

NEWSLETTER

VIETNAM BUSINESS FORUM

DO YOU KNOW?

VBF TAX & CUSTOMS WORKING GROUP (TCWG)

VBF Tax & Customs Working Group (TCWG) is combined of Tax Sub-WG and Customs WG in 2017. The Working Group aims to promote the strong partnership between the business community and relevant authorities, which has been enhanced via regular cooperation with GDC, GDT and high-level dialogues with MOF.

TCWG actively conveys the voice of businesses to the Government regarding their concerns on policies as well as global trends that may affect business operation in Vietnam. The Working Group is currently co-led by Mr. Mark Gillin, General Director of the America Indochina Management Ltd. and Ms. Huong Vu, General Director of EY Consulting Vietnam JSC and Partner of EY.

Should you wish to be a member of *VBF Tax & Customs Working Group*, please contact VBF Secretariat at info@vbf.org.vn / +84 24 3715 2223 for further instruction.

For more information about the *Vietnam Business Forum*, please click the button below for VBF Brochure.



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December Highlights

VBF coorganises workshop on disseminating and guiding implementation of Decree 53/2022/ND-CP

HCMC, 22-Dec-2022 - The Department of Cybersecurity and High-tech Crimes Prevention (A05)/ Ministry of Public Security in coordination with VBF and VCCI hosted the Conference guiding implementation of Decree 53/2022/ND-CP dated 15/8/2022 detailing some articles of the Cybersecurity Law. About 500 participants from more than 300 organizations, enterprises domestically and globally attended the event. On behalf of VBF, Mr. Seck Yee Chung - VBF Management Board member and Head of VBF Investment & Trade Working Group attended and delivered opening speech.

The Vietnam's Cybersecurity Law was promulgated on June 12, 2018, and came into effect on January 1, 2019, with a majority of its provisions enforceable from the effective date. After more than three years of being drafted and submitted back and forth to the government for consideration and approval, Decree 53 to implement certain articles of the Cybersecurity Law was finally promulgated on August 15, 2022, with an effective date of October 1, 2022. The primary goal of Decree 53 is to ensure the safety and security of Vietnamese users in cyberspace, as well as deterring and managing cybersecurity threats. The workshop provided the opportunity for the MPS to clarify a few key issues such as the Cybersecurity Law's data localization and local office requirements, unclear point on whether entities are expected to store data solely in Vietnam or if storing a copy of data in Vietnam is sufficient, or sufficient time provided for compliance with data localization and local office establishment requirements.

Explanation on some key contents of the Decree 53 can be found in the below notetaking by VBF Secretariat.



Mr. Seck Yee Chung, VBF Management Board representative, Head of VBF Investment & Trade Working Group delivered opening speech at the event.

December Highlights

The National Banking Conference on 28 December, 2022

BANKING WORKING GROUP (BWG)

On December 28, 2022, the State Bank of Vietnam (SBV) held a hybrid conference to summarize and evaluate the results of tasks in 2022, implement tasks and solutions for banking activities in 2023.

The Governor emphasized and affirmed the cooperative role of domestic and foreign credit institutions and commercial banks. Thereby, calling for continued cooperation to strive with SBV to achieve the set goals for the coming year.

Speaking at the conference, on behalf of the Government, Prime Minister Pham Minh Chinh basically agreed with the report of the SBV and the opinions of delegates on key tasks and solutions in 2023. The Governor noted & pointed out the working direction for the Banking industry as follow:

- Firstly, continue to review, amend, supplement and perfect the legal framework, mechanisms and policies; study and amend Laws (Law on State Bank, Law on Credit Institutions, Law on Deposit Insurance);
- Secondly, synchronously, proactively and flexibly manage monetary policy tools and solutions, closely coordinate with fiscal and other policies to contribute to controlling inflation and stabilizing the economy. macro, support reasonable economic growth;
- Third, manage credit growth reasonably, direct credit sources to production - business and priority fields; strictly control credit for potential risk areas;
- Fourth, drastically implement the Project "Restructuring the system of credit institutions associated with bad debt settlement for the period 2021-2025" according to Decision No. 689/QĐ-TTg dated June 8, 2022 of the Prime Minister and Action plan of the banking sector according to Decision No. 1382/QĐ-NHNN dated August 2, 2022 of the Governor of the State Bank. In which, speeding up the handling of bad debts; focus on restructuring and handling weak credit institutions;
- Fifth, improve the management and administration capacity of credit institutions; strengthen the inspection and internal control of credit institutions. Continue to reduce operating costs, unnecessary expenses to stabilize interest rates, lend to share, support people and businesses to restore production and business;
- Finally, continue to drastically implement administrative reform, innovate communication activities, build a synchronous and modern information technology infrastructure system, ensure security and safety of payment activities. , digital transformation and mastering digital technology.



December Highlights

Petition letter for the Global Minimum Corporate Tax

TAX & CUSTOMS WORKING GROUP (TCWG)

Recently, the concern over the implementation of Global Minimum Tax under Pillar Two of Base Erosion and Profit Shifting (BEPS) Project has been raised dramatically among members community of VBF TCWG.

In the context of strong actions from the governments of investing countries, many foreign-invested enterprises have recently expressed their concern with VBF about Vietnam's policies regarding the adoption and implementation of Pillar Two rules. Not only has this been raised by the foreign-invested enterprises being granted with Corporate Income Tax incentives in Vietnam but also it is a matter of special concern by the investors with an investment plan in Vietnam and those at the stage of choosing an investment location. How Vietnam responds to Pillar Two rules is critical for selecting Vietnam or another country as their investment destination.

We are aware that the Government of Vietnam has issued a decision on establishment of a Task Force for study and developing proposals for application of Global Minimum Tax rules in June 2012. However, we also understand that so far the Task Force has not yet been fully staffed or initiated any research on this issue.

In view of the great concerns from many foreign-invested enterprises and the potential investors who are in the process of choosing investment location, we see that the application of Global Minimum Tax rules will significantly affect the foreign investment inflow into Vietnam.

Therefore, VBF, on behalf of businesses in Vietnam and with the aspiration to ensure the effectiveness of foreign investment encouragement policies, has submitted a petition letter to Vietnamese Government to present a few proposals as below:

- The Government and the Ministry of Finance should urgently complete the personnel and working regime of the Task Force for Global Minimum Tax to start the research activities as soon as possible;
- The Task Force, after being established, needs to quickly conduct research activities and propose effective solution packages;
- The Government should consider a special working regime so that the process of research, reporting and decision-making can be implemented as quickly and efficiently as possible. Until now, Vietnam's actions on this issue seem to be very slow compared to those of other countries.
- In light of the above, in order to have a basis to encourage multinational corporations to continue and expand their investments in Vietnam, the Government should consider measures to facilitate the transposition of Global Minimum Tax Rate into domestic laws and consider application of cash grant support to businesses and foreign investors.

Upcoming Event

Annual VBF Forum 2022 and VBF's 25th Anniversary

The annual Forum with technical and high-level sessions will be conducted tentatively in February 2023. As usual, the Forum will feature one specific theme that is in line with the current concerns of the private sector and the Government and being co-chaired by the Minister of Planning & Investment, the World Bank's Vietnam Country Director, the IFC's Regional Manager, and the VBF Co-Chairmen.

The event this time also marks the 25-year contribution of VBF in accompanying with the government towards a favourable investment environment. More details will be public on VBF website and social media.



Photos at Annual VBF Forum 2021

Ongoing advocacy focuses

- Annual VBF Forum (Technical & High-level Sessions)
- Draft Landlaw (amended)
- Circular 25/2021 on interest rate derivative products
- Circular 24/2021 on internal audit

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HAPPY NEW YEAR

