

FINCH LAW

NEWSLETTER

A PUBLICATION BY THE COMPANY

Latest legal news on enterprises, business, investment and trade

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1. Stimulating companies to directly participate in global distribution networks

On 14/11/2022, the Prime Minister approved the Project "Promoting Vietnamese enterprises to directly participate in foreign distribution networks by 2030". Accordingly, the overall goal of the project is to develop export and import markets, ensure sustainable growth in the long term; attract domestic and foreign investment in clean and sustainable green production, provide high-quality export goods.

Specifically, the goal is set to 2030, Vietnamese goods are in traditional and online distribution chains in all countries with free trade agreements (FTAs), market information support for 20,000 businesses, support on training and consulting for 15,000 enterprises to improve competitiveness and supply capacity in the global value chain, support 5,000 enterprises to build capacity to participate in cross-border e-commerce, organize 10,000 connections, trade with foreign distribution networks, support over 10,000 products exported directly to foreign distribution networks.

The decision takes effect from the date of signing.



2. Inspecting forgery of origin, illegal transmission, infringement of intellectual property rights

On 14/11/2022, the General Department of Customs of the Ministry of Finance issued official letter 4823/TCHQ-GSQL 2022. Due to the violations related to origin, labeling infringement of intellectual property, some of the following types of goods will be checked, specifically:

For export goods of wooden furniture products, plastic products, rubber tires, cutlery, tableware, off-road motorcycles exported to the US and Europe... The labeling and origin check of goods is carried out as follows:

- Goods produced in Vietnam, goods and packaging with phrases identifying Vietnamese origin such as "made in Vietnam", "Vietnamese origin"...: check the satisfaction of Vietnamese origin criteria under free trade agreements, corresponding to international agreements or regulations on origin.
- Goods produced in Vietnam but on goods and packages showing foreign origin other than Vietnamese origin such as "Japanese origin", "Korea origin" ... : inspect the goods and ask the customs declarant to provide a contract related to the labeling of the goods.

Regarding labeling and origin of goods: Inspecting labels and origin of goods for imported goods without labels or labels separated from the product or packaging of the product's packaging to mislead origin will be subject to administrative sanctions.



3. Basis for sanctioning of producing and trading counterfeit or prohibited goods

On 02/11/2022, the Ministry of Finance issued Circular No. 65/2022/TT-BTC. The amount of money as a result of counterfeit or prohibited goods trading is equal to the quantity of goods transferred or consumed multiplied by the unit price of goods, minus the direct costs constituting goods (if the organization, the violating individual has sufficient records and documents to prove the legality and validity of such costs), specifically:

- The quantity of goods transferred or consumed shall be determined on the basis of declarations of violating organizations, individuals, inspection and verification by persons competent to sanction.
- Secondly, the unit price of goods and services is determined on the basis of dossiers and vouchers of violating organizations and individuals. In case there are no records and documents to determine, the unit price shall be determined according to the market price of similar goods and services at the time of detection of violations.

In case the quantity, volume and unit price cannot be determined, the amount of illegal profits obtained is the entire amount of money obtained by organizations and individuals from the illegal transfer, consumption, dispersal or destruction.

This Circular takes effect from 01/01/2023.





QUICK NEWS

1. Tax liability when an enterprise sets up a science and technology development fund

On 07/11/2022, the Ministry of Finance issued Circular 67/2022/TT-BTC guiding the tax obligations when enterprises set up and use the Fund for scientific and technological development of enterprises. Accordingly, enterprises are annually deducted as a percentage of income calculated for corporate income tax to create a fund for scientific and technological development, specifically as follows:

For State-owned enterprises, deduct from 3% to 10% of income calculated for corporate income tax in the tax period. For other enterprises: they shall decide on their own specific deductions but not exceeding 10% of income charged for corporate income tax in the tax period.

2. Inspection and handling of violations in petroleum business

On 04/11/2022, the Ministry of Industry and Trade issued Directive 09/CT-BCT on inspection and handling of violations in petroleum business. Accordingly, the Directive has requested to quickly prevent timely detection and strict handling of acts of dangling goods, creating scarcity of petroleum supply; the act of selling gasoline through mini pump poles, hand pump posts, through barrels, cans of bottles and other containers except traders who are business households, petroleum dispensing stations belonging to the armed forces (national defense, police) in mountainous and highland areas in accordance with the provisions of law.

Notably, particularly in case petroleum retail stores suspend their operations, the Department of Industry and Trade shall inspect and clarify the causes and reasons for suspension, resolutely handling strictly according to regulations; petition to revoke the license if it is violated regardless of the type of trader.

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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