

LAW

**AMENDING AND SUPPLEMENTING A NUMBER OF ARTICLES OF THE LAW ON TAX
ADMINISTRATION**

Pursuant to the Constitution of the Socialist Republic of Vietnam 1992, amended and supplemented in the Resolution No. 51/2001/QH10;

The National Assembly promulgates the Law on amending and supplementing a number of articles of the Law on Tax administration No. 78/2006/QH11,

Article 1.

Amending and supplementing a number of articles of the Law on Tax administration:

1. Clause 4, 5 and 6 is added to Article 4 as follows:

“4. Applying the risk management mechanism to tax administration:

- a) The application of risk management mechanism in tax administration includes: collecting information and data related to tax payers; establishing the tax administration criteria; assessing the compliance with law of tax payers; suggesting and applying tax administration measures;
- b) The tax authority shall manage and use professional information systems to assess taxation risks, the compliance with law of tax payers, select objects of tax inspection, and support other activities in tax administration.

5. Giving priorities when carrying out taxation procedures applicable to exports and imports if the tax payer satisfy the following requirements:

- a) Do not violate the laws on tax and customs within consecutive 02 years;
- b) Make payments via banks as prescribed by law;
- c) Carry out electronic customs procedures and taxation procedures;
- d) Comply with the law on accounting and statistics;

dd) Reach the required rated of export and import turnover.

6. The Government shall specify Clause 4 and Clause 5 of this Article.”

2. Clause 10, 11 and 12 is added to Article 5 as follows:

“10. Risk management in tax administration is the systematic application of laws and professional processes to determine, assess, and classify the risks that might negatively affect the efficiency and legitimacy of tax administration, and to form the basis for the tax authority to reasonably allocate resources and efficiently take managerial measures.

1.1. Prior agreement on the method of calculating taxable prices is a written agreement between the tax authority and tax payers, or between the tax authority, tax payers and the tax authorities of the nations and territory with which Vietnam has signed the Agreements on double taxation and the prevention of tax evasion, applicable to income tax within a certain period, specifying the bases for tax calculation, the method of determining taxable prices or taxable prices according to market prices. The prior agreement on the method of determining taxable prices shall be made before the tax payer submit the tax declaration dossier.

12. The prior determination of customs value and codes, the prior certification of the origins of exports and imports are the customs’ issuing papers to determine customs value and codes, to determine the origins of exports and imports before carrying out customs procedures.”

3. Clause 1 and Clause 2 Article 6 is amended and supplemented as follows:

“1. Receive supports and instruction to pay tax; provide information and documents to fulfill the tax obligations and enjoy taxation benefits.

2. Request the tax authority to explain the tax calculation and tax imposition; request the customs to determine the customs value and codes, certify the origins of exports and imports before carrying out customs procedures as prescribed by the Government; request the verification of the quality, quantity, and category of exports and imports.”

4. Clause 10 is added to Article 7 as follows:

“10. In case the tax payer doing business in a locality with information technology infrastructure shall make declaration, pay tax, and make transactions with the tax authority via electronic instruments as prescribed by the laws on electronic transactions.

The Government shall specify this Clause .”

5. Clause 2 and Clause 3 Article 8 is amended and supplemented as follows:

“2. Disseminate and instruct the laws on tax; announce the taxation procedure at the offices and websites of the tax authority and on the mass media.

3. The tax authority must explain and provide information relevant to the determination of tax liability for tax payers; the tax authority must announce the tax being paid by local households and traders; the customs must determine the customs values and codes, certify the origins of exports and imports before carrying out customs procedures as prescribed by the Government.”

6. Clause 9 is added to Article 9 as follows:

“9. the tax authority shall apply the mechanism for prior agreement on the method of determining taxable prices to tax payers and tax authorities of the nations and territories with which Vietnam has signed the Agreements on prevention of double taxation and tax evasion applicable to income tax.”

7. Clause 3 is added to Article 30 as follows:

“3. The mechanism for prior agreement on the method of determining taxable prices is applied based on the request of the tax payer and the agreement between the tax authority and the tax payer under a unilateral agreement, bilateral agreement, and multilateral agreement between the tax authority, the tax payer and the tax authority of relevant nations and territories.

The Government shall specify this Clause .”

8. Clause 1a is added after Clause 1 Article 31; Clause 6 Article 31 is amended and supplemented as follows:

“1a. The tax declaration dossier of taxes being declared and paid every quarter includes:

- a) The quarterly tax declaration;
- b) The list of invoices sold goods and services (if any);
- c) The list of invoices of purchased goods and services (if any);
- d) Other documents related to the tax payable.”

“6. The Government shall specify the taxes being declared every month, every quarter, every year, temporarily declared every quarter, declared every time the tax liability arises, the tax finalization declaration the criteria for determining tax payers making declaration every quarter, and the dossier of tax declaration of each case.”

9. Clause 1, 2, 3 and 6 Article 32 is amended and supplemented as follows:

“1. For the taxes being declared every month and every quarter:

- a) On the 20th of the month succeeding the month when the tax liability arises at the latest, applicable to the taxes declared and paid every month;

b) On the 30 of the month succeeding the month when the tax liability arises at the latest, applicable to the taxes declared and paid every quarter.

2. For annual taxes:

a) On the 30th of the first month of the calendar year or the fiscal year at the latest, applicable to the annual tax declaration.

For taxes on the use of non-agricultural land and land rents, the time limit for making tax declaration is prescribed by the laws on taxes on the use of non-agricultural land and land rents;

b) On the 30th of the quarter succeeding the quarter when the tax liability arises at the latest, applicable to the initial tax declaration every quarter;

a) On the 90th as from the end of the calendar year or the fiscal year at the latest, applicable to the annual tax declaration.

3. a) On the 10th as from the tax liability arises at the latest, applicable to the taxes declared every time the tax liability arises;

The time limit for submitting the declaration of taxes on land income and registration fee is specified by the Government and relevant laws.”

“6. The location for submitting tax declarations:

a) The tax payers shall submit the tax declarations at the authority in charge;

b) When submitting the tax declaration according to single-window system, the location for submitting the tax declaration is provided by that system;

c) The locations for submitting the tax declaration of exports and imports are specified by the Law on Customs;

d) The Government shall specify the location for submitting tax declarations in cases such as: the tax payer engages in multiple businesses; the tax payer conducts business or production in multiple localities; the tax payer having tax liabilities; the tax payer having tax on the incomes from land; the tax payer making electronic declaration, and other necessary cases.”

10. Clause 2 and Clause 4 Article 33 is amended and supplemented as follows:

“2. The extension does not exceed 30 days, applicable to the submission of monthly, quarterly, and annual tax declarations, initial tax declarations, occasional tax declarations; and does not exceed 60 days applicable to the submission of tax finalizations, as from the deadline for submitting tax declarations.”

“4. Within 03 working days as from the reception of the application for extending the tax declaration, the tax authority must issue the written approval or refusal to the tax payer.”

11. Article 42 is amended and supplemented as follows:

“Article 32. Deadlines for paying tax

1. In case the tax is calculated by the tax payer, the deadline for paying tax is the deadline for submitting the tax declaration.

2. In case the tax is calculated or imposed by the tax authority, the deadline for paying tax shall be written on the notice of the tax authority.

The deadlines for paying taxes on incomes from land and registration fee are specified by the Government and relevant laws.”

3. The deadlines for paying taxes on exports and imports:

a) The goods is materials imported for producing exports, the time limit for paying tax is two hundred and seventy five days as from the date of registration of the customs declaration sheet if the enterprise:

- Has a factory that produces exports in Vietnam;

- Engages in export and import for at least consecutive 02 years by the date of registration of the customs declaration sheet without committing any acts of trade fraud, tax evasion, overdue tax, late payment interest, fines;

- Comply with the laws on accounting and statistics;

- Make payments via banks as prescribed by law.

If the requirements above are not satisfied, but the tax payable is underwritten by a credit institution, then the time limit for paying tax is the period of underwriting, but must not exceed two hundred and seventy five days as from the date of registration of the customs declaration sheet, and the late payment interest is exempted during the underwriting period.

If the requirements above are not satisfied, but the tax payable is not underwritten by a credit institution, then the tax must be paid before the customs clearance is granted or before the goods are released;

b) Taxes on goods being temporarily imported for re-export must be paid before completing the customs procedures for temporarily importing goods.

If the tax payable is underwritten by a credit institution, then the time limit for paying tax is the underwriting period, but must not exceed fifteen days as from the deadline for temporary import for re-export, and the late payment interest is exempted during the underwriting period;

c) The taxes on goods not falling into the cases in Point a and Point b this Clause must be paid before the customs clearance is granted or before the goods are released.

If the tax payable is underwritten by a credit institution, then the customs clearance shall be granted or the goods shall be released, but the late payment interest must be paid as prescribed in Article 106 of this Law; The maximum underwriting period is 30 days as from the registration date of the customs declaration sheet;

d) If the tax payer underwritten by a credit institution has not paid tax and the late payment interest (if any) the underwriter shall pay tax and late payment interest on the tax payer's behalf.”

12. Article 45 is amended and supplemented as follows:

“Article 45. The order for paying taxes, late payment interest, and fines

If the tax payer has to pay tax debt, tax arrears, new tax, late payment interest, and fines, then the payments shall be made in the following order:

1. For taxes managed by the tax authority:

- a) Tax debt;
- b) Tax arrears;
- c) Late payment interest;
- d) New tax;
- dd) Fines;

2. For taxes managed by the customs:

- a) The overdue tax debts subject to enforcing measures;
- b) The late payment interest subject to enforcing measures;
- c) The overdue tax debts subject to enforcing measures;
- d) Late payment interest not subject to enforcing measures;
- dd) New tax;

dd) Fines.”

13. Article 47 is amended and supplemented as follows:

“Article 47. Settling excess taxes, late payment interest, and fines

1. The tax payer of which the paid tax, late payment interest, and fine payable are bigger than the tax, late payment interest, and fines payable within 10 years as from they day of making payment to the State budget, shall have the excess tax, late payment interest, and fines offset against the outstanding amount, including the offset among the taxes; or against the tax, fines the next payment; or returned, if the tax payer has no tax debts, late payment interest, and fines.

2. If the tax payer request the return of the excess amount, the tax authority shall make a decision on return it, or issue a written explanation for not returning it within 05 working days as from receiving the written request.

14. Clause 1 Article 49 is amended and supplemented as follows:

“1. The tax deferral shall be considered based on the request of the tax payer in one of the following cases:

a) The tax payer suffer from material damage that directly affect the production and business by reason of natural disasters, fire, or unexpected accidents;

b) The operation is suspended by reason of moving the premises under the request of competent State agencies that affect the business;

c) The fundamental construction capital written in the State budget estimate is not paid;

d) The tax payer is not able to pay tax punctually due to other difficulties as prescribed by the Government.”

15. Article 50 is amended and supplemented as follows:

“Article 50. Authority to extend the deadline for tax payment

1. The Government shall extend the deadline for tax payment if such extension does not lead to a revision in the State budget revenue estimate decided by the National Assembly.

2. The head of the tax authority shall decide the tax amount being deferred, the deferral period based on the dossier of tax deferral.”

16. Clause 1 Article 54 is amended and supplemented as follows:

“1. The fulfillment of the tax liability when the enterprise is dissolve is prescribed by the laws on enterprises, credit institutions, insurers, and relevant laws.

17. Article 58 is amended and supplemented as follows:

“Article 58. The tax refund dossier

1. 1. The tax refund dossier includes:

- a) The written request for tax refund;
- b) The documents related to the request for tax refund.

2. The tax refund dossier shall be submitted at a tax authority or at a customs agency authorized to refund tax.”

18. Article 60 is amended and supplemented as follows:

“Article 60. Responsibility of the tax authority for settling tax refund dossiers

1. The classification of tax refund dossiers:

a) The tax shall be refunded before the inspection if the tax payer comply with the laws on tax, and the payments are made via banks as prescribed by law;

b) The tax shall be refund after the inspection if:

- The tax is refunded under an International Agreements to which the Socialist Republic of Vietnam is a signatory;
- The tax payer requests the tax refund for the first time, except for the request for the refund of personal income tax;
- The tax payer request the tax refund within two years as from the date of the penalty for tax evasion or tax fraud;
- The goods or services are not paid via banks as prescribed by law;
- The enterprise is consolidated, merged, divided, split, dissolved, bankrupt, shut down, or has its ownership converted; the state-owned enterprise is transferred, sold, or lease foreign enterprises
- The tax payer fails to explain or supplement the tax refund dossier after the period set by the tax authority, or the explanation and supplementation does not prove the accuracy of the tax declared;
- The imports must be inspected before the tax is refunded as prescribed by the Government.

2. If the dossier is eligible for tax refund before the inspection, within 06 working days as from receiving the complete tax refund dossier; the tax authority must decide the tax refund according

to the request of the tax payer; if the conditions for refunding tax before the inspection, the tax authority shall notify the tax payer in writing of refunding tax after the inspection, or notify the reason for not refunding tax.

3. The time limit for inspection after the tax refund, applicable to the dossiers eligible for tax refund before inspection:

a) The inspection after the tax refund must be carried out within one year as from the date of issue of the decision on refunding tax in the following cases:

- The trading establishment reports a loss in consecutive two years, or the loss exceeds the equity capital;

- The trading establishment has its tax on the income from real estate, trading, and services refunded;

- The location of the trading establishment is changed at least twice in the previous twelve months from the date of the decision on tax refund;

- There are unusual changes in the chargeable revenue and the refunded tax in the previous 12 months from the date of the decision on tax refund;

b) For the cases not prescribed in Point a this Clause, the inspection after tax refund shall be carried out according to the rule of risk management within ten years from the date of the decision on tax refund.

4. If the tax must be refunded after the inspection, within 40 days as from receiving the complete tax refund dossier; the tax authority must decide the tax refund, or notify the reason for not refunding tax to the tax payer.

5. After the period prescribed in Clause 2 and Clause 4 this Article, if the decision on tax refund is delayed by the tax authority, it must pay interests as prescribed by the Government, apart from the tax refunded.”

19. Clause 2 Article 64 is amended and supplemented as follows:

“2. If the actual inspection is necessary for settling the dossier of tax exemption or tax reduction, within 60 days as from receiving the complete dossier, the tax authority shall make the decision on tax exemption or tax reduction, or notify the reasons for not exempting or reducing tax to the tax payer.”

20. Clause 3 is added to Article 65 as follows:

3. The tax debts, late payment interest, and fines of the tax payer not falling in the cases prescribed in Clause 1 and Clause 2 this Article that the tax authority have taken all measures for enforcing the implementation of the administrative decisions on tax prescribed in Clause 1

Article 93 of this Law, and such tax debts, late payment interest, and fines have exceeded 10 years as from the deadline for paying tax, but are not able to be collected.”

21. Clause 2 Article 66 is amended as follows:

“2. The Decision on declaring the bankruptcy, in case the enterprise is declared bankrupt;”

22. Article 67 is amended and supplemented as follows:

“Article 67. The authority to write off tax debts, late payment interest, and fines

1. The Presidents of People’s Committees of central-affiliated cities and provinces shall write off the tax debt, late payment interest, and fines of tax payers being enterprises that are declared bankrupt prescribed in Clause 1 Article 65, the individuals prescribed in Clause 2 and Clause 3 Article 65, the households prescribed in Clause 3 Article 65 of this Law.

2. The authority to write off tax debts of the tax payers not falling into the cases prescribed in Clause 1 this Article:

a) The Prime Minister shall write off the tax debts, late payment interest, and fines of at least ten billion VND;

b) The Prime Minister shall write off the tax debts, late payment interest, and fines of from five billion VND to under ten billion VND;

c) The Director of the General Department of Taxation and Director of the General Department of Customs shall write off the tax debts, late payment interest, and fines of under five billion VND;

3. The Government shall report the cancelled tax debts, late payment interest, and fines to the National Assembly when submitting the State budget finalization to the National Assembly for approval.

4. The Government shall specify the tax cancellation.”

23. Clause 2 Article 70 is amended and supplemented as follows:

“2. The tax authority shall take necessary measures for collecting, exchanging, and processing information at home, overseas, official information from the competent agency and tax authority overseas in accordance with the International Agreements to which the Socialist Republic of Vietnam is a signatory, the documents signed by Vietnam and other countries about taxation and customs applicable to tax administration.”

24. Article 78 is amended as follows:

“Article 78. Tax inspection at the offices of tax payers

1. “The cases of tax inspection at the offices of tax payers:

a) The cases prescribed in Point c and Point d Clause 3 Article 77 of this Law;

b) The post-customs clearance inspections, including planned inspections, and sampling inspections for assessing the compliance to the laws on taxation, and inspections of passed exports and imports that are suspected of violating the laws on tax.

If there are signs of tax evasion and tax fraud during the post-customs clearance inspection, the Director of the Department of Post-customs clearance inspection, the Director of the Customs Department, the Director of the Sub-department of Post-customs clearance inspection are entitled to take the measures prescribed in Section 4 Chapter X of this Law;

c) When determining the subjects of inspection according to the risk assessment criteria by analyzing and assessing the compliance to law of the tax payers; inspecting the cases suspected of violating laws, and the cases selected as planned, the subject of inspection shall be decided by the director of the superior tax authority. In the cases prescribed I this Point, the tax authority shall carry out inspections at the tax payers’ office no more than once a year.

2. The decision on tax inspection must be sent to the tax payer within three working days as from the date of its signing. Within five working days as from receiving the decision on tax inspection, if the tax payer proves that the declared tax is correct, or the tax is completely paid, the tax authority shall annul the decision on tax inspection.

3. The order and procedure of tax inspection:

a) Announce the decision on tax inspection when starting the tax inspection;

b) Compared the declaration and accounting books, accounting documents, financial statements, relevant documents, and the actual conditions within the scope of the decision an tax inspection;

c) The tax inspection period does not exceed five working days as from the day of announcing the decision on inspection; if the scheduled inspection of exports and imports does not exceed fifteen days;

d) If necessary, the decision on tax inspection shall be extended once; the extension length does not exceed the periods prescribed in Point c this Clause;

dd) Made the tax inspection record within five working days as from the end of the inspection;

e) Handle the inspection result, or send the inspection result to competent authorities for handling.”

25. Clause 4 is added to Article 92 as follows:

“4. The tax enforcement shall be suspended if the tax authority allows the tax payer to pay the tax debt by instalments within 12 months as from the commencing day of the tax enforcement. The payment of tax debt by instalments shall be considered based on the request of the tax payer who is underwritten by a credit institution. The tax payer must pay the late payment interest at the rate of 0.05% of the deferred tax amount.

The Government shall specify this Clause .”

26. Clause 1 Article 93 is amended and supplemented, and Clause 3 is added to Article 93 as follows:

“1. The measures for enforcing the administrative decisions on taxation:

a) Extract money from the account of the enforced subjects at the State Treasuries, commercial banks, or other credit institutions; request the account to be blocked;

b) Deduct part of the salary or income;

c) Suspend the customs procedures for exports and imports;

d) Invalidate invoices;

dd) Distrain assets, put the distrained assets up for auction as prescribed by law;

e) Collect money and other assets of the enforced subjects which are held by other organizations and individuals;

g) Revoke the Certificate of business registration, Certificate of Enterprise registration, License for establishment and operation, or practice certificate.”

“3. The employment of the enforcing measures prescribed in Clause 1 this Article must comply with Article 97, 98, 98a, 99, 100, 101 and 102 of this Law, and other relevant law documents. In case the tax payer flees or hides their assets, the person authorized to make the decision on enforcement prescribed in Article 94 of this law shall take appropriate enforcing measures in order to ensure the prompt recovery of tax debt for the State budget.”

27. Clause 98a is added to Article 98 as follows:

“Article 98a. Enforcing by invalidating invoices

1. The invoices are invalidated when the tax authority fails to take the enforcing measures, or fails to completely recover the tax debt, late payment interest, or fines after taking the enforcing measures prescribed in Point a, b, and c Clause 1 Article 93 of this Law.

2. The director of the tax authority must notify the enforced subject within 03 working days before announcing the invalidation of invoices.

3. After taken the enforcing measures prescribed in this Article, the tax authority must announce it on the mass media.”

28. Clause 1 Article 99 is amended and supplemented as follows:

“1. The assets shall be distrain and the distrained assets shall be put up for auction when the tax authority fails to take the enforcing measures, or fails to completely recover the tax debt, late payment interest, or fines after taking the enforcing measures prescribed in Point a, b, c, and d Clause 1 Article 93 of this Law.

Do not distrain assets if the tax payer being a individual is under going treatment at a medical facility prescribed in accordance with Vietnam’s law.”

29. Clause 1 Article 100 is amended and supplemented, and Clause 4 is added to Article 100 as follows:

“a) The tax authority fails to take the enforcing measures, or fails to completely recover the tax debt, late payment interest, or fines after taking the enforcing measures prescribed in Point a, b, c, d, and dd Clause 1 Article 93 of this Law.

“4. The Government shall specify the order and procedure for enforcing the administrative decisions on taxation by collecting money and other assets of the enforced subjects which are held by other organizations and individuals.”

30. The title of Article 101, Clause 1 Article 101 is amended, and Clause 3 is added to Article 101 as follows:

Article 101. Enforcing by suspending the customs procedures for exports and imports

1. The customs procedures for exports and imports shall be suspended when the tax authority fails to take the enforcing measures, or fails to completely recover the tax debt, late payment interest, or fines after taking the enforcing measures prescribed in Point a and b Clause 1 Article 93 of this Law.

“3. Do not suspend the customs procedures in the following cases:

a) The exports are exempted from export tax;

b) The exports and imports directly serve the National defense and security, the prevention of natural disaster, infections, urgent aids; humanitarian aid and non-refundable aid.”

31. Article 102 is amended and supplemented as follows:

“Article 120. Enforcing by revoking the Certificate of business registration, Certificate of Enterprise registration, License for establishment and operation, or practice certificate.”

1. The Certificate of business registration, Certificate of Enterprise registration, License for establishment and operation, or practice certificate shall be revoked when the tax authority fails to take the enforcing measures, or fails to completely recover the tax debt, late payment interest, or fines after taking the enforcing measures prescribed in Point a, b, c, d, đ and e Clause 1 Article 93 of this Law.

2. The director of the tax authority shall send written request to competent State management agencies for revoking the Certificate of business registration, Certificate of Enterprise registration, License for establishment and operation, or practice certificate.

3. When taking the enforcing measures prescribed in this Article, the competent State management agencies must announce them on the mass media.”

32. Article 106 is amended and supplemented as follows:

“Article 106. Resolve the late payment of tax

1. The tax payers that pay tax after the deadline, the tax deferral period, the period written in the notification of the tax authority, and the period in the decision of the tax authority, must pay the tax and the late payment interest at the progressive rate of 0.05% per day according to the deferred tax amount if the tax is paid within 90 days, and 0.07% if the tax is paid after 90 days.

2. The tax payers making incorrect declarations that make the amount payable inadequate must pay the late payment interest if the tax is completely paid before competent agencies discover, and shall be exempted from the penalties for violating the administrative procedures on taxation, insufficient tax payment, or tax evasion.

For exports and imports, if the tax payer makes additional declaration within 60 days as from the date of registration of the customs declaration sheet as prescribed in Point b Clause 2 Article 34 of this Law, and actively pay the tax arrears to the State budget, he or she must pay the late payment interest based on the tax arrears as prescribed in this Law, but shall be exempted from the penalties for violating the administrative procedures on taxation, insufficient tax payment, or tax evasion.

3. Tax payers shall calculate the late payment interest based on the deferred tax amount, the days of late payment, and the rate of late payment interest as prescribed in Clause 1 this Article.

If the tax payer fails to calculate or incorrectly calculates the late payment interest, the tax authority shall calculate the late payment interest and notify the tax payer.

4. After the 30th day from the deadline for paying tax, if the tax payer fails to pay tax and the late payment interest, the tax authority shall notify the tax debt and the late payment interest to the tax payer.

5. The organization authorized to collect tax by the tax authority that fails to punctually collect and transfer the taxes, interests on late payment, and fines from tax payers to the State budget

shall pay the interest on the late payment of the amount being transferred late at the rates prescribed in Clause 1 this Article.”

33. Article 107 is amended and supplemented as follows:

“Article 107. Penalties for incorrect declarations that leads to the inadequacy of the tax payable or the increase of the tax refund

1. The tax payer that has completely and accurately record the activities subject to tax on the accounting book, invoices, and documents, but makes incorrect declaration that leads to the inadequacy of the tax payable, or the increase of the tax refunded, he or she must pay the tax arrears, returned the excess amount of refunded tax, and pay 20% of the tax arrears or the excess amount of refunded tax, and the late payment interest based on the tax arrears or the excess amount of refunded tax.

2. For exports and imports, if the tax payer makes incorrect declaration that leads to the inadequacy of the tax payable, or the increase of the tax exemption or tax reduction, or tax refund, but does not fall into the cases prescribed in Clause 6 and Clause 7 Article 108 of this Law, apart from completely paying the tax and late payment interest, the tax payer is also penalized as follows:

a) Pay a fine of being 10% of the tax arrears or the excess amount of the tax exempted, reduced, or refunded, if the tax payer discovers and makes additional declaration after 60 days as from the date of registration of the declaration, but before the customs carries out tax inspection at their office as prescribed in Clause 2 Article 34 of this Law;

b) Pay a fine of being 20% of the tax arrears, the excess amount of the tax exempted, reduced, or refunded in other cases not being prescribed in Point a this Clause.”

34. Clause 6 and Clause 9 Article 108 is amended and supplemented as follows:

“6. Making incorrect declarations compared to the actual exports and imports, without making additional tax declaration after the goods is granted customs clearance.

“9. Using duty-free goods, goods eligible for tax exemption and tax reduction for improper purposes without notifying the change of the use purposes to the tax authority.”

35. Article 110 is amended and supplemented as follows:

“Article 110. The statute of limitations for handling violations of tax law

1. The statute of limitations for penalizing the violations of tax procedure is two years as from the date of committing the violations.

2. For the acts of tax evasion and tax fraud that are not liable to criminal prosecution, and acts of decreasing the tax payable or increasing the tax refund, the statute of limitations is five years as from the date of committing the violations.

3. The tax payer shall not be penalized after the statute of limitations for penalizing the violations of tax law, but he or she must pay the tax arrears and late payment interest to the State budget that arose in the previous ten years before the day of discovering the violations. The tax payer that fails to apply for a tax registration shall pay all the tax arrears and late payment interest that ever arose before the day of discovering the violations.

36. The phrase “late payment interest” is added before the phrase “fines” in Article 3, 5, 8, 65, 66, 68, 90, 92, 93, 98, 99, 100, 113, 114 and 118; and the phrase “and exempted from making payment” is added after the phrase “exempted from penalties” in Clause 4 Article 49; the phrase “fines for deferred payment” in Clause 3 Article 56 is replaced with the phrase “late payment interest”.

37. The phrase “or the Certificate of Enterprise registration” is added after the phrase “Certificate of business registration” in Article 20, 72 and 94 of this Law.

38. Annul Point dd Clause 3 Article 77 of this Law.

Article 2.

1. This Law takes effect on July 01st 2013.

2. For the contents about tax inspection prescribed in the Law on Tax administration No. 78/2006/QH11 that contradict the regulations in the Law on Inspection, the regulations in the Law on Inspection shall apply.

3. The Government shall write off the tax debts and outstanding fines that arose before July 01st 2007 that are not able to be collected, and send reports on the following cases to the National Assembly:

a) The tax debts and fines of households and individuals that are suffering from difficulties and not able to pay off tax debts, or have stopped doing business;

b) The tax debts and fines of state-owned enterprises that have been dissolved by competent agencies; the tax debts and fines of state-owned enterprises that have been equitized or of which the ownership have been converted and the new legal persons are not liable for such tax debts.

4. The Government shall specify and guide the implementation of the Articles and Clauses in this Law.

This Law has been passed by the 8th National Assembly of the Socialist Republic of Vietnam in the 4th session on November 20th 2012.

**THE PRESIDENT OF THE NATIONAL
ASSEMBLY**

Nguyen Sinh Hung

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