual shall determine whether his/her business is “casual” according to its characteristics in each business line. Fixed business location means the place where the individual’s business operation is carried out such as: transaction location, store, factory, warehouse, depot or a similar location.
2. Individual businesses paying tax under separate declarations include:

- a) Travelling traders;
- b) Individuals that are private construction contractors;
- c) Individuals transferring Vietnam's top-level domains ".vn";
- d) Individuals earning incomes from digital information products and/or services that do not choose to pay tax under periodic declarations.

3. Individual businesses paying tax under separate declarations are not required to do accounting but must retain invoices, contracts, documents proving the legality of their goods and services and enclose them with the separate tax declarations.

4. Individual businesses paying tax under separate documents shall declare tax whenever taxable revenue is earned.

Article 7. Method and basis for calculating fixed tax payable by household businesses and individual businesses

1. Fixed tax shall be paid by household businesses and individual businesses other than those paying tax under periodic declarations and separate declarations prescribed in Article 5 and Article 6 of this Circular.

2. Household businesses and individual businesses paying fixed tax (hereinafter referred to as "fixed tax payers") are not required to do accounting. Fixed tax payers shall retain and present to tax authorities the invoices, contracts, documents proving the legality of their goods and services when applying for issuance or sale of separate invoices. Fixed tax payers having business operation at bordering markets, checkpoint markets, markets within border-gate economic zones in Vietnam shall retain invoices, contracts, documents proving the legality of their goods and present them at the request of competent authorities.

3. Fixed tax payers that have not done business for a full year (12 months) include: new fixed tax payers, fixed tax payers having seasonal business operation, fixed tax payers whose business operation is suspended or shut down. The revenue of not exceeding 100 million VND/year as the basis for determination of eligibility for exemption from VAT and TIN is the taxable revenue of a calendar year (12 months). The revenue as the basis for calculation of fixed tax payable in the year shall be proportional to the number of months of business operation.

Example 1: Mr. A starts his business in April 2022 and expects to make a revenue of 90 million VND in 09 months (10 million VND/month in average). The corresponding revenue of a year (12 months) will be 120 million VND (>100 million VND) Therefore, Mr. A has to pay VAT and PIT on the actual revenue earned since April 2022 (90 million VND)

4. Fixed tax payers shall declare tax annual as prescribed in Point c Clause 2 Article 44 of the Law on Tax Administration, pay tax by the deadline specified in the tax notices issued by tax authorities as prescribed in Clause 2 Article 55 of the Law on Tax Administration. In case a fixed

tax payer uses invoices issued or sold by the tax authority, tax on these invoices shall be separately declared and paid.

Article 8. Tax calculation in case organizations and individuals declaring and paying tax on behalf of other individuals

1. An organization or individual shall declare and pay tax on behalf of another individual in the following cases:

a) The organization leases property from the individual under a lease contract which prescribes that the lessee is the taxpayer;

b) The organization has business cooperation with the individual;

c) The organization pays bonuses, sales compensation, promotions, commercial discounts, payment discounts, assistance in cash or not in cash, compensations for breach of contract, other compensations for fixed tax payers;

d) The organization in Vietnam is a partner of an overseas digital platform provider (without permanent establishment in Vietnam) and pays the individual for digital information products and/or services under agreement with the overseas digital platform provider;

dd) The organization is the owner of an e-commerce platform, declares and pay tax on behalf of the individual according to the tax authority's roadmap. Before being able to declare and pay tax on behalf of individuals, organizations that are owners of e-commerce platforms shall provide information about the individuals' business operation on their platforms as requested by tax authorities, such as: full name; ID/passport number; taxpayer identification number (TIN); address; email address; phone number; goods and services provided; revenue; the seller's bank account; other relevant information;

a) The organization or individual is authorized by the other individual to declare and pay tax on his/her behalf as prescribed by civil laws.

2. The organization or individual declares and pays tax on behalf of another individual as instructed in Clause 1 of this Article shall declare and pay tax as follows:

a) In the cases specified in Point a Clause 1 of this Article, the organization shall declare and pay tax monthly, quarterly, separately or annually as prescribed by tax administration laws.

b) In the cases specified in Points b, c, d, dd Clause 1 of this Article, the organization shall declare and pay tax monthly or quarterly as prescribed by tax administration laws.

c) In the cases specified in Point e Clause 1 of this Article, the organization or individual shall declare and pay tax as authorized by the individual in accordance with tax administration laws.

3. In case the individual earns a revenue of not exceeding 100 million VND/year at multiple locations, the individual estimates or determines that the total revenue exceeds 100 million VND/year, he/she may authorize the paying organization to declare and pay tax on the revenue generated at the authorized unit in the tax year. In case a fixed tax payer also receives bonuses, sales compensation, promotions, commercial discounts, payment discounts, assistance in cash or not in cash, compensations for breach of contract, other compensations in addition to presumptive revenue, the paying organization shall declare and pay tax on the actual amounts in the tax year on behalf of the individual. In case an organization declares and pays tax on behalf of an individual who leases out his/her property, the revenue of not exceeding 100 million VND/year as the basis for determination of eligibility for tax exemption shall be determined in accordance with Point c Clause 1 Article 9 of this Circular.

Article 9. Tax calculation in some special cases

1. Individuals leasing out their property (hereinafter referred to as “lessors”)

a) Lessors are individuals who earn revenue from leasing out: housing, premises, stores, factories, storage without lodging services; vehicles, equipment without operator; other property without associated services. Lodging services that are not considered property lease include: provision of short-term lodging for tourists and other visitors; provision of long-term lodging other than apartments for students, workers and similar persons; provision of lodging together with food and beverage services or entertainment.

b) Lessors shall declare tax separately on each rent payment (according to the beginning date of the lease period) or by calendar year. The lessor shall declare tax on each contract separately, or declare tax on multiple contracts on the same declaration if the pieces of property are under the management of the same tax authority.

c) The lessor who earns revenue in fewer than 12 months in the calendar year (even if he/she has multiple lease contracts), the revenue of not exceeding 100 million VND/year as the basis for exemption from VAT and PIT shall be the taxable revenue of a calendar year (12 months); the actual revenue as the basis for calculation of tax payable in the year shall be the revenue proportional to the number of months in which property is leased.

Example 2: Mr. B has a house lease contract with a rent of 10 million VND/month over the period from October 2022 to September 2033. The actual revenue in 2022 is 30 million VND but the total revenue in 12 months of would be 120 million VND. The actual revenue in 2023 is 90 million VND but the total revenue in 12 months in 2023 would be 120 million VND. Therefore, Mr. B has to pay VAT and PIT on the actual revenue earned in 2022 and 2023 under this contract.

d) In case the lessee pays the rent in advance for multiple years, the lessor shall declare and pay tax in a lump sum for the rent paid in advance. The lump sum tax shall be the sum of tax payable in each calendar year as per regulations. In case of change in the content of the lease contract that leads to change to the taxable revenue, payment period or lease period, the individual shall make

revisions for the tax period in which the change occurs in accordance with the Law on Tax Administration.

2. Individuals directly sign contracts to work as lottery agents, insurance agents, MLM agents

a) Commission agents are individuals who directly sign commission agent contracts with lottery enterprises, insurers, MLM enterprises to work as lottery agents, insurance agents, MLM agents respectively.

b) Individuals directly sign contracts to work as lottery agents, insurance agents, MLM agents shall not declare tax directly, except in the cases specified in Point d of this Clause. The lottery enterprise, insurer or MLM enterprise shall deduct, declare and pay PIT if the commission paid to the individual in the calendar year exceeds 100 million VND. In case the individual earns a revenue of not exceeding 100 million VND/year at multiple locations, the individual estimates or determines that the total revenue exceeds 100 million VND/year, he/she may authorize the paying organization to deduct tax from the commission receivable in the tax year.

c) Lottery enterprises, insurers, MLM enterprises shall declare tax monthly or quarterly in accordance with tax administration laws and are not required to declare PIT deducted from incomes of their agents;

d) In case the paying organization does not deduct tax because the income is below the level subject to deduction, the individual does not authorize the paying organization to deduct tax and the individual's income reaches the taxable level at the end of the year, the individual shall declare and pay tax incurred in the year.

Article 10. Basis for tax calculation

The basis for calculation of tax payable by household businesses and individual businesses shall be taxable revenue and tax rates.

1. Taxable revenue

Revenue subject to VAT and revenue subject to PIT earned by household businesses and individual businesses are revenue inclusive of tax (if subject to tax) from sale of goods, processing payment, commissions, payment for provision of services earned during the tax period from manufacture, sale of goods, provision of services, including bonuses, sales compensation, promotions, commercial discounts, payment discounts, assistance in cash or not in cash; subsidies, surcharges, extra fees to which they are entitled; compensations for breach of contract, other compensations (only included in revenue subject to PIT); other revenues earned by household and individual businesses whether they are collected in reality.

2. Tax rates

a) Tax rates include VAT rates and PIT rates which vary according to business lines as specified in Appendix I hereof.

b) A household business or individual business that does business in multiple business lines shall declare and calculate tax at the tax rates that apply to each business line. In case a household business or individual business that fails to determine or correctly determine the taxable revenue earned from each business line, the tax authority shall impose the taxable revenue earned from each business lines in accordance with tax administration laws.

3. Determination of tax payable

VAT payable = Revenue subject to VAT x VAT rate

PIT payable = Revenue subject to PIT x PIT rate

Where:

- Revenue subject to VAT and revenue subject to PIT shall be calculated as instructed in Clause 1 of this Article.
- VAT rates and PIT rates are specified in Appendix I hereof.

Chapter III

TAX ADMINISTRATION OF HOUSEHOLD BUSINESSES AND INDIVIDUAL BUSINESSES

Article 11. Tax administration of household businesses and individual businesses under periodic declarations

1. Tax declaration dossier

The tax declaration dossier shall contain the documents specified in Point 8.2 of Appendix I of the Government's Decree No. 126/2020/ND-CP dated 19/10/2020, to be specific:

- a) The tax form No. 01/CNKD enclosed herewith;
- a) The declaration form No. 01-2/BK-HDKD enclosed herewith (for household businesses and individual businesses paying tax under declarations). Form No. 01-2/BK-HDKD is not required if the household business or individual business is able to determine revenue as confirmed by a competent authority.

2. Receiving authorities

Household businesses and individual businesses paying tax under periodic declarations as prescribed in Clause 1 Article 45 of the Law on Tax Administration shall submit tax declaration dossiers to their supervisory sub-department of taxation.

3. Deadlines for submission of tax declaration dossiers

Household businesses and individual businesses paying tax under periodic declarations shall submit tax declaration dossiers by the deadlines specified in Clause 1 Article 44 of the Law on Tax Administration. To be specific:

- a) Household businesses and individual businesses paying tax under monthly periodic declarations shall submit their tax declaration dossiers by the 20th of the month succeeding the month in which tax is incurred.
- b) Household businesses and individual businesses paying tax under quarterly periodic declarations shall submit their tax declaration dossiers by the last day of the first month of the quarter succeeding the quarter in which tax is incurred.

4. Tax payment deadlines

Household businesses and individual businesses paying tax under periodic declarations shall pay tax by the deadline specified in Clause 1 Article 55 of the Law on Tax Administration, which is the deadline for submission of the tax declaration dossier. In case the tax declaration dossier has to be supplemented, tax shall be paid by the deadline for submission of the tax declaration dossier of the erroneous tax period.

5. Tax declaration in case of business suspension

The household business or individual business that suspends their business operation shall notify the tax authority as prescribed in Article 91 of the Decree No. 01/2021/ND-CP, Article 4 of Decree No. 126/2020/ND-CP, Article 12 of Circular No. 105/2020/TT-BTC and is not required to submit the tax declaration dossier, unless tax is declared monthly and the suspension lasts less than a month, or tax is declared quarterly and the suspension lasts less than a quarter.

Article 12. Tax administration of individual businesses paying tax under separate declarations

1. Tax declaration dossier

The tax declaration dossier shall contain the documents specified in Point 8.3 of Appendix I of the Decree No. 126/2020/ND-CP. To be specific:

- a) The tax form No. 01/CNKD enclosed herewith;
- b) The following documents:
 - Copy of the contract for provision of goods/services;
 - Copy of the contract finalization record;
 - Documents proving origins of goods such as: manifest of domestic farm products; manifest of traded goods of border residents for goods imported by border residents; invoices provided by

sellers for imports purchased from domestic organizations and individuals; documents proving that the goods are manufactured by the individual business, etc.

The tax authority is entitled to request the taxpayer to present original copies for comparison with the copies.

2. Receiving authorities

Individual businesses paying tax under separate declarations shall submit tax declaration dossiers to the authorities specified in Clause 1 Article 45 of the Law on Tax Administration. To be specific:

- a) The individual business that is a travelling trader shall submit tax declaration dossiers to the supervisory sub-department of taxation of the area where he/she does business.
- b) The individual business that earns income from provision of digital information products and/or services shall submit tax declaration dossiers to the supervisory sub-department of taxation of the area where his/her permanent or temporary residence is located.
- c) The individual that earns income from transferring Vietnam's top-level domains ".vn" shall submit tax declaration dossiers to the supervisory sub-department of taxation of the area where his/her residence is located. In case the transferor is not a resident, tax declaration dossiers shall be submitted to the supervisory tax authority of the organization that manages the ".vn" domains.
- d) The individual business that is private construction contractor shall submit tax declaration dossiers to the supervisory sub-department of taxation of the area where construction site is located.

3. Deadlines for submission of tax declaration dossiers

Individual businesses paying tax under separate declarations as prescribed in Clause 3 Article 44 of the Law on Tax Administration within 10 days from the day on which tax is incurred.

4. Tax payment deadlines

Household businesses and individual businesses paying tax under separate declarations shall pay tax by the deadline specified in Clause 1 Article 55 of the Law on Tax Administration, which is the deadline for submission of the tax declaration dossier. In case the tax declaration dossier has to be supplemented, tax shall be paid by the deadline for submission of the tax declaration dossier of the erroneous tax period.

Article 13. Tax administration of fixed tax payers

1. Basis for determination of fixed tax:

- a) The tax declaration dossier prepared by the taxpayer according to the revenue estimate and fixed tax of the tax year;
- b) Database of the tax authority;
- c) Opinions of the Tax Advisory Council of the commune;
- d) Result of information disclosure and receipt of feedbacks from Tax Advisory Council, the People's Committee, the People's Council, Fatherland Front of the commune, the taxpayer, other organizations and individuals.

Disclosure of information about the fixed tax payer means the tax authority disclosing information and receiving feedbacks about the revenue and fixed tax payable by the fixed tax payer as per regulations. The first information disclosure mentioned in Clause 5 of this Article is meant to seek opinions about the revenue and estimated fixed tax; the second information disclosure mentioned in Clause 9 of this Article is meant to seek opinions about the revenue and official fixed tax payable in the tax year. The enquiry can be posted at the tax authority, sent to the taxpayer, sent to the People's Committee, the People's Council, Fatherland Front of the commune; posted on the website of tax authorities.

2. Tax declaration dossier

- a) From November 20 to December 05 every year, tax authorities shall hand out the tax form of the next year to all fixed tax payers.
- b) The tax declaration dossier to be prepared by the fixed tax payer according to Point 8.1 of Appendix I of the Decree No. 126/2020/ND-CP shall be tax form No. 01/CNKD enclosed herewith.
- c) The fixed tax payer that uses invoices issued or sold separately by the tax authority shall declare tax on these separate invoices and submit the tax form No. 01/CNKD together with the following documents:
 - Copy of the contract for provision of goods/services in the same business lines as those of the fixed tax payer;
 - Copy of the contract finalization record;
 - Documents proving origins of goods and services such as: manifest of domestic farm products; manifest of traded goods of border residents for goods imported by border residents; invoices provided by sellers for imports purchased from domestic organizations and individuals; documents proving that the goods are manufactured or provided by the individual business, etc.

The tax authority is entitled to request the taxpayer to present original copies for comparison with the copies.

3. Deadlines for submission of tax declaration dossiers

The deadlines for fixed tax payers to submit their tax declaration dossiers are specified in Point c Clause 2 and Clause 3 Article 44 of the Law on Tax Administration. To be specific:

- a) December 15 of the year preceding the year in which tax is incurred.
- b) For new fixed tax payers (including household businesses that switch from paying under declarations to paying fixed tax), fixed tax payers that switch to paying tax under periodic declarations, fixed tax payers that change their business lines or scale in the year: 10 days from the day on which the change occurs.
- c) The tax declaration dossier prepared by a fixed tax payer that uses invoices issued or sold separately by the tax authority shall be submitted within 10 days from the day on which the revenue on these invoices is earned.

4. Determination of presumptive revenue and fixed tax

a) Determination of presumptive revenue and fixed tax

a.1) Presumptive revenue and fixed tax shall be determined by calendar year or month in case of seasonal business that is stable throughout a year.

a.2) The fixed tax payer shall determine the presumptive revenue themselves using tax form No. 01/CNKD enclosed herewith. In case the fixed tax payer fails to determine the fixed tax, submit the tax declaration dossier or the fixed tax is not reasonable, the tax authority shall impose the presumptive revenue and fixed tax in accordance with Article 51 of the Law on Tax Administration.

a.3) The tax declaration dossier submitted by the fixed tax payer, the tax authority's database shall be the basis for public survey, seeking opinions from Tax Advisory Council, and for Provincial Department of Taxation to review tax books at the sub-department of taxation.

b) Adjusting presumptive revenue and fixed tax

In case the fixed tax payer wishes to adjust the presumptive revenue and fixed tax due to changes in business operation, the tax authority shall adjust the fixed tax as prescribed in Clause 3 Article 15 of the Law on Tax Administration from the day on which the change occurs. To be specific:

b.1) The fixed tax payer that changes the business scale (business area, employees, revenue) shall revise the tax form No. 01/CNKD enclosed herewith. If the presumptive revenue varies by 50% or over, the tax authority shall issue a notice (Form No. 01/TB-CNKD enclosed with Decree No. 126/2020/ND-CP) of change in fixed tax from the day on which the change occurs. If the tax authority determines that the taxpayer does not satisfy the conditions for changing the fixed tax, the tax authority shall issue the notice of retention of fixed tax (Form No. 01/TBKDC-CNKD enclosed herewith).

b.2) The fixed tax payer that changes their business location shall apply for change of taxpayer registration information as per regulations and declare tax at the new location as a new fixed tax payer. The tax authority shall carry on procedures according to the application for change of taxpayer registration information. The supervisory tax authority of the taxpayer's new location shall handle the tax declaration dossier as that of a new business. The supervisory tax authority of the taxpayer's old location shall issue a notice (Form No. 01/TB-CNKD enclosed with Decree No. 126/2020/ND-CP) of change in fixed tax from the day on which the change occurs.

b.3) The fixed tax payer that changes their business lines (even if tax rates are not changed) shall follow the procedures for change of tax registration information (if business lines are changed) and revise the tax form No. 01/CNKD enclosed herewith. The tax authority shall issue a notice (Form No. 01/TB-CNKD enclosed with Decree No. 126/2020/ND-CP) of change in fixed tax from the day on which the change occurs.

b.4) The fixed tax payer that shuts down or suspends business operation shall submit a notification as prescribed in Article 4 of Decree No. 126/2020/ND-CP. On the basis of the notification submitted by the fixed tax payer or the competent authority prescribed in Article 37 of the Law on Tax Administration, the tax authority shall adjust the fixed tax as follows:

b.4.1) If the shutdown has been approved and the shutdown date is the first day of the month, the fixed tax incurred in that month will be cancelled. If the shutdown date is any date during the period from the 2nd to the 15th of the month, the fixed tax incurred in that month will be reduced by 50% and the fixed tax incurred in the months afterwards will be cancelled. If the shutdown date is any date during the period from the 16th to the end of the month, the fixed tax incurred in that month will not be reduced and fixed tax incurred in the months afterwards will be cancelled.

b.4.2) If the suspension has been approved and business is suspended for a full month, fixed tax incurred in that month will be cancelled; if business is suspended for at least 15 consecutive date in the month, fixed tax incurred in that month will be reduced by 50%.

b.4.3) Shutdown or suspension time shall be determined according to the taxpayer's notification. In case the taxpayer fails to submit or punctually submit the notification (even if it is caused by a force majeure event), the tax authority shall determine the shutdown or suspension time through field inspection.

b.5) In case the taxpayer that shuts down or suspends business operation at the request of a competent authority, the tax authority shall adjust the fixed tax according to the written request for shutdown or suspension issued by the competent authority.

b.6) The fixed tax payer that switches to paying tax under periodic declarations shall revise the tax form according to Form No. 01/CNKD enclosed herewith. The tax authority shall adjust the fixed tax according to the revised tax form.

5. First information disclosure

The tax authority shall disclose information for the first time to obtain opinions about the estimated revenue and fixed tax. The following documents shall be disclosed: The list of household businesses and individual businesses exempt from VAT or PIT; the list of fixed tax payers. First information disclosure shall be carried out as follows:

a) The sub-department of taxation shall disclose information at its single-window unit, the People's Committee of the district, at the gate or a location where information is easily accessible, a suitable location at the People's Committee of the commune; the premises of the taxation team; the market management board. Information shall be disclosed from December 20 to December 31 every year.

b) The sub-department of taxation shall send the disclosed documents to the People's Council and Fatherland Front of the district by December 20 every year; specify the address and time when the sub-department of taxation receives feedbacks (if any) from the People's Council and Fatherland Front. The sub-department of taxation shall receive feedbacks until December 31.

c) By December 20 every year, the sub-department of taxation shall send to each fixed tax payer the notice of estimated revenue and tax (Form No. 01/TBTDK-CNKD) together with the information sheet (Form No. 01/CKTT-CNKD) which must specify the time and address for receiving feedbacks (if any) from the taxpayer by December 31. The notice shall be sent to the taxpayer (bearing the taxpayer's signature confirming the receipt of the notice) or by express mail. The information sheet shall be sent to the fixed tax payers in the area, including individuals who have to pay tax and individuals who do not have to pay tax. For markets, streets, neighborhoods that have not more than 200 fixed tax payers, the sub-department of taxation shall print out the information sheets and hand them out to all fixed tax payers in the area. For markets, streets, neighborhoods that have more than 200 fixed tax payers, the sub-department of taxation shall print out the information sheets and hand them out to not more than fixed tax payers in the area. For markets that have more than 200 fixed tax payers, the sub-department of taxation shall print and hand out the information sheet according to their business lines. In case the tax authority has published the information sheet on its website, the sending of Form No. 01/CKTT-CNKD and Form No. 01/TBTDK-CNKD is not required.

d) The sub-department of taxation shall announce the location where information is disclosed and the address for receiving feedbacks (phone number, fax number, address of the single-window unit, email address) to the fixed tax payers.

dd) The sub-department of taxation shall gather feedbacks about the disclosed information from the people, taxpayers, the People's Council, Fatherland Front of the district to make changes to taxpayers, estimated revenue and tax before consulting with the Tax Advisory Council.

6. Consulting with the Tax Advisory Council

The sub-department of taxation shall hold a meeting with Tax Advisory Council during the period from January 01 to January 10 every year. Meeting documents shall comply with tax administration laws.

7. Preparing tax books

- a) The sub-department of taxation shall, on the basis of the documents specified in Clause 1 Article 3 of this Circular and instructions from the superior tax authority (if any) to prepare and approve its tax book before January 15 every year.
- b) On the basis for changes in business operation of the fixed tax payers or changes in tax policies that affect the presumptive revenue and fixed tax, the sub-department of taxation shall revise the tax book and issue the notice of changes in fixed tax as instructed in Point b Clause 4 of this Article.

8. Sending tax notices and tax payment deadlines

a) Sending tax notices

a.1) The tax authority shall send the tax notice (Form No. 01/TB-CNKD enclosed with Decree No. 126/2020/ND-CP) together with the information sheet (Form No. 01/CKTT-CNKD enclosed herewith) to the fixed tax payers (whether they have to pay tax or not) by January 20 every year.

The notice shall be sent directly to the taxpayer (bearing signature of the taxpayer to confirm the receipt) or by express mail.

a.2) The official information sheet shall be sent to the fixed tax payers in the area, whether they have to pay tax or not. For markets, streets, neighborhoods that have not more than 200 fixed tax payers, the sub-department of taxation shall print out the information sheets and hand them out to all fixed tax payers in the area. For markets, streets, neighborhoods that have more than 200 fixed tax payers, the sub-department of taxation shall print out the information sheets and hand them out to not more than fixed tax payers in the area. For markets that have more than 200 fixed tax payers, the sub-department of taxation shall print and hand out the information sheet according to their business lines. In case the tax authority has published the information sheet on its website, the sending of Form No. 01/CKTT-CNKD and Form No. 01/TBTDK-CNKD is not required.

a.3) In case the tax authority issues a notice on changes to the fixed tax as instructed by Point b Clause 3 of this Article, the notice shall be issued by the 20th of the month succeeding the month in which tax is changed.

a.4) For new businesses, the tax authority shall send the tax notice (Form No. 01/TB-CNKD enclosed with Decree No. 126/2020/ND-CP) to the taxpayer before the 20th of the month succeeding the month in which tax is incurred.

b) Tax payment deadlines

b.1) Taxpayers shall pay VAT and PIT by the deadline specified in the notice (Form No. 01/TB-CNKD enclosed with Decree No. 126/2020/ND-CP).

b.2) In case the taxpayer uses invoices issued or sold by the tax authority, tax shall be paid by the deadline for declaring tax on these invoices as instructed in Point c Clause 3 of this Article.

9. Second information disclosure

The tax authority shall disclose information for the second time about the official presumptive revenue and tax payable in the year. The second information disclosure shall be carried out as follows:

a) At Provincial Departments of Taxation:

a.1) The Department of Taxation shall disclose the following on the website of tax authorities by January 30 every year:: The list of household businesses and individual businesses exempt from VAT or PIT; the list of fixed tax payers.

a.2) For new businesses or businesses having changes in tax or business operation, the Department of Taxation disclose or revise information on the website of tax authorities by the last day of the month succeeding the month in which the change occurs.

b) At sub-departments of taxation

b.1) The sub-department of taxation shall carry out the second information disclosure before January 30 every year at its single-window unit, the People's Committee of the district, at the gate or a location where information is easily accessible, a suitable location at the People's Committee of the commune; the premises of the taxation team; the market management board.

b.2) The sub-department of taxation shall send the disclosed documents to the People's Council and Fatherland Front of the district by January 30; specify the address and time when the sub-department of taxation receives feedbacks (if any) from the People's Council and Fatherland Front.

b.3) The sub-department of taxation shall announce the location where information is disclosed and the address for receiving feedbacks (phone number, fax number, address of the single-window unit, email address) to the fixed tax payers.

b.4) The sub-department of taxation shall disclose the same documents disclosed by the Provincial Department of Taxation on the website of tax authorities.

Article 14. Tax administration of lessors that declare tax directly at tax authorities

1. Tax declaration dossier

The tax declaration dossier shall contain the documents specified in Point 8.5.a of Appendix I of the Decree No. 126/2020/ND-CP. To be specific:

- a) The tax form No. 01/TTS enclosed herewith (for lessors declaring tax directly with tax authorities and organizations declaring tax on behalf of individuals);
- b) The form No. 01-1/BK-TTS enclosed herewith (for lessors declaring tax directly with tax authorities for the first time under the contract or contract appendix);
- c) Copy of the lease contract and its appendices (for the first declaration);
- d) The copy of the authorization letter as prescribed by law (in case the lessor authorizes the legal representative to declare and pay tax)

The tax authority is entitled to request the taxpayer to present original copies for comparison with the copies.

2. Receiving authorities

Lessors shall submit their tax declaration dossiers as instructed by Clause 1 Article 45 of the Law on Tax Administration. To be specific:

- a) The individual that earns income from leasing out property other than real estate in Vietnam shall submit the tax declaration dossier at the supervisory sub-department of the area where his/her residence is located.
- b) The individual that earns income from leasing out real estate in Vietnam shall submit the tax declaration dossier at the supervisory sub-department of the area where the real estate is located.

3. Deadlines for submission of tax declaration dossiers

Lessors that declare tax directly at the tax authority shall submit their tax declaration dossiers by the deadlines specified in Point a Clause 2 and Clause 3 Article 44 of the Law on Tax Administration. To be specific:

- a) The individual that declares tax separately shall submit the tax declaration dossier within 10 days from the beginning date of the lease term.
- b) The individual that declares tax annually shall submit the tax declaration dossier by the last day of the first month of the succeeding calendar year.

4. Tax payment deadlines

Lessors that declare tax directly at tax authorities shall pay tax by the deadline specified in Clause 1 Article 55 of the Law on Tax Administration, which is the deadline for submission of the tax declaration dossier. In case the tax declaration dossier has to be supplemented, tax shall be paid by the deadline for submission of the tax declaration dossier of the erroneous tax period.

Article 15. Tax administration of individuals who directly sign contracts to work as lottery agents, insurance agents, MLM agents, other business activities

1. Tax declaration dossiers

a) Monthly and quarterly tax declaration dossiers prepared by deducting organizations

The tax declaration dossier shall contain the documents specified in Point 9.1 of Appendix I of the Decree No. 126/2020/ND-CP. To be specific:

- The tax form No. 01/XSBHDC enclosed herewith (for lottery enterprises, insurers, MLM enterprises paying commissions to individuals who sign contracts to work as commission agents; insurers paying life insurance payouts and other non-compulsory insurance payouts);
- The statement of income paid to the individuals (Form No. 01-1/BK-XSBHDC enclosed herewith), which must include all individuals that are paid in the tax year, whether tax is deducted or not.

b) Annual tax declaration dossiers prepare by individuals who declare tax themselves

The tax declaration dossier prepared by the individual that directly signs the contract to work as a lottery agent, insurance agent, MLM agent or other business activities shall contain the documents specified in Point 8.6 of Appendix I of the Decree No. 126/2020/ND-CP. To be specific:

- The tax form no. 01/TKN-CNKD enclosed herewith (for individuals who directly sign contracts to work as lottery agents, insurance agents, MLM agents or other business activities and have not deducted and paid tax in the year);
- Copy of the contract (for provision of goods/services, business cooperation, agent);
- Copy of the contract finalization record (if any).

The tax authority is entitled to request the taxpayer to present original copies for comparison with the copies.

2. Receiving authorities

Receiving authorities are specified in Clause 1 Article 45 of the Law on Tax Administration. To be specific:

- a) Organizations that deduct tax from income of individuals who directly sign contracts to work as lottery agents, insurance agents, MLM agents shall submit tax declaration dossiers at their supervisory tax authority.

b) Individuals who as lottery agents, insurance agents, MLM agents, other business activities and declare tax annually shall submit tax declaration dossier to the supervisory sub-department of taxation of the area where their permanent or temporary residence is located.

3. Deadlines for submission of tax declaration dossiers

a) Lottery enterprises, insurers, MLM enterprises shall submit tax declaration dossiers by the deadlines specified in Clause 1 Article 44 of the Law on Tax Administration. To be specific:

a.1) Lottery enterprises, insurers, MLM enterprises shall submit monthly tax declaration dossiers by the 20th of the month succeeding the month in which tax is incurred.

a.2) Lottery enterprises, insurers, MLM enterprises shall submit quarterly tax declaration dossiers by the last day of the first month of the quarter succeeding the quarter in which tax is incurred.

b) Individuals who directly sign contracts to work as lottery agents, insurance agents, MLM agents, other business activities prescribed in Point a Clause 2 Article 44 of the Law on Tax Administration shall submit annual tax declaration dossier by the last day of the first month of the succeeding calendar year.

4. Tax payment deadlines

The organizations and individuals mentioned in this Article shall pay tax by the deadline specified in Clause 1 Article 55 of the Law on Tax Administration, which is the deadline for submission of the tax declaration dossier. In case the tax declaration dossier has to be supplemented, tax shall be paid by the deadline for submission of the tax declaration dossier of the erroneous tax period.

Article 16. Tax calculation in case organizations and individuals declaring and paying tax on behalf of other individuals

1. Tax declaration dossier

a) Regulations of Point 8.4 of Appendix I of Decree No. 126/2020/ND-CP shall apply to monthly and quarterly tax declaration dossiers prepared by an organization on behalf of an individual in case the individual has business cooperation with the organization; the organization pays the individual who reaches the sales target; the organization is the owner of an e-commerce platform; the organization in Vietnam is a partner of the overseas digital platform provider (without permanent establishment in Vietnam). To be specific:

- The tax return form No. 01/CNKD enclosed herewith;

- a) Form No. 01-1/BK-CNKD enclosed herewith (for organizations and individuals declaring tax on behalf of other individuals; individuals having business cooperation with organizations; organizations paying individuals who achieve sales targets; organizations that Article owner of e-

commerce platforms; organizations in Vietnam that are partners of overseas digital platform provider;

- Copy of the business cooperation contract and its appendices (for the first declaration of the contract). The tax authority is entitled to request the taxpayer to present original copies for comparison with the copies.

b) The tax declaration dossier prepared by the organization that declares and pays tax on behalf of the lessor shall contain the documents specified in Point 8.5 of Appendix I of the Decree No. 126/2020/ND-CP. To be specific:

- The tax form No. 01/TTS enclosed herewith (for lessors who directly declare tax with tax authorities and organizations declaring tax on behalf of individuals);

- Form No. 01-2/BK-TTS enclosed herewith (for organizations declaring tax on behalf of);

- Copy of the lease contract and its appendices (for the first declaration). The tax authority is entitled to request the taxpayer to present original copies for comparison with the copies.

c) Tax declaration dossiers prepared by organizations and individuals on behalf of other individuals under civil laws shall comply with regulations applied to individuals declaring tax directly.

a) When an enterprise or business organization declares tax on behalf of the lessor, choose “Doanh nghiệp, tổ chức kinh tế khai thuế thay, nộp thuế thay theo pháp luật thuế” on the declaration form. The declarant shall sign and write his/her full name. The organization shall also append its seal or digital signature as per regulations. The taxpayer on the tax documents and receipt documents shall be the organization that declares and pays tax on behalf of the individual.

2. Receiving authorities

a) Tax declaration dossiers prepared by organizations on behalf of individuals as prescribed in Clause 1 Article 45 of the Law on Tax Administration shall be submitted to the supervisory tax authorities of the organizations. In case an organization or individual declares tax on behalf of an individual who earns income from lease of real estate in Vietnam, the tax declaration dossier shall be submitted to the supervisory tax authority of the area where the real estate is located.

b) Individuals who declare tax on behalf of other individuals under authorization shall submit tax declaration dossiers as if they are submitted by the authorizing individuals.

3. Deadlines for submission of tax declaration dossiers

Tax declaration dossiers shall be submitted by the deadlines specified in Point a Clause 1 and Clause 3 Article 44 of the Law on Tax Administration. To be specific:

a) Deadlines for submission of monthly or and quarterly tax declaration dossiers:

a.1) The monthly tax declaration dossier shall be submitted by the 20th of the month succeeding the month in which tax is incurred.

a.2) The quarterly tax declaration dossier shall be submitted by the last day of the first month of the quarter succeeding the quarter in which tax is incurred.

b) Deadlines for submission of tax declaration dossiers by organizations and individuals paying tax on behalf of lessors:

b.1) Monthly and quarterly tax declaration dossier shall be submitted by the deadlines specified in Point a of this Clause.

b.2) Separate declaration dossiers shall be within 10 days from the beginning date of the lease term.

b.3) Annual tax declaration dossiers shall be submitted by the last day of the first month of the succeeding calendar year.

4. Tax payment deadlines

The organizations and individuals mentioned in this Article shall pay tax by the deadline specified in Clause 1 Article 55 of the Law on Tax Administration, which is the deadline for submission of the tax declaration dossier. In case the tax declaration dossier has to be supplemented, tax shall be paid by the deadline for submission of the tax declaration dossier of the erroneous tax period.

Chapter IV

RESPONSIBILITIES OF TAX AUTHORITY FOR TAX ADMINISTRATION OF HOUSEHOLD BUSINESSES AND INDIVIDUAL BUSINESSES

Article 17. Responsibilities of GDT

1. Establish risk criteria applied to household businesses and individual businesses.
2. Provide detailed guidance on update of the database about household businesses and individual businesses at Provincial Departments of Taxation and sub-departments of taxation.
3. Supervise tax authorities and taxpayers implementing tax policies and tax administration of household businesses and individual businesses
4. Organize the use of electronic invoices with codes of tax authorities by household businesses and individual businesses following established roadmap. Cooperate with the People's Committees of provinces in implementation of the scheme for use of electronic invoices generated by cash registers that transmit data to tax authorities. Develop the database of

electronic invoices with codes of tax authorities to serve risk-based tax administration of household businesses, individual businesses, relevant organizations and individuals.

Article 18. Responsibilities of Provincial Departments of Taxation

1. Instruct and supervise tax administration of household businesses and individual businesses by sub-departments of taxation.
2. Provide instructions and control the development of the database of each sub-department of taxation as the basis for determination of presumptive revenue and fixed tax payable by household businesses and individual businesses in their areas.
3. Plan inspection of implementation of tax policies and tax administration of household businesses and individual businesses by sub-departments of taxation and taxpayers Supervise tax authorities and taxpayers.
4. Carry out inspection and submit reports on inspection of sub-departments of taxation and taxpayers to GDT. To be specific:
 - a) Provincial Departments of Taxation shall inspect at least 10% of the sub-departments of taxation in accordance with regulations on risk management in determination of estimated presumptive revenue and fixed tax. The inspection results produced by the Provincial Department of Taxation are the basis of the sub-department of taxation to prepare and approve its tax books.
 - b) In performance of collection duties, Provincial Department of Taxation shall inspect at least 5% of the sub-departments of taxation in the first, second and third quarter. The inspection result is the basis for determination of presumptive revenue and fixed tax of the next year and adjustment of presumptive revenue and fixed tax for the remaining time of the current year.
 - c) Inspection contents: inspection of the database; comparison of business registration and taxpayer registration information; field inspection at least 2% of the household businesses, individual businesses and relevant organizations in the area. 100% of the high-risk household businesses and individual businesses shall be inspected as per regulations.
5. Approve and disclose information about fixed tax payers on the website of tax authorities to ensure transparency, improve supervision by the people and local authorities.

Article 19. Responsibilities of sub-departments of taxation

In addition to perform its collection duty, sub-departments of taxation also have the following responsibilities for tax administration of household businesses and individual businesses:

1. Inform, assist household businesses and individual businesses in declaring tax, submission of tax declaration dossiers, paying tax and looking up information about household businesses and individual businesses as per regulations.

2. Perform the tasks specified in Article 13 of this Circular such as: determine presumptive revenue and fixed tax; disclose information about fixed tax payers; consult with Tax Advisory Council; prepare and approve tax books; adjust presumptive revenue and fixed tax in case household businesses and individual businesses make changes to their business operation; carry out survey about revenue of household businesses and individual businesses paying fixed tax.
3. Carry out periodic and planned inspections at tax authorities on the basis of the database about household businesses, individual businesses and relevant organizations. In case of high risk or suspected violations, carry out inspection at the premises of the taxpayer.
4. Develop its own database to serve tax administration of household businesses and individual businesses; periodically finalize data by November 01 every year as the basis for preparation of fixed tax books of the next year. The database of the sub-department of taxation shall be developed according to information from: tax declaration dossiers submitted by household businesses and individual businesses; data about collected tax from household businesses and individual businesses; result of annual revenue survey carried out by tax authorities; result of annual inspection of presumptive revenue and fixed tax; information from relevant state authorities; reality in the area, economic growth in the area; the elements that affect collection state budget in the area, etc.
5. Request the People's Committee to consider requiring local authorities to cooperate with tax authorities in tax administration of household businesses and individual businesses in their areas.
6. Cooperate with tax authorities of other areas in inspection, control, comparison, provision of information about household businesses and individual businesses.

Chapter V

ORGANIZATION OF IMPLEMENTATION

Article 20. Effect

1. This Circular comes into force from August 01, 2021.
2. In case an individual has a multiple-year lease contract and has declared and paid tax in accordance with previous regulations, the tax that is declared and paid under regulations that are applicable before the effective date of this Circular shall not be adjusted.
3. Notices of the deadlines for paying fixed tax of 2021 shall be sent in accordance with regulations that are applicable before the effective date of this Circular until the end of 2021.
4. IN case a household business or individual business satisfies the conditions for paying tax under periodic declarations, their supervisory tax authority has been applying the fixed tax method and there is not request for change of tax accounting method, paying fixed tax shall keep being paid until the end of the tax year 2021.

5. Organizations that declare and pay tax on behalf of fixed tax payers as prescribed in Point dd Clause 5 Article 7 of Decree No. 126/2020/ND-CP shall declare and pay tax on behalf of fixed tax payers in accordance with this Circular from its effective date.

6. Chapter I and Chapter II of Circular No. 92/2015/TT-BTC dated 15/6/2015 on VAT and PIT payable by residents having business operation; elaboration of the Law No. 71/2014/QH13 and the Government's Decree No. 12/2015/ND-CP dated 12/02/2015 elaborating of the Law on Amendments to tax Laws and tax Decrees are annulled.

Difficulties that arise during the implementation of this Circular should be reported to the Ministry of Finance (GDT) for consideration./.

MINISTER

Ho Duc Phoc

APPENDIX I

**LIST OF BUSINESS LINES SUBJECT TO VAT, PIT PAYABLE BY HOUSEHOLD
BUSINESSES AND INDIVIDUAL BUSINESSES, TAX RATES**
(promulgated together with Circular No. 40/2021/TT-BTC dated June 01, 2021 of the Minister of Finance)

No.	Business lines	VAT rate	PIT rate
1.	Distribution, provision of goods		
	- Wholesaling, retailing of goods (except commission agents); - Bonuses, sales compensation, promotions, commercial discounts, payment discounts, assistance in cash or not in cash for fixed tax payers;	1%	0,5%
	- Distribution, provision of goods that are not subject to VAT or subject to 0% VAT as prescribed by VAT laws; - Business cooperation with an organization in this sector where the organization has the responsibility to declare VAT on the entire revenue earned from the business cooperation;	-	0,5%

	<ul style="list-style-type: none"> - Bonuses, sales compensation, promotions, commercial discounts, payment discounts, assistance in cash or not in cash for fixed tax payers in association with purchase of goods and services that are not subject to VAT or subject to 0% VAT as prescribed by VAT laws; - Compensation for breach of contract, other compensations. 		
2.	Services and construction exclusive of building materials		
	<ul style="list-style-type: none"> - Lodging services including: provision of short-term lodging for tourists and other visitors; provision of long-term lodging other than apartments for students, workers and similar persons; provision of lodging together with food and beverage services or entertainment. - Material handling and other ancillary transport services such as station, ticketing, parking services; - Postal services, delivery of posts and postal packages; - Brokerage, bidding and agent commission-related services; - Legal counseling, financial counseling, accounting, audit, tax and customs brokerage services; - Data processing, lease of information portals, information technology and telecommunications devices; advertising on digital information products and/or services; - Office assistance service and other business assistance services; - Sauna, massage, karaoke, discotheque, billiards, internet, gaming services; - Tailoring, laundry; hairdressing; - Other repair services including: repair of computers and domestic appliances; - Fundamental construction supervision, design, counseling services; - Other services subject to deduction of 10% VAT; - Construction and installation exclusive of building materials (including installation of industrial equipment); 	5%	2%
	- Provision of services that are not subject to VAT or subject to 0%	-	2%

	VAT as prescribed by VAT laws;		
	- Business cooperation with an organization in this sector where the organization has the responsibility to declare VAT on the entire revenue earned from the business cooperation;		
	- Compensation for breach of contract, other compensations;		
	- Lease of property including: + Lease of housing, land, stores, factories, warehouses except lodging services; + Lease of vehicles, equipment without operators; + Lease of other property without associated services;	5%	5%
	- Operation as lottery agents, insurance agents, MLM agents; - Compensation for breach of contract, other compensations.	-	5%
3.	Production, transport, service associated with goods; construction inclusive of building materials		
	- Production, processing of goods; - Extraction, processing of minerals; - Cargo transport, passenger transport; - Services associated with goods such as training, maintenance, technology transfer associated with sale of products - Food and beverage services; - Repair and maintenance of equipment, motor vehicles, motorbikes and other motored vehicles; - Construction and installation inclusive of building materials (including installation of industrial equipment); - Other activities subject to deduction of 10% VAT;	3%	1,5%
	- Activities that are not subject to VAT or subject to 0% VAT as prescribed by VAT laws; - Business cooperation with an organization in this sector where the organization has the responsibility to declare VAT on the entire revenue earned from the business cooperation.	-	1,5%

4.	Other business activities		
	- Manufacture of products subject to deduction of 5% VAT;	2%	1%
	- Provision of services subject to deduction of 5% VAT;		
	- Activities other than those specified in 1, 2, 3 above;		

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