



FINCH LAW



## NEWSLETTER

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Latest legal news on enterprises, business,  
investment and trade

A publication by Finch Law LLC

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## 1. Cases eligible to transfer value-added tax deduction to the next period

This is a noticeable content in Decree 49/2022/ND-CP amending and supplementing Decree 209/2013/ND-CP on Value Added Tax. Accordingly, when business establishments that have registered their business and registered to pay value-added tax (VAT) by the deduction method starts a new investment project, with accumulated input VAT on goods and services not fully deducted from 300 million VND or more will be refunded VAT.

In addition, there are 3 cases where an establishment is not entitled to a VAT refund but is allowed to transfer such amount to the next period, including:

- Investment projects on the exploitation of natural resources and minerals licensed from July 1, 2016 or investment projects on the production of goods and services for which the total value of resources and minerals plus energy costs accounts for at least 51% of the cost;
- Investment projects in business lines that have specific conditions when they do not meet the conditions as prescribed.
- Investment projects in business lines that have specific conditions but their establishments do not maintain business conditions during operation.



*New regulations on VAT refund for business establishments*



## 2. Business establishments may declare and deduct input VAT on infrastructure

Following Decree 49/2022/ND-CP guiding the implementation of the Law on Value Added Tax, there are outstanding new provisions on VAT deduction:

Decree 49/2022/ND-CP (about to take effect)	Decree 209/2013/ND-CP (currently)
In case a business establishment receives a land use right transfer from an organization or individual, the land price deductible for VAT calculation is the land price at the time of receiving the land use right transfer, excluding the value of infrastructure facilities.	The previous regulation included the value of infrastructure facilities
Business establishments may declare and deduct input VAT on infrastructure (if any)	Previously, business establishments were not allowed to declare and deduct input VAT on infrastructure already included in the deductible land use right value not subject to VAT
In case a business establishment receives a capital contribution with land use right from an organization or individual, the land price to be deducted for VAT calculation is the price stated in the capital contribution contract.	
In case the transfer price of land use rights is lower than the price of land received as a capital contribution, only the land price will be deducted according to the transfer price.	

This Decree takes effect from September 12, 2022.



### 3. By 2050, 100% of ships operating inland routes will have started using green energy

The Prime Minister issued Decision 876/QĐ-TTg on the approval of the Action Program on green energy transition, reducing carbon and methane emissions in the transport sector. The overall goal of the Strategy is to develop a green transportation system, towards the goal of reducing net greenhouse gas emissions to "zero" by 2050.

Regarding the roadmap for green energy conversion for roads, the program promotes the production, assembly, import and conversion of electricity-using road motor vehicles; expanding the mix and use of 100% E5 gasoline for road motor vehicles; develops charging infrastructure to meet the needs of people and businesses; encourage new and existing bus stations and rest stops to be converted with green criteria.

In addition, ships that are newly built, converted and imported after 2035 shall use electricity and green energy; from 2050, 100% of ships operating inland routes will convert to using electricity and green energy. From 2031, there shall be investments in vehicles and equipment using electricity, green energy.



*100% road transports will only use E5 gasoline in 2050*



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# QUICK NEWS

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## **1. Employees in gas operation work maximum 12 hours/day**

This is a notable content specified in Circular 12/2022/TT-BCT stipulating working hours and rest time for employees doing the operation, maintenance, and repair of the system gas distribution pipelines and gas works. Accordingly, the employee's work shift must not exceed 12 hours a day and the maximum working session is 07 days. After each working session, employees are arranged to have a consecutive rest equal to the number of working days in the previous working session.

## **2. Applying measures to prevent trade remedies evasion for specific cane sugar products**

On August 1, 2022, the Ministry of Industry and Trade has just issued Decision No. 1514/QD-BCT applying anti-trade measures to several cane sugar products imported from Cambodia, Indonesia, Laos, Malaysia, and Myanmar. Accordingly, cane sugar products from the above countries using Thai sugar materials will be subject to the same tax rate of 47.64%; of which the anti-dumping tax is 42.99% and the anti-subsidy tax is 4.65%. The measure will be in effect until the end of June 15, 2026.

## **3. Employees can take 4 days off on the Independence Day holiday, September 2, 2022**

The Government Office has issued Official Letter 245/VPCP-KGVX on the Independence Day holiday for 2022 employees. Accordingly, employees working at establishments with 2 days off per week (weekly Saturday and Sunday) will have 2 days off and 2 weekend days of 4 consecutive days (September 1-4). If employees work at establishments having 1 day off/week (weekly Sunday), the regulations are as follows:

- If the employer chooses a day off before September 2, the employee is entitled to 02 consecutive days off from September 1, 2022, to the end of September 2, 2022;
- If the employer chooses a day off after September 2, the employee is entitled to 03 consecutive days off from September 2, 2022, to the end of September 4, 2022.

## **4. Officially reduce 10% preferential import tax on gasoline products**

On August 8, 2022, the Government issued Decree 51/2022/ND-CP amending the preferential import tax rates for gasoline products. Accordingly, the Degree reduces the import tax rate for petroleum/gasoline products from 20% to 10%.

TO: ALL READERS

This Newsletter is provided by Finch Law LLC twice a month to our clients. The information in this Newsletter is summarized from the latest legal news and presented under general form for reference purpose only and shall not be deemed as our advices for a specific case. Therefore, you are encouraged to contact us in relation to this Newsletter should you need further information and appropriate advices in details as well.

In case you require to be provided a full set of legal documents, please let us know the number and issuance date of such legal document. We thank you for your reading of our Newsletter, and should you have any feed back, please do not hesitate to let us know.

Thanks and best regards.

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