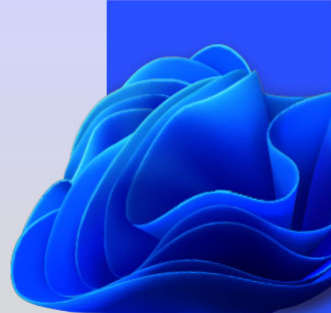




GMS Alert



December 2022

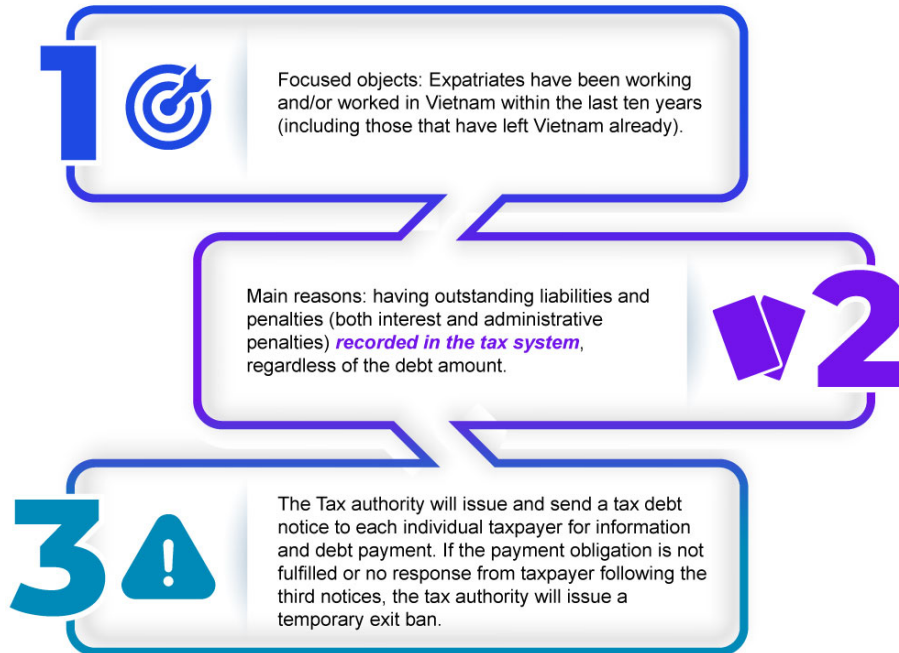
KPMG in Vietnam

AN INCREASE IN TEMPORARY EXIT BANS FOR INDIVIDUALS WITH A PERSONAL INCOME TAX (“PIT”) DEBT

Following the Tax administration Law No. 38/2019/QH14 issued by The National Assembly and the decision No. 1129/QĐ-TCT dated 20 July 2022 issued by the General Department of Taxation on tax debt management, the local tax authorities have become more aggressive in collecting tax debts.

Recently there has been an increasing number of expatriates receiving tax debt notices from local tax authorities. Where the tax debt remains unsettled or the taxpayers are unresponsive to the third notice, the tax authority will issue temporary exit bans and inform the Immigration authority accordingly for their record.

OUR OBSERVATION ON THE SITUATION IN PRACTICE



WHY THIS MATTERS

- Puts the employees at risk of being non-compliant with Vietnam law and exposure to be banned from exiting Vietnam
- Penalty and interest on the late tax payments and non-compliance
- Risk of deportation for the individuals and difficulties when re-applying for entry for the next trip, applicable to the repatriated employees.

OUR RECOMMENDED ACTION TO YOU



The taxpayer/ the Company should review the tax debt status of the taxpayer/ employees within the last ten years to take instant action to avoid a ban being imposed from exiting Vietnam.



The debt recorded by the tax system may not represent the actual amount owed due to numerous external reasons (eg. missing/wrong payment, system errors, incorrect tax return recorded, etc). Therefore, tax debt reconciliation with the tax authority should be carried out periodically or upon departure or upon receiving tax debt notification issued by the tax authority to ensure fulfillment of tax obligations.



To prevent tax debt in future cases, taxpayers are recommended to adhere to tax payment deadlines and include necessary information in payment description to avoid missing/wrong payment.

HOW CAN KPMG ASSIST

- Periodical tax payment/ tax debt reconciliation
- Tax debt review and clearance
- Working with Tax and Immigration authority to remove the exit ban

Contact us

For additional information or assistance, please contact our Global Mobility Services in Vietnam:



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Best regards

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