

THE STATE PRESIDENT

**ORDER No. 23/2006/L-CTN OF DECEMBER 12, 2006,
ON THE PROMULGATION OF LAW**

THE PRESIDENT OF THE SOCIALIST REPUBLIC OF VIETNAM

Pursuant to Articles 103 and 106 of the 1992 Constitution of the Socialist Republic of Vietnam, which was amended and supplemented under Resolution No. 51/2001/QH10 of December 25, 2001, of the Xth National Assembly, the 10th session;

Pursuant to Article 91 of the Law on Organization of the National Assembly;

Pursuant to Article 50 of the Law on Promulgation of Legal Documents,

PROMULGATES:

the Law on Tax Administration,

which was passed on November 29, 2006, by the XIth National Assembly of the Socialist Republic of Vietnam at its 10th session.

President of the Socialist Republic of Vietnam
NGUYEN MINH TRIET

LAW ON TAX ADMINISTRATION

(No. 78/2006/QH11)

Pursuant to the 1992 Constitution of the Socialist Republic of Vietnam, which was amended and supplemented under Resolution No. 51/2001/QH10 of December 25, 2001, of the Xth National Assembly, the 10th session;

This Law provides for tax administration.

Chapter I

GENERAL PROVISIONS

Article 1.- Governing scope

This Law provides for the administration of taxes and other revenues of the state budget, the collection of which is managed by tax administration agencies according to law.

Article 2.- Subjects of application

1. Taxpayers:

a/ Organizations, households and individuals that pay taxes according to the provisions of tax law;

b/ Organizations, households and individuals that pay other revenues of the state budget (hereinafter collectively referred to as taxes), the collection of which is managed by tax administration agencies according to law;

c/ Organizations and individuals that withhold tax; organizations and individuals that carry out tax procedures on behalf of taxpayers.

2. Tax administration agencies:

a/ Tax agencies include the General Department of Taxation, provincial Tax Departments and district Tax Departments;

b/ Customs offices include the General Department of Customs, Customs Departments and Customs Sub-Departments.

3. Tax administration officers include tax officers and customs officers.

4. Other state agencies, organizations and individuals involved in the enforcement of tax law.

Article 3.- Tax administration contents

1. Tax registration, tax declaration, tax payment and tax assessment.

2. Procedures for tax refund, exemption or reduction.

3. Remission of tax arrears or fines.

4. Management of information on taxpayers.

5. Tax examination, tax inspection.

6. Enforcement of tax administration decisions.

7. Handling of violations of tax law.

8. Settlement of tax-related complaints and denunciations.

Article 4.- Tax administration principles

1. Taxes constitute a major revenue source of the state budget. It is an obligation and a right of all organizations and individuals to pay taxes in accordance with law. Agencies, organizations and individuals shall participate in tax administration.

2. Tax administration shall be conducted in compliance with this Law and other relevant provisions of law.

3. Tax administration must ensure publicity, transparency and equality; and guarantee lawful rights and interests of taxpayers.

Article 5.- Interpretation of terms

In this Law, the following terms and expressions are construed as follows:

1. Representative of a taxpayer means a representative at law or an authorized representative of a taxpayer that carries out some tax procedures on behalf of that taxpayer.

2. Office of a taxpayer means a place where the taxpayer conducts some or all of his/her/its business activities, including head office, branches, shops, workshops, warehouse and places where assets used for production or business are kept; or places of residence or places where the tax liability arises for taxpayers that conduct no business activities.

3. Tax identification number means a sequence of numerals, letters or other characters granted by the tax administration agency to a taxpayer for the purpose of tax administration.

4. Taxation period means a period of time provided by tax law for determination of a tax amount payable into the state budget.

5. Tax return means a document set by the Finance Ministry and used by taxpayers to declare information for the purpose of determining payable tax amounts. Customs declarations can be used as tax returns for imported goods and exported goods.

6. Tax dossier means a dossier for tax registration, tax declaration, tax refund, tax exemption or reduction, or remission of tax arrears or fines.

7. Declaration for tax finalization means the determination of the payable tax amount of a taxation year or a period from the beginning of a taxation year to the time of termination of an activity that gives rise to tax liability or a period from the commencement to the termination of an activity that gives rise to tax liability as provided for by law.

8. Fulfillment of the tax payment obligation means the full payment of payable tax amounts and fines for violations of tax law.

9. Enforcement of compliance with a tax-related administrative decision means the application of measures provided for in this Law and other relevant laws to coerce a taxpayer to fully pay tax and fine amounts into the state budget.

Article 6.- Rights of taxpayers

1. To be given guidance on tax payment; to be supplied with information and documents for performance of tax obligations and exercise of tax-related rights.

2. To request tax administration agencies to explain the tax calculation or assessment; to request concerned agencies or organizations to verify quantity, quality and types of imported goods and exported goods.

3. To have their information kept confidential according to law.

4. To enjoy tax relief and tax refund according to tax law.

5. To enter into contracts with organizations providing services of carrying out tax procedures.

6. To receive written conclusions on tax examination or tax inspection of tax administration agencies; to request explanations of tax examination or tax inspection conclusions; to express their reservations in written records of tax examination or tax inspection.

7. To receive compensations for damage caused by tax administration agencies or tax administration officers according to law.

8. To request tax administration agencies to certify the fulfillment of their tax payment obligation.

9. To lodge complaints or initiate lawsuits about administrative decisions or acts related to their lawful rights and interests.

10. To denounce illegal acts committed by tax administration officers and other organizations or individuals.

Article 7.- Obligations of taxpayers

1. To make tax registration and use tax identification numbers according to law.

2. To make accurate, truthful and complete tax declarations and submit tax dossiers on time; to take responsibility before law for the accuracy, truthfulness and completeness of their tax dossiers.

3. To pay tax amounts in full, on time and at specified places.

4. To observe regulations on accounting, statistics and management and use of invoices and vouchers according to the provisions of law.

5. To record in writing in an accurate, truthful and complete manner activities that give rise to tax liability, tax withholding and transactions subject to tax information declaration.

6. To make and hand over invoices and vouchers to buyers that state the true quantities, types and paid values of sold goods or provided services according to the provisions of law.

7. To supply in an accurate, adequate and timely manner information and documents related to the determination of tax liabilities, numbers and details of transactions on accounts opened at commercial banks or other credit institutions; to explain the tax calculation, declaration or payment at the request of tax administration agencies.

8. To comply with decisions, notices or requests of tax administration agencies and tax administration officers according to the provisions of law.

9. To fulfill tax obligations according to the provisions of law in case their representatives at law or authorized representatives carry out on their behalf tax procedures at variance with regulations.

Article 8.- Responsibilities of tax administration agencies

1. To organize tax collection according to the provisions of law.

2. To disseminate, popularize and guide tax law; to publicize tax procedures.

3. To explain and supply information on the determination of tax liability to taxpayers; to publicly notify payable tax amounts of business households or individuals in their communes, wards or townships.

4. To keep confidential information of taxpayers according to this Law.

5. To effect tax exemption, tax reduction, remission of tax arrears or fines, and tax refund according to this Law and other provisions of tax law.

6. To certify, when so requested, the fulfillment of tax liability by taxpayers according to law.

7. To settle complaints and denunciations related to tax law enforcement according to their competence.

8. To hand over written conclusions and records of tax examination or inspection to examined or inspected subjects and explain them upon request.

9. To pay damages to taxpayers according to this Law.

10. To carry out verification to determine payable tax amounts of taxpayers upon request of competent state agencies.

Article 9.- Powers of tax administration agencies

1. To request taxpayers to supply information and documents related to the determination of tax liability or on numbers and details of transactions on accounts opened at commercial banks or other credit institutions, and explain the tax calculation, declaration and payment.

2. To request concerned organizations and individuals to supply information and documents relevant to the determination of tax liability and coordinate with tax administration agencies in enforcing tax law.

3. To conduct tax examination and tax inspection.

4. To assess tax liability.

5. To enforce compliance with tax-related administrative decisions.

6. To sanction violations of tax law according to their competence; to publicize on the mass media cases of violation of tax law.

7. To apply preventive measures and ensure the handling of violations of tax law in accordance with law.

8. To authorize other agencies, organizations or individuals to collect some taxes into the state budget according to the Government's regulations.

Article 10.- Responsibilities of the Finance Ministry in tax administration

1. To perform the state administration of taxes according to law.

2. To direct the performance of tax administration according to law.

3. To direct the elaboration and implementation of state budget revenue estimates.

4. To examine and inspect the observance of tax law.

5. To handle violations and settle complaints and denunciations related to the enforcement of tax law according to their competence.

Article 11.- Responsibilities of People's Councils and People's Committees in tax administration

1. People's Councils of all levels shall, within the ambit of their tasks and powers, decide on annual budget revenue collection tasks and oversee the enforcement of tax law.

2. Within the ambit of their tasks and powers, People's Committees of all levels shall:

a/ Direct concerned agencies in their localities to coordinate with tax administration agencies in elaborating state budget revenue estimates and organizing the collection of state budget revenues in their localities;

b/ Supervise the observance of tax law.

c/ Handle violations and settle complaints and denunciations related to the enforcement of tax law according to their competence.

Article 12.- Tax consulting councils in communes, wards or townships

1. Tax consulting councils in communes, wards or townships are set up under decisions of presidents of People's Committees of districts, provincial towns or provincially run cities at the proposal of directors of district Tax Departments that manage taxation in communes, wards or townships.

2. A tax consulting council in a commune, ward or township is composed of:

a/ Representatives of the People's Committee, the Fatherland Front and police of the commune, ward or township;

b/ Representatives of business households and individuals;

c/ Representatives of the district Tax Department that manages taxation in the commune, ward or township.

A tax consulting councils in a commune, ward or township has the president or vice president of commune, ward or township People's Committee as its chairperson.

3. Tax consulting councils in communes, wards or townships shall advice tax offices on tax amounts payable by business households and individuals in their localities, ensuring lawfulness, democracy, publicity, fairness and reasonableness. Advice shall be recorded in writing in minutes of the councils' meetings.

4. The Finance Minister shall specify the operation of tax consulting councils in communes, wards or townships.

Article 13.- Responsibilities of other state agencies in tax administration

1. Other state agencies shall communicate, disseminate and educate about tax law; coordinate with tax administration agencies in tax administration; and create favorable conditions for taxpayers to fulfill their tax liabilities.

2. Investigative bodies, People's Procuracies and People's Courts shall, within the ambit of their respective tasks and powers, institute legal proceedings against, investigate, prosecute and adjudicate in a timely and strict manner tax criminals according to law and notify the progress and results of the settlement of the cases to tax administration agencies.

Article 14.- Responsibilities of the Vietnam Fatherland Front, socio-political-professional organizations, social organizations and socio-professional organizations for participating in tax administration

1. The Vietnam Fatherland Front and its member organizations shall mobilize people and educate their members to strictly observe tax law; and condemn acts of violation of tax law.

2. Socio-political-professional organizations, social organizations and socio-professional organizations shall coordinate with tax administration agencies in propagating, disseminating and educating about tax law among their members.

3. The Vietnam Fatherland Front and its member organizations, socio-political-professional organizations, social organizations and socio-professional organizations shall coordinate with tax

administration agencies in supplying information related to tax administration.

Article 15.- Responsibilities of information and press agencies in tax administration

1. To propagate and disseminate tax policies and law.
2. To praise organizations and individuals that properly observe tax law.
3. To report and condemn acts of violation of tax law.

Article 16.- Responsibilities of other organizations and individuals to participate in tax administration

1. To supply information for the determination of tax liability upon request of tax administration agencies.
2. To join in executing decisions on handling of violations of tax law.
3. To denounce acts of violation of tax law.
4. To request goods sellers or service providers to issue goods sale or service provision invoices and vouchers stating the true qualities, types and paid values of sold goods or provided services.

Article 17.- International cooperation in tax administration

According to their functions and the provisions of law and within the ambit of their vested powers, tax administration agencies shall:

1. Exercise rights, perform obligations and guarantee interests of the Socialist Republic of Vietnam under treaties to which the Socialist Republic of Vietnam is a contracting party;
2. Negotiate, conclude, and organize the implementation of, bilateral agreements with tax authorities of foreign countries;
3. Organize the exploitation and exchange of information and the professional cooperation with tax authorities of foreign countries and relevant international organizations.

Article 18.- Building of the tax administration force

1. The tax administration force shall be built into an uncorrupt and strong force; be equipped with and able to master modern techniques, and operate effectively and efficiently.

2. Criteria for tax administration officers:

a/ Being recruited, trained and employed according to the provisions of law on cadres and public employees;

b/ Having good political quality, performing their duties in compliance with law, being honest, upright and disciplined, working and serving in a civilized, courteous and diligent manner, and seriously complying with job assignment or transfer decisions;

c/ Being professionally qualified; and having profound and professional knowledge to properly perform tax administration tasks.

3. Tax administration officers are strictly prohibited from harassing or causing troubles to taxpayers; colluding with, taking bribes from or covering up tax evaders or fraudsters; illegally using or appropriating collected tax amounts.

Article 19.- Modernization of tax administration

1. Tax administration shall be modernized in terms of management methods, administrative procedures, organizational apparatus, personnel, wide application of information technology and modern techniques on the basis of a database of truthful information on taxpayers in order to control all tax-liable objects and tax calculation bases; ensure prompt and accurate estimation of state budget revenues to be collected; promptly detect and solve problems and violations of tax law; and raise effectiveness and efficiency of tax administration.

2. The State ensures investment in, and encourage organizations and individuals to participate in the development of, advanced technologies and technical equipment to facilitate the application of modern tax administration methods; encourages organizations and individuals to take part in creating and conducting e-transactions and in tax e-administration; to promote the development of payment services via the system of commercial banks and other credit institutions in order to step by step limit cash payments of taxpayers. The Government shall promulgate policies on modernization of tax administration.

Article 20.- Organizations providing services of carrying out tax procedures

1. Organizations providing services of carrying out tax procedures are conditional service-providing enterprises which are established and operate under the Enterprise Law and carry out tax procedures under agreements with taxpayers.

2. Rights of organizations providing services of carrying out tax procedures:

a/ To carry out tax procedures under contracts with taxpayers;

b/ To exercise rights of taxpayers according to this Law and under contracts with taxpayers.

3. Obligations of organizations providing services of carrying out tax procedures:

a/ To notify tax administration agencies that directly manage taxpayers of tax procedure service contracts;

b/ To make tax declaration, payment and finalization, compile dossiers to request tax exemption, reduction or refund, stating specific tax amounts to be exempted, reduced or refunded according to this Law and other relevant provisions of law;

c/ To supply tax administration agencies with documents and vouchers proving the accuracy of taxpayers' tax declaration, payment or finalization or requests for tax exemption, reduction or refund.

d/ To take responsibility before law and taxpayers for performance of tax procedure service contracts;

e/ Not to collude with tax administration officers or taxpayers for the purpose of tax evasion or fraud.

4. Practicing conditions for an organization providing services of carrying out tax procedures:

a/ Having the business line of providing services of carrying out tax procedures indicated in its business registration certificate;

b/ Having at least two employees possessing practice certificates for providing services of carrying out tax procedures.

To be granted practice certificates for providing services of carrying out tax procedures, applicants must possess college or higher

degrees in economics, finance, accounting, audit or law and have worked for two years or more in any of these fields; have full civil act capacity, good ethics, honesty and a good sense of law observance.

The Finance Ministry shall specify the grant and revocation of practice certificates for providing services of carrying out tax procedures and manage the operation of organizations providing services of carrying out tax procedures.

5. Customs agents may exercise rights and obligations of organizations providing services of carrying out tax procedures when carrying out tax procedures for imported goods and exported goods.

Chapter II

TAX REGISTRATION

Article 21.- Tax registrants

1. Business organizations, households and individuals.
2. Individuals who have incomes liable to personal income tax.
3. Organizations and individuals responsible for withholding and paying taxes on taxpayers' behalf.
4. Other organizations and individuals defined by tax law.

Article 22.- Time limit for tax registration

Tax registrants shall make tax registration within ten working days after:

1. They are granted business registration certificates or establishment and operation licenses or investment certificates;
2. They commence their business operation, for organizations not subject to business registration, or households and individuals subject to business registration but having not been granted business registration certificates;
3. The responsibility for withholding and paying taxes on taxpayers' behalf arises;
4. The personal income tax liability arises;

5. A claim for tax refund is made.

Article 23.- Tax registration dossiers

1. For a business organization or individual, a tax registration dossier comprises:

a/ Tax registration form;

b/ Copy of the business registration certificate or establishment and operation license or investment certificate.

2. For an organization or individual not subject to business registration, a tax registration dossier comprises:

a/ Tax registration form;

b/ Copy of the establishment decision or investment decision, for organizations; or copy of the personal identity card or passport, for individuals.

Article 24.- Places for submission of tax registration dossiers

1. Business organizations and individuals shall make tax registration at tax agencies of localities where those organizations' or individuals' head offices are located.

2. Organizations and individuals responsible for withholding and paying taxes on taxpayers' behalf shall make tax registration at tax agencies of localities where those organizations' or individuals' head offices are located.

3. Individuals shall make tax registration at tax agencies of localities where their taxable incomes are generated or where their permanent or temporary residence is registered.

Article 25.- Responsibilities of tax agencies and tax officers for receiving tax registration dossiers

1. If tax registration dossiers are submitted directly to tax agencies, tax officers shall receive and affix the seal of receipt of the dossiers, indicating the time of receipt and the number of documents included in the dossiers.

2. If tax registration dossiers are sent by mail, tax officers shall affix the seal showing the date of receipt of the dossiers and record the receipt of the dossiers in the incoming mail books of tax agencies.

3. If tax registration dossiers are electronically submitted, the receipt, examination and acceptance of tax registration dossiers shall be conducted by tax agencies through electronic data processing systems.

4. When necessary to supplement dossiers, tax agencies shall notify such to taxpayers on the date of dossier receipt, if dossiers are directly submitted, or within three working days, if dossiers are sent by mail or electronically.

Article 26.- Grant of tax registration certificates

1. Tax agencies shall grant tax registration certificates to taxpayers within ten working days after receiving valid tax registration dossiers.

If tax registration certificates are lost or damaged, tax agencies shall re-grant them within five working days after receiving taxpayers' requests for re-grant.

2. A tax registration certificate contains the following information:

a/ Taxpayer's name;

b/ Tax identification number;

c/ Serial number and date (day, month, year) of the business registration certificate, the establishment and operation license or the investment certificate, for business organizations or individuals;

d/ Serial number and date (day, month, year) of the establishment decision, for non-business organizations, or of the personal identity card or passport, for non-business individuals;

e/ Name of the tax agency directly managing the taxpayer;

f/ Date of grant of the tax registration certificate.

3. The lending, erasure, destruction and forgery of tax registration certificates are strictly prohibited.

Article 27.- Changes in tax registration information

1. When there is any change in the information in the submitted tax registration dossiers, taxpayers shall notify it to tax agencies within ten working days after that change is made.

2. The Government shall specify the tax registration in cases of change in information in tax registration dossiers.

Article 28.- Use of tax identification numbers

1. Taxpayers shall write their granted tax identification numbers on all invoices, vouchers and documents when conducting business transactions; when making tax declaration, tax payment, tax refund and other tax-related transactions; when opening their deposit accounts at commercial banks or other credit institutions.

2. Tax administration agencies and the State Treasury shall use tax identification numbers in the administration and collection of taxes into the state budget.

Commercial banks and other credit institutions shall write tax identification numbers in taxpayers' dossiers of application for opening of accounts and on vouchers of transactions on these accounts.

3. The use by taxpayers of other taxpayers' tax identification numbers is strictly prohibited.

Article 29.- Invalidation of tax identification numbers

1. Tax identification numbers are invalidated in the following cases:

a/ Business organizations or individuals terminate their operation;

b/ Individuals are dead or missing, or lose their civil act capacity according to the provisions of law.

2. In case of invalidation of tax identification numbers, organizations, individuals, or taxpayers' representatives at law shall notify such to tax agencies directly managing them for completion of procedures for invalidation of tax identification numbers and public announcement of such invalidation.

3. Tax agencies shall publicly announce the invalidation of tax identification numbers. Tax identification numbers may not be used in economic transactions from the date tax agencies publicly announce the invalidation thereof.

Chapter III

TAX DECLARATION, TAX CALCULATION

Article 30.- Principles of tax declaration and calculation

1. Taxpayers shall accurately, honestly and fully fill in their tax returns set by the Ministry of Finance, and submit all required vouchers and documents in tax declaration dossiers to tax administration agencies.

2. Taxpayers shall calculate by themselves payable tax amounts, except when the tax calculation is conducted by tax administration agencies according to the Government's regulations.

Article 31.- Tax declaration dossiers

1. For taxes which are declared and paid on a monthly basis, a tax declaration dossier comprises:

- a/ Monthly tax return;
- b/ List of invoices for goods and services sold;
- c/ List of invoices for goods and services purchased;
- d/ Other documents related to the payable tax amount.

2. For taxes calculated on an annual basis, a tax declaration dossier comprises:

a/ Annual tax declaration documents, including the annual tax return and other documents relevant to the determination of the payable tax amount;

b/ Quarterly declaration documents for the temporarily calculated tax amount, including the temporarily calculated tax return and other documents relevant to the determination of the temporarily calculated tax amount;

c/ Year-end tax finalization declaration documents, including the tax return for annual finalization, the annual financial statement and other documents relevant to tax finalization.

3. For taxes which are declared and paid for each time of arising of tax liability, a tax declaration dossier comprises:

- a/ Tax return;

b/ Invoices, contracts and other vouchers relevant to the tax liability according to the provisions of law.

4. For imported goods and exported goods, customs dossiers may be used as tax declaration dossiers.

5. For the case of termination of operation, termination of contract, transformation of corporate ownership or corporate reorganization, a tax declaration dossier comprises:

a/ Declaration for tax finalization;

b/ Financial statement as of the time of termination of operation or contract, transformation of corporate ownership or corporate reorganization;

c/ Other documents relevant to tax finalization.

6. The Government shall stipulate taxes subject to monthly or annual declaration, declaration for quarterly temporary calculation or declaration for each time of arising of tax liability, declaration for tax finalization, and tax declaration dossiers for each particular case.

Article 32.- Deadlines and places for submission of tax declaration dossiers

1. For taxes which are declared and paid on a monthly basis, the deadline for submitting tax declaration dossiers is the twentieth day of the month following the month in which the tax liability arises.

2. For taxes with annual taxation periods:

a/ For annual tax declaration dossiers, the submission deadline is the thirtieth day of the first month of the calendar year or the fiscal year;

b/ For quarterly declaration dossiers for temporarily calculated taxes, the submission deadline is the thirtieth day of the quarter following the quarter in which the tax liability arises;

c/ For annual tax finalization dossiers, the submission deadline is the ninetieth day from the end of the calendar year or the fiscal year.

3. For taxes which are declared and paid for each time of arising of tax liability, the deadline for submitting tax declaration dossiers is the tenth day from the date the tax liability arises.

4. For imported goods and exported goods, the deadline for submitting tax declaration dossiers is that for submitting customs declarations:

a/ For imported goods, tax declaration dossiers shall be submitted before the goods arrive at the border gate or within thirty days after the goods arrive at the border gate. Customs declarations are valid for carrying out tax procedures within fifteen days from the date of registration;

b/ For exported goods, tax declaration dossiers shall be submitted at least eight hours before the means of transport leave the country. Customs declarations are valid for carrying out tax procedures within fifteen days from the date of registration;

c/ For dutiable accompanying luggage of persons on entry or exit, customs declarations shall be submitted upon the arrival of means of transport at the border gate, or before carriers complete the procedures for embarkation of passengers onto means of transport on exit. Luggage sent before or after the trips of persons on entry is subject to the provisions of Point a of this Clause.

5. For the termination of operation or contracts, transformation of corporate ownership or corporate reorganization, the deadline for submitting tax declaration dossiers is the forty fifth day from the date of termination of operation or contracts, transformation of corporate ownership or corporate reorganization.

6. The Government shall specify places for submission of tax declaration dossiers for each particular case.

Article 33.- Prolongation of time limit for submitting tax declaration dossiers

1. Taxpayers who are unable to submit their tax declaration dossiers on time due to natural disasters, fires or accidents will enjoy a prolongation of the time limit for submission of tax declaration dossiers given by heads of tax agencies directly managing them.

2. The prolongation does not exceed thirty days for the submission of dossiers of monthly or annual tax declaration, temporarily calculated tax declaration or tax declaration for each time of arising of tax liability; or sixty days for the submission of dossiers

of declaration for tax finalization, from the original deadline for submission of tax declaration dossiers.

3. Taxpayers shall send written requests for prolongation of the time limit for submission of tax declaration dossiers to tax agencies before the submission deadline, clearly stating the reasons for the prolongation requests certified by People's Committees or police offices of communes, wards or townships where the events specified in Clause 1 of this Article occurred.

4. Within five working days after receiving written requests for prolongation of the time limit for submission of tax declaration dossiers, tax agencies shall reply in writing to taxpayers on whether they approve the prolongation.

Article 34.- Making additional declarations in tax declaration dossiers

1. Before tax agencies announce tax examination or tax inspection decisions at offices of taxpayers, if taxpayers detect errors in the submitted tax declaration dossiers which affect their payable tax amounts, they may make additional declarations in their tax declaration dossiers.

2. For imported goods and exported goods, additional declaration in tax declaration dossiers may be made in the following cases:

a/ Before customs offices inspect goods or decide to waive this inspection, persons who made customs declarations detect errors in the submitted tax declaration dossiers;

b/ Taxpayers detect by themselves errors which affect their payable tax amounts within sixty days after they register customs declarations but before customs offices conduct tax examination or tax inspection at the offices of taxpayers.

Article 35.- Responsibilities of tax administration agencies and tax administration officers in receiving tax declaration dossiers

1. If tax declaration dossiers are submitted directly at tax agencies, tax officers shall receive and affix the seal of receipt of the dossiers, indicating the time of receipt and the number of documents included in the dossiers.

If tax declaration dossiers for imported goods or exported goods are submitted directly at customs agencies, customs officers shall receive, check and register those dossiers; if refusing to register dossiers, customs officers shall promptly notify taxpayers of reasons for refusal.

2. If tax declaration dossiers are sent by mail, tax officers shall affix the seal showing the date of receipt of the dossiers and record the receipt of the dossiers in the incoming mail books of tax agencies.

3. If tax declaration dossiers are electronically submitted, the receipt, checking and acceptance thereof shall be conducted by tax administration agencies through electronic data processing systems.

4. If tax declaration dossiers are incomplete according to regulations, tax agencies shall, within three working days after receiving those dossiers, notify in writing to taxpayers for completion thereof.

Chapter IV

TAX ASSESSMENT

Article 36.- Principles for tax assessment

1. Tax assessment shall be made in an objective and fair manner and in compliance with tax law.

2. Tax administration agencies shall determine payable tax amounts or each factor related to the determination of payable tax amounts.

Article 37.- Tax assessment for taxpayers that pay taxes by the declaration method in case of violation of tax law

1. Taxpayers that pay taxes by the declaration method are subject to tax assessment in the following cases:

a/ They fail to make tax registration;

b/ They fail to submit their tax declaration dossiers; or submit their dossiers ten days after the deadline for submission of tax declaration dossiers or the date of expiration of the prolonged time limit for submission of tax declaration dossiers;

c/ They fail to make tax declaration, or fail to submit additional tax dossiers upon request of tax agencies, or they declare tax bases inaccurately, dishonestly and inadequately;

d/ They fail to record or inadequately, untruthfully and inaccurately record figures in accounting books for determining the tax liability;

e/ They fail to produce accounting books, invoices, vouchers and other necessary documents related to the determination of payable tax amounts within the set time limit;

f/ They purchase, sell, exchange, and account values of, goods or services not in accordance with common transaction values in the market;

g/ There are signs that they flee away or disperse their assets in order to shirk their tax liability.

2. Bases for tax assessment include:

a/ Databases of tax agencies;

b/ Payable tax amounts of business establishments dealing in the same goods item, business line, profession, or of the same business scale, for comparison purposes;

c/ Valid documents and conclusions of examination or inspection.

3. Tax assessment for imported goods and exported goods is defined in Article 39 of this Law.

Article 38.- Tax assessment for business households and individuals that pay taxes by the tax presumption method

1. Tax agencies shall assess tax amounts by the tax presumption method (hereinafter referred to as presumptive tax amounts) for the following cases:

a/ Business households and individuals that fail to implement or inadequately implement the accounting, invoice and voucher regulations;

b/ Business households and individuals without business registrations and tax registrations.

2. Tax agencies shall determine presumptive tax amounts on the basis of written declarations of business households and individuals, databases of tax agencies and opinions of tax consulting councils of communes, wards or townships.

3. Presumptive tax amounts are calculated according to the calendar year and shall be publicized in communes, wards or townships. In case of change of their business lines, sectors or business scale, taxpayers shall declare such change to tax agencies for adjustment of presumptive tax amounts.

4. The Ministry of Finance shall guide in detail the determination of presumptive tax amounts for business households and individuals.

Article 39.- Tax assessment for imported goods and exported goods

1. Customs offices shall assess taxes on imported goods and exported goods in the following cases:

a/ Taxpayers use unlawful documents to declare tax bases, calculate and declare their payable tax amounts; fail to declare or declare inadequately and inaccurately tax bases to serve the tax calculation;

b/ Taxpayers refuse, delay or prolong beyond the set time limit the supply of relevant documents to customs offices for the accurate calculation of payable tax amounts;

c/ Customs offices have sufficient evidence that the declared values are not true to the actual transaction values;

d/ Taxpayers are unable to calculate by themselves their payable tax amounts.

2. Customs offices shall determine payable tax amounts on the basis of the actual state of imported goods or exported goods; tax bases and methods; and other relevant documents and information.

Article 40.- Responsibility of tax administration agencies in tax assessment

1. Tax administration agencies shall notify in writing taxpayers of reasons for tax assessment, bases for tax assessment, assessed tax amounts and the time limit for tax payment.

2. If tax amounts assessed by tax administration agencies are larger than payable tax amounts, tax administration agencies shall refund overpaid tax amounts and pay damages under complaint settlement decisions of competent state agencies or court judgments or rulings.

Article 41.- Responsibility of taxpayers to pay assessed tax amounts

Taxpayers shall pay the assessed tax amounts according to notices of tax administration agencies. If disagreeing with tax amounts assessed by tax administration agencies, taxpayers shall pay those tax amounts but can request tax administration agencies to explain or lodge complaints or initiate lawsuits about the tax assessment.

Chapter V

TAX PAYMENT

Article 42.- Time limit for tax payment

1. If taxpayers conduct tax calculation, the deadline for tax payment is the last day of the time limit for submission of tax declaration dossiers.

2. If tax administration agencies conduct tax calculation or tax assessment, the time limit for tax payment is stated in notices of tax administration agencies.

3. The time limit for tax payment for imported goods and exported goods is as follows:

a/ Thirty days from the date of registration of customs declarations, for exported goods;

b/ For imported consumer goods, taxes shall be fully paid before receipt of the goods; in case payable tax amounts are guaranteed the time limit for tax payment is thirty days from the date of registration of customs declarations;

c/ For imported supplies and raw materials for manufacture of goods for export, the time limit is two hundred and seventy five days from the date of registration of customs declarations; in special cases,

the time limit for tax payment may be longer than two hundred and seventy five days so as to suit the enterprises' cycle of production and stockpiling of supplies and raw materials according to the Government's regulations;

d/ For goods traded by mode of temporary import for re-export or temporary export for re-import, the time limit is fifteen days from the expiration of the time limit for temporary import for re-export or temporary export for re-import;

e/ For other goods, the time limit is thirty days from the date of registration of customs declarations;

f/ If imported goods or exported goods are temporarily seized pending the handling by customs offices or competent state agencies, the time limit for tax payment specified at Points a, b, c, d and e of this Clause shall be counted from the date of issuance of handling decisions.

4. To enjoy the time limit for tax payment specified at Points c, d and e, Clause 3 of this Article, taxpayers must satisfy either of the following two conditions:

a/ Having conducted import or export activities for at least three hundred and sixty five days up to the date of registration of customs declarations without committing acts of trade fraud, tax evasion, owing overdue tax or fines, and having strictly observed the financial statement regulations in accordance with law;

b/ Having their tax payment obligation guaranteed by credit institutions or other organizations operating under the Law on Credit Institutions.

If failing to satisfy either of the above conditions, taxpayers shall pay taxes before receiving goods.

5. If taxpayers are provided guarantees for payable tax amounts by credit institutions or other organizations operating under the Law on Credit Institutions, the time limit for tax payment is the guarantee duration which must not exceed the tax payment time limit specified in Clauses 1, 2 and 3 of this Article. Upon the expiration of the guarantee duration or the tax payment time limit, if taxpayers still fail to pay taxes, guaranteeing organizations shall pay tax amounts and fines for late payment on behalf of taxpayers.

Article 43.- Currency for tax payment

Currency for tax payment is Vietnam dong, except for cases of tax payment in foreign currencies according to the Government's regulations.

Article 44.- Places and modes of tax payment

1. Taxpayers shall pay taxes into the state budget:

a/ At the State Treasury;

b/ At tax administration agencies where tax declaration dossiers are submitted;

c/ Through organizations authorized by tax administration agencies to collect taxes;

d/ Through commercial banks, other credit institutions and service organizations defined by law;

2. The State Treasury shall arrange places, facilities and personnel to collect taxes to facilitate the timely tax payment by taxpayers into the state budget.

3. When receiving or withholding tax amounts, agencies and organizations shall issue to taxpayers tax receipts.

4. Within eight working hours after collecting tax amounts from taxpayers, agencies and organizations that receive tax amounts shall transfer those amounts into the state budget.

For taxes that are collected in cash in deep-lying or remote areas, islands and areas difficult to access, the time limit for transferring collected tax amounts into the state budget shall be specified the Ministry of Finance.

Article 45.- Order of paying taxes and fines

If a taxpayer concurrently has tax arrears, tax amount subject to retrospective collection, amount of tax due and fine, the payment of these amounts shall be made in the following order:

1. Tax arrears;

2. Tax amount subject to retrospective collection;

3. Amount of tax due;

4. Fine.

Article 46.- Determination of tax payment date

The tax payment date is determined to be the date on which:

1. The State Treasury, commercial banks, other credit institutions or service organizations give certification on tax payment vouchers of taxpayers, in case of tax payment by account transfer;

2. The State Treasury, tax administration agencies or tax-collecting organizations authorized by tax administration agencies issue tax receipts, in case of tax payment in cash.

Article 47.- Handling of overpaid tax amounts

1. Taxpayers who have paid tax amounts larger than payable tax amounts for a certain kind of tax may have the overpaid amounts cleared against subsequent payable tax amounts or refunded.

2. If taxpayers request refund of overpaid tax amounts, tax administration agencies shall issue decisions on refund of overpaid tax amounts within five working days after receiving written requests.

Article 48.- Tax payment in the course of settlement of complaints or institution of lawsuits

1. In the course of settlement of complaints or institution of lawsuits of taxpayers about tax amounts calculated or assessed by tax administration agencies, taxpayers shall fully pay these tax amounts, unless competent state agencies decide to temporarily suspend the execution of tax calculation or tax assessment decisions of tax administration agencies.

2. If the paid tax amounts are larger than tax amounts determined under complaint settlement decisions of competent agencies or court judgments or rulings, taxpayers will be refunded the overpaid tax amounts together with interests thereon.

Article 49.- Prolongation of the tax payment time limit

1. Prolongation of the tax payment time limit shall be considered upon request of taxpayers who fall into one of the following cases:

a/ They suffer from material damage caused by or their production or business is directly affected by natural disasters, fires or accidents;

b/ They are unable to pay taxes on time due to other exceptional difficulties according to the Government's regulations.

2. Taxpayers entitled to prolongation of tax payment time limits under the provisions of Clause 1 of this Article will enjoy prolonged time limits for payment of part or the whole of payable tax amounts.

3. The tax payment time limit may be prolonged for no more than two years as from the date of its expiration specified in Article 42 of this Law.

The Government shall specify the prolonged duration of the tax payment time limit for each specific case.

4. No late payment fines shall be imposed on taxpayers for unpaid tax amounts within the prolonged tax payment time limit.

Article 50.- Competence to prolong the tax payment time limit

Heads of tax administration agencies that directly manage taxpayers shall, on the basis of dossiers for tax payment time limit prolongation, decide on tax amounts for which the payment time limit is prolonged and the prolonged duration.

Article 51.- Dossiers for tax payment time limit prolongation

1. Taxpayers entitled to tax payment time limit prolongation as defined in Article 49 of this Law shall compile and send tax payment time limit prolongation dossiers to tax administration agencies directly managing them.

2. A tax payment time limit prolongation dossier comprises:

a/ Written request for tax payment time limit prolongation, clearly stating the reason, tax amount and proposed payment time;

b/ Documents proving the reason for prolongation;

c/ Report on the payable tax amount arising in the period and the outstanding tax amount.

Article 52.- Receipt and processing of tax payment time limit prolongation dossiers

1. If tax payment time limit prolongation dossiers are submitted directly to tax administration agencies, tax administration officers shall receive and affix the seal of receipt of the dossiers, indicating the date of receipt and the number of documents included in the dossiers.

2. If tax payment time limit prolongation dossiers are sent by mail, tax administration officers shall affix the seal of receipt, indicating the date of receipt and record the receipt of dossiers in the incoming mail books of tax administration agencies.

3. If tax payment time limit prolongation dossiers are electronically submitted, the receipt, examination and acceptance thereof shall be conducted by tax administration agencies through electronic data processing systems.

4. Tax administration agencies shall notify in writing taxpayers of their permission for tax payment time limit prolongation within ten working days after receiving complete dossiers.

If tax payment time limit prolongation dossiers are incomplete according to regulations, tax administration agencies shall, within three working days after receiving those dossiers, notify such in writing to taxpayers for completion of their dossiers. Taxpayers shall complete their dossiers within five working days after receiving tax administration agencies' notices requesting dossier supplementation. If taxpayers fail to complete their dossiers upon request of tax administration agencies, they will not be entitled to tax payment time limit prolongation under the provisions of this Clause.

Chapter VI

RESPONSIBILITIES TO FULFILL THE TAX PAYMENT OBLIGATION

Article 53.- Fulfillment of the tax payment obligation by persons on exit

Vietnamese who leave the country for overseas permanent residence, and overseas Vietnamese and foreigners on exit from Vietnam shall fulfill the tax payment obligation before their exit. The entry and exit management agency shall stop the exit of individuals who fail to fulfill the tax payment obligation according to notices of tax administration agencies.

Article 54.- Fulfillment of the tax payment obligation in case of dissolution, bankruptcy or termination of operation

1. Dissolved enterprises shall fulfill the tax payment obligation in accordance with the provisions of the Enterprise Law.

2. Bankrupt enterprises shall fulfill the tax payment obligation in accordance with the order and procedures specified by the Bankruptcy Law.

3. If enterprises that terminate their operation fail to fulfill the tax payment obligation, their tax arrears shall be paid by their owners.

4. If households or individuals that terminate their operation fail to fulfill the tax payment obligation, their tax arrears shall be paid by heads of those households or those individuals.

Article 55.- Fulfillment of the tax payment obligation by reorganized enterprises

1. To-be-divided enterprises shall fulfill the tax payment obligation before the division. If a divided enterprise fails to fulfill the tax payment obligation, enterprises newly founded on the basis of the divided enterprise shall fulfill the tax payment obligation.

2. To-be-split, to-be-consolidated or to-be-merged enterprises shall fulfill the tax payment obligation before the splitting, consolidation or merger. If they fail to fulfill tax payment obligation, the split enterprises and enterprises newly founded on the basis of the split enterprises, consolidating enterprises or merging enterprises shall fulfill the tax payment obligation.

3. Enterprises subject to ownership transformation shall fulfill the tax payment obligation before the transformation. If the transformed enterprises fail to fulfill the tax payment obligation, enterprises newly founded on the basis of the transformed enterprises shall fulfill the tax payment obligation.

4. The reorganization of enterprises does not change the time limit for tax payment by reorganized enterprises. If reorganized enterprises or newly founded enterprises fail to fully pay taxes within the set tax payment time limit, they shall be sanctioned according to the provisions of law.

Article 56.- Inheritance of the tax payment obligation of individuals who are dead, have lost their civil act capacity or are missing according to the civil law

1. The tax payment obligation of persons who are treated by law as dead shall be fulfilled by their heirs with the property left by the dead or property portions divided to those heirs at the time of inheritance acceptance. In case of no heirs or in case all heirs renounce the inheritance property, the tax payment obligation of the deceased shall be fulfilled in accordance with the civil law.

2. The tax payment obligation of persons who are missing or have lost their civil act capacity according to the provisions of law shall be fulfilled by managers of property of those persons with their property portions.

3. When a competent state agency cancels a decision on declaration of a person as dead, missing or having lost his/her civil act capacity, his/her tax arrear amount already written off under the provisions of Article 65 of this Law shall be restored and no fine will be imposed for delayed payment for the duration he/she is regarded as dead, missing or having lost the civil act capacity.

Chapter VII

PROCEDURES FOR TAX REFUND

Article 57.- Cases eligible for tax refund

Tax administration agencies shall make tax refund for:

1. Organizations and individuals eligible for value added tax refund under the Value Added Tax Law;

2. Organizations and individuals eligible for import duty or export duty refund under the Export Duty and Import Duty Law;

3. Individuals eligible for personal income tax refund under the law on personal income tax;

4. Business organizations and individuals eligible for special consumption tax refund under the Special Consumption Tax;

5. Organizations and individuals that have paid other taxes into the state budget in excess of their payable tax amounts.

Article 58.- Tax refund dossiers

1. A tax refund dossier comprises:

a/ Written claim for tax refund;

b/ Tax payment vouchers;

c/ Other documents related to the tax refund claim.

2. Tax refund dossiers shall be submitted to tax administration agencies directly managing taxpayers or to customs offices competent to make tax refund.

Article 59.- Responsibilities of tax administration agencies and tax administration officers for receipt of tax refund dossiers

1. If tax refund dossiers are submitted directly to tax administration agencies, tax administration officers shall receive and affix the seal of receipt, indicating the date of receipt and the number of documents included in the dossiers.

2. If tax refund dossiers are sent by mail, tax administration officers shall affix the seal indicating the date of dossier receipt and record the receipt of the dossiers in the incoming mail books of tax administration agencies.

3. If tax refund dossiers are electrically submitted, the receipt, examination and acceptance thereof shall be conducted by tax administration agencies through electronic data processing systems.

4. If tax refund dossiers are incomplete, tax administration agencies shall, within three working days after receiving dossiers, notify such to taxpayers for completion of their dossiers.

Article 60.- Responsibilities of tax administration agencies for processing of tax refund dossiers

1. Tax refund dossiers shall be classified as follows:

a/ Dossiers eligible for tax refund before examination are those of taxpayers who have properly observed tax law and have their transactions paid for via commercial banks or other credit institutions.

The Government shall specify the classification of dossiers eligible for tax refund before examination;

b/ Dossiers not specified at Point a of this Clause shall be examined before tax refund is made.

2. For dossiers eligible for tax refund before examination, tax administration agencies shall, within fifteen days after receiving complete tax refund dossiers, decide on tax refund, notify that dossiers shall be examined before tax refund or notify the reason(s) for refusal of tax refund.

3. For dossiers that are examined before tax refund, tax administration agencies shall, within sixty days after receiving complete tax refund dossiers, decide on tax refund or notify the reason(s) for refusal of tax refund.

4. If tax administration agencies issue tax refund decisions after the time limit specified in Clauses 2 and 3 of this Article due to their fault, they shall, apart from refunding tax amounts, pay interests thereon according to the Government's regulations.

Chapter VIII

PROCEDURES FOR TAX EXEMPTION OR REDUCTION; REMISSION OF TAX ARREARS OR FINES

Section 1. PROCEDURES FOR TAX EXEMPTION OR REDUCTION

Article 61.- Tax exemption or reduction

Tax administration agencies shall give tax exemption or reduction to cases eligible for tax exemption or reduction defined in legal documents on tax.

Article 62.- Tax exemption or reduction dossiers

1. In case taxpayers determine by themselves tax amounts to be exempted or reduced, a tax exemption or reduction dossier comprises:

a/ Tax return;

b/ Documents related to the determination of the tax amount to be exempted or reduced.

2. In case tax administration agencies decide on tax exemption or reduction, a tax exemption or reduction dossier comprises:

a/ Written request for tax exemption or reduction, clearly stating the tax the exemption or reduction of which is requested; reasons for tax exemption or reduction; and the tax amount proposed to be exempted or reduced;

b/ Documents related to the determination of the tax amount to be exempted or reduced.

3. The Government shall specify cases where taxpayers determine by themselves tax amounts to be exempted or reduced; and cases where tax administration agencies decide on tax exemption or reduction.

Article 63.- Submission and receipt of tax exemption or reduction dossiers

1. If taxpayers determine by themselves tax amounts to be exempted or reduced, the submission and receipt of tax exemption or reduction dossiers shall be conducted simultaneously with the tax declaration, submission and receipt of tax declaration dossiers defined in Chapter III of this Law.

2. If tax administration agencies decide on tax exemption or reduction according to the provisions of law, the submission and receipt of tax exemption or reduction dossiers are specified as follows:

a/ For export duty, import duty and other taxes on exports and imports, dossiers shall be submitted to customs offices with processing competence;

b/ For other taxes, dossiers shall be submitted to tax agencies directly managing taxpayers.

3. The receipt of tax exemption or reduction dossiers is specified as follows:

a/ If tax exemption or reduction dossiers are submitted directly to tax administration agencies, tax administration officers shall receive and affix the seal of receipt of the dossiers, indicating the date of receipt and the number of documents included in the dossiers;

b/ If tax exemption or reduction dossiers are submitted by mail, tax administration agencies shall affix the seal of receipt, indicating the date of receipt and record the receipt of the dossiers in their incoming mail books;

c/ If tax exemption or reduction dossiers are electronically submitted, the receipt, examination and acceptance of those dossiers shall be conducted by tax administration agencies through electronic data processing systems;

d/ If tax exemption or reduction dossiers are incomplete according to regulations, tax administration agencies shall, within three working days after receiving those dossiers, notify such to taxpayers for completion of their dossiers.

Article 64.- Time limit for handling tax exemption or reduction dossiers for cases where tax administration agencies decide on tax amounts to be exempted or reduced

1. Within thirty days after receiving complete dossiers, tax administration agencies shall issue decisions on tax exemption or tax reduction or notify taxpayers of reasons for their ineligibility for tax exemption or reduction.

2. When necessary to conduct inspection to obtain sufficient grounds for handling dossiers, the time limit for issuing decisions on tax exemption or reduction is sixty days from the date of receipt of complete dossiers.

Section 2. REMISSION OF TAX ARREARS OR FINES

Article 65.- Cases eligible for remission of tax arrears or fines

1. Enterprises that have been declared bankrupt and made payments according to the bankruptcy law and therefore have no assets to pay taxes or fines.

2. Individuals who are deemed by law as dead, missing or having lost their civil act capacity and have no asset to pay tax arrears or fines.

Article 66.- Dossiers for tax arrear or fine remission

A tax arrear or fine remission dossier comprises:

1. Written request for tax arrear or fine remission, made by the tax administration agency directly managing the taxpayer eligible for tax arrear or fine remission;

2. Declaration for tax finalization, for enterprises declared bankrupt;

3. Documents related to the request for tax arrear or fine remission.

Article 67.- Competence to remit tax arrears or fines

1. The Finance Minister remits tax arrears or fines for the cases specified in Article 65 of this Law.

2. The Finance Minister shall report to the National Assembly on annually remitted tax and fine amounts when the Government submits to the National Assembly for approval the general settlement of the state budget.

Article 68.- Responsibilities for receipt and handling of tax arrear or fine remission dossiers

1. Tax administration agencies directly managing taxpayers shall compile and send tax arrear or fine remission dossiers to superior tax administration agencies.

2. If tax arrear or fine remission dossiers are incomplete, superior tax administration agencies shall, within fifteen working days after receiving the dossiers, notify such to the tax administration agencies that have compiled those dossiers for completion thereof.

3. Within sixty days after receiving complete tax arrear or fine remission dossiers, competent persons shall issue decisions on debt remission or notify that the cases are ineligible for tax arrear or fine remission.

Chapter IX

INFORMATION ON TAXPAYERS

Article 69.- System of information on taxpayers

1. The system of information on taxpayers consists of information and documents related to the tax liability of taxpayers.

2. Information on taxpayers serves as a basis for tax administration, appraisal of the degree of law observance by taxpayers, and prevention and detection of tax law violations.

3. Acts of falsifying, misusing, illegally accessing information on taxpayers or destroying the system of information on taxpayers are strictly prohibited.

Article 70.- Building and management of the system of information on taxpayers and collection and processing of information on taxpayers

1. Tax administration agencies shall organize the building, management and development of database and technical infrastructure of the system of information on taxpayers; organize specialized units in charge of collecting and processing information, managing the database and ensuring the maintenance and operation of the system of information on taxpayers.

2. Tax administration agencies shall apply necessary professional measures to collect and process information to meet objectives and requirements of each period.

3. Tax administration agencies shall coordinate with concerned agencies, organizations and individuals in exchanging information and setting up online connection.

4. The Finance Ministry shall issue specific regulations on the building and management of the system of information on taxpayers and collection and processing of information on taxpayers.

Article 71.- Responsibilities of taxpayers in supplying information

1. To supply sufficient information in tax dossiers.

2. To supply information related to the determination of the tax liability upon request of tax administration agencies.

3. To supply information to tax administration agencies in an adequate, accurate, truthful and timely manner.

Article 72.- Responsibilities of concerned organizations and individuals in supplying information on taxpayers

1. The following agencies shall supply information on taxpayers to tax administration agencies:

a/ Agencies granting business registration certificates and agencies granting establishment and operation licenses shall supply information on contents of business registration certificates, establishment and operation licenses or certificates of changes in business registration of organizations and individuals to tax administration agencies within seven working days after granting those certificates or licenses; and supply other information upon request of tax administration agencies;

b/ The State Treasury shall supply information on paid or refunded tax amounts of taxpayers to tax administration agencies.

2. The following agencies shall supply information upon request of tax administration agencies:

a/ Commercial banks and other credit institutions shall supply information on contents of account transactions of taxpayers within ten working days after receiving information requests of tax administration agencies;

b/ State management agencies in charge of houses and land shall supply information on the actual land use or house ownership of organizations, households and individuals;

c/ Police offices shall supply and exchange information related to the prevention and combat of tax-related crimes; supply information on individuals on exit or entry and information on vehicle registration and management;

d/ Income-paying agencies shall supply information on payment of incomes and withheld tax amounts of taxpayers upon request of tax administration agencies;

e/ Trade administration agencies shall supply information on policies on control of exported, imported or transited goods of Vietnam and foreign countries; and information on market supervision.

3. State agencies, other organizations and individuals shall supply information on taxpayers upon request of tax administration agencies.

4. Information shall be supplied or exchanged in written or electronic form.

5. The Government shall issue detailed regulations on the supply and management of information on taxpayers.

Article 73.- Confidentiality of information on taxpayers

1. Tax administration agencies, tax administration officers, former tax administration officers and organizations providing services of carrying out tax procedures shall keep confidential information on taxpayers according to law, except for the cases specified in Clause 2 of this Article.

2. Tax administration agencies shall supply information on taxpayers to the following agencies:

a/ Investigative bodies, Procuracies, Courts;

b/ State inspection and audit agencies;

c/ Other state management agencies defined by law;

d/ Foreign tax authorities, in accordance with tax treaties to which the Socialist Republic of Vietnam is a contracting party.

Article 74.- Disclosure of information on tax law violations

Tax administration agencies may disclose information on tax law violations of taxpayers on the mass media in the following cases:

1. Taxpayers evade taxes, commit tax frauds, or intentionally delay tax payment;

2. Taxpayers commit tax law violations, thus affecting benefits and tax payment obligations of other organizations and individuals;

3. Taxpayers fail to satisfy requests of tax administration agencies according to law.

Chapter X

TAX EXAMINATION, TAX INSPECTION

Section 1. GENERAL PROVISIONS ON TAX EXAMINATION
AND
TAX INSPECTION

Article 75.- Principles for tax examination and tax inspection

1. Tax examination and tax inspection shall be conducted on the basis of analysis of information and data on taxpayers, assessment of law observance of taxpayers, verification and collection of proofs to identify acts of tax law violation.

2. Tax examination and tax inspection may not obstruct normal operation of agencies, organizations and individuals being taxpayers.

3. Tax examination and tax inspection must comply with the provisions of this Law and other relevant laws.

Article 76.- Processing of tax examination and tax inspection results

1. Based on tax examination and tax inspection results, heads of tax administration agencies shall issue decisions on tax handling, sanctioning of administrative violations according to their competence or request competent persons to issue decisions on sanctioning of administrative violations in the tax domain.

2. If, through tax examination and tax inspection, an act of tax evasion showing criminal signs is detected, tax administration agencies shall, within ten working days after the detection, transfer the dossier thereof to a competent agency for investigation according to the criminal procedure law. Tax administration agencies shall coordinate with investigative bodies in investigating into tax-related crimes according to law.

Section 2. TAX EXAMINATION

Article 77.- Tax examination at offices of tax administration agencies

1. Tax examination at offices of tax administration agencies shall be conducted on a regular basis on tax dossiers in order to assess

the completeness and accuracy of information and vouchers in tax dossiers, and compliance with tax law by taxpayers.

2. When checking tax dossiers, tax administration officers shall compare the contents of tax dossiers with relevant information and documents, legal provisions on tax, and results of the actual checking of exports and imports when necessary.

3. Processing of tax examination results is specified as follows:

a/ If a violation which leads to tax underpayment, tax evasion or tax fraud is detected through tax examination in the course of carrying out customs procedures, taxpayers shall pay sufficient tax amounts and be imposed fines according to the provisions of this Law and other relevant laws.

b/ If tax dossiers have unclear contents related to payable, exempted, reduced or refunded tax amounts, tax administration agencies shall notify and request taxpayers to explain them or supplement information and documents. If taxpayers are able to explain unclear contents and supplement information and documents to prove the accuracy of the declared tax amounts, then their tax dossiers are accepted. If the explanations and supplemented documents cannot prove the accuracy of the declared tax amounts, tax administration agencies shall request taxpayers to make supplementary declarations.

c/ Upon the expiration of the time limit notified by tax administration agencies, if taxpayers fail to explain unclear contents or supplement information and documents or make supplementary declarations in their tax dossiers, or improperly explain unclear contents or improperly make supplementary declarations in their tax dossiers, heads of tax administration agencies directly managing taxpayers shall assess payable tax amounts or issue decisions on tax examination at offices of taxpayers.

d/ For exported goods or imported goods after customs clearance, if customs offices detect that their tax dossiers have unclear contents related to tax liability or exempted, reduced or refunded tax amounts, customs offices shall request taxpayers to explain those contents or supplement information and documents. If taxpayers are able to explain unclear contents and supplement information and

documents to prove the accuracy of the declared tax amounts, then their tax dossiers are accepted. If taxpayers fail to prove the accuracy of the declared tax amounts or upon the expiration of the set time limit they fail to explain unclear contents, heads of customs offices shall assess payable tax amounts or issue decisions on tax examination at offices of taxpayers.

e/ Tax examination decisions shall be sent to taxpayers within three working days from the date of their signing. Within five working days after receiving tax examination decisions, if taxpayers can prove the accuracy of their declared tax amounts or fully pay payable tax amounts, tax administration agencies shall cancel the tax examination decisions.

Article 78.- Tax examination at offices of taxpayers

1. Cases of tax examination at offices of taxpayers:

a/ Cases specified at Points c and d, Clause 3, Article 77 of this Law;

b/ Cases of post-customs clearance examination, including planned examination and sample examination, to assess the tax law observance, and inspection of exported goods or imported goods that show signs of tax law violation after customs clearance.

If signs of tax evasion or tax fraud are detected in the post-customs clearance examination, the director of the Department for Post-Customs Clearance Examination, directors of Customs Departments and directors of Sub-Departments for Post-Customs Clearance Examination may decide to apply the measures specified in Section 4 of this Chapter.

2. Order and procedures for tax examination are specified as follows:

a/ Announcing the tax examination decision at that start of tax examination;

b/ Comparing the declared contents with accounting books and documents, financial statements, relevant documents and real situation within the scope and contents of tax examination decision;

c/ Conducting tax examination within five working days from the date the examination decision is announced. In case of planned

examination for exported goods or imported goods, this time limit is fifteen days;

d/ When necessary, the tax examination duration under the tax examination decision can be extended once but the extension must not exceed the time limit specified at Point c of this Clause;

e/ Making a written record of tax examination within five working days from the date of expiration of the examination time limit;

f/ Handling the violations according to competence or transferring them to competent authorities for handling according to examination results.

Article 79.- Rights and obligations of taxpayers in tax examination at offices of taxpayers

1. Taxpayers have the following rights:

a/ To reject examination if there is no tax examination decision;

b/ To refuse to supply information and documents irrelevant to tax examination contents; information and documents pertaining to state secrets, unless otherwise provided for by law;

c/ To receive the written records of tax examination and request explanations of the contents of the written records;

d/ To reserve their opinions in the written records of tax examination;

e/ To lodge complaints, institute lawsuits and claim damages according to law;

f/ To denounce acts of law violation in the course of tax examination.

2. Taxpayers have the following obligations:

a/ To comply with tax examination decisions of tax administration agencies;

b/ To promptly, fully and accurately supply information and documents relevant to the examination contents upon request of tax examination teams; to take responsibility before law for the accuracy and truthfulness of supplied information and documents;

c/ To sign the written records of tax administration within five working days from the date of completion of examination;

d/ To comply with decisions on handling based on the tax examination results.

Article 80.- Tasks and powers of heads of tax administration agencies that issue tax examination decisions and tax administration officers in tax examination

1. Heads of tax administration agencies that issue tax examination decisions have the following tasks and powers:

a/ To direct examination according to the tax examination decisions in terms of content and time;

b/ To apply the measures of temporarily seizing documents and exhibits related to acts of tax evasion or tax fraud specified in Article 90 of this Law;

c/ To extend the examination time limit when necessary;

d/ To issue decisions on tax handling or sanctioning of administrative violations according to their competence, or to request competent persons to issue decisions on sanctioning of administrative violations;

e/ To settle complaints and denunciations about administrative acts or decisions of tax administration officers.

2. Tax administration officers while conducting tax examination have the following tasks and powers:

a/ To strictly comply with the contents and time limit stated in tax examination decisions;

b/ To request taxpayers to supply information and documents relevant to the examination contents;

c/ To make written records of tax examination; to report on examination results to persons who have issued examination decisions and take responsibility for the accuracy, truthfulness and objectiveness of those written records and reports;

d/ To sanction administrative violations according to their competence or propose competent persons to issue decisions on handling of violations.

Section 3. TAX INSPECTION

Article 81.- Cases subject to tax inspection

1. Tax inspection shall be conducted on a regular basis no more than once a year for enterprises with diversified business lines and a wide scope of business.

2. When there is a sign of tax law violation.

3. Tax inspection shall be conducted to settle complaints or denunciations or upon request of heads of tax administration agencies at all levels or of the Finance Minister.

Article 82.- Tax inspection decisions

1. Heads of tax administration agencies at all levels are competent to issue tax inspection decisions.

2. A tax inspection decision must have the following contents:

a/ Legal ground(s) for tax inspection;

b/ Subject, content, scope and tasks of tax inspection;

c/ Duration of tax inspection;

d/ Head and other members of the tax inspection team.

3. Within three working days after its signing, a tax inspection decision shall be sent to the inspected subject.

A tax inspection decision shall be notified within fifteen days from the date of issuance.

Article 83.- Tax inspection duration

1. A tax inspection duration must not exceed thirty days from the date of notification of the tax inspection decision.

2. In case of necessity, tax inspection decision issuers may prolong the tax inspection duration. The prolonged duration must not exceed thirty days.

Article 84.- Tasks and powers of tax inspection decision issuers

1. A tax inspection decision issuer has the following tasks and powers:

a/ To direct and check to ensure that the tax inspection team strictly observe the contents and duration stated in the tax inspection decision;

b/ To request the inspected subject to supply information and documents, report in writing and explain matters related to the inspection contents; to request agencies, organizations and individuals having information and documents related to the inspection contents to supply such information and documents;

c/ To apply the measures specified in Articles 89, 90 and 91 of this Law;

d/ To solicit expert assessment of matters related to the tax inspection contents;

e/ To suspend or propose competent persons to stop an act when they consider that act is seriously detrimental to benefits of the State, lawful rights and benefits of agencies, organizations and individuals;

f/ To handle according to his/her competence or propose competent persons to handle tax law violations; inspect and urge the execution of handling decisions after tax inspection;

g/ To settle complaints and denunciations about the responsibility of the head and other members of the tax inspection team;

h/ To make conclusions on the tax inspection contents.

2. When performing the tasks and exercising the powers specified in Clause 1 of this Article, tax inspection decision issuers shall be held responsible before law for their decisions.

Article 85.- Tasks and powers of heads and members of tax inspection teams

1. Head of a tax inspection team has the following tasks and powers:

a/ To organize tax inspection and instruct members of the tax inspection team to strictly observe the inspection contents, subject and duration stated in the tax inspection decision;

b/ To request the inspected subject to supply information and documents, report in writing and explain matters related to the tax

inspection contents; to conduct, when necessary, an inventory of assets of the inspected subject that are related to the tax inspection contents;

c/ To apply the measure specified in Article 90 of this Law;

d/ To make a written record of tax inspection;

e/ To report to the tax inspection decision issuer on the inspection results and bear responsibility for the accuracy, truthfulness and objectiveness of that report;

f/ To impose administrative sanctions according to his/her competence or propose competent persons to issue decisions on handling of violations;

2. Members of a tax inspection team have the following tasks and powers:

a/ To perform the tasks assigned by the head of the tax inspection team;

b/ To propose matters related to the tax inspection contents for handling;

c/ To report the results of performance of their assigned tasks to the head of the tax inspection team.

3. When performing the tasks and exercising the powers specified in this Article, heads and members of tax inspection teams shall be held responsible before law for their decisions and acts.

Article 86.- Obligations and rights of subjects of tax inspection

1. Subjects of tax inspection have the following obligations:

a/ To comply with the tax inspection decisions;

b/ To supply in a prompt, complete and accurate manner information and documents related to the inspection contents upon request of tax administration agencies, heads of tax inspection teams and take responsibility before law for the accuracy and truthfulness of the supplied information and documents;

c/ To satisfy the tax inspection requests and abide by the tax inspection conclusions and handling decisions of tax administration agencies, heads of tax inspection teams and competent state agencies;

d/ To sign the inspection written records within five working days after the tax inspection is completed.

2. Subjects of tax inspection have the following rights:

a/ To explain matters related to the tax inspection contents;

b/ To reserve their opinions in the tax inspection written records;

c/ To refuse to supply information and documents irrelevant to the tax inspection contents, information and documents pertaining to state secrets, unless otherwise provided for by law;

d/ To complain with tax inspection decision issuers about decisions and acts of heads and members of tax inspection teams when having grounds to believe that those decisions or acts are unlawful. Pending the settlement of their complaints, to comply with those decisions;

e/ To request compensations for damage according to law;

f/ To denounce acts of law violation of heads of tax administration agencies, heads and members of tax inspection teams.

Article 87.- Tax inspection conclusions

1. Within fifteen days after receiving reports on the tax inspection results, tax inspection decision issuers shall make written tax inspection conclusions. A tax inspection conclusion must have the following contents:

a/ Assessment of the observance of tax law by the inspected subject that falls within tax inspection contents;

b/ Conclusion on the contents subject to tax inspection;

c/ Clear determination of the nature and severity of violation, reasons, and responsibilities of agencies, organizations or individuals that commit acts of violation (if any);

d/ Handling of the administrative violation according to the decision issuer's competence or recommendations on the handling by a competent person according to law.

2. In the course of making written inspection conclusions, inspection decision issuers may request heads or members of inspection teams to report, or request inspected subjects to explain and

further clarify matters necessary for the making of tax inspection conclusions.

Section 4. MEASURES APPLIED IN TAX INSPECTION TO CASES SHOWING SIGNS OF TAX EVASION OR TAX FRAUD

Article 88.- Application of measures in tax inspection to cases showing signs of tax evasion or tax fraud

1. When taxpayers show signs of tax evasion or tax fraud involving other organizations or individuals.

2. When signs of tax evasion or tax fraud are complicated.

Article 89.- Collection of information on acts of tax evasion or tax fraud

1. Heads of tax administration agencies may request organizations or individuals that have information on acts of tax evasion or tax fraud to supply such information in writing or verbally.

2. When receiving requests of heads of tax administration agencies for supply of information in writing, organizations and individuals shall supply information with the contents, within the time limit and to the address as requested and bear responsibility for the accuracy and truthfulness of the supplied information. If they fail to supply information, they shall reply in writing clearly stating reasons for the failure.

3. When receiving requests of heads of tax administration agencies for supply of information in the verbal form, persons requested to supply information shall present themselves at the time and place indicated in the written requests to supply information according to the requested contents and bear responsibility for the accuracy and truthfulness of information of supplied information. If they fail to present themselves, they shall reply in writing clearly stating reasons for the failure.

In the course of collection of information in the verbal form, tax inspectors shall make written records thereof and public audio-visual recording is allowed.

Article 90.- Temporary seizure of documents and exhibits related to acts of tax evasion or tax fraud

1. Heads of tax administration agencies or tax inspection teams may decide on temporary seizure of documents and exhibits related to acts of tax evasion or tax fraud.

2. Temporary seizure of documents and exhibits related to acts of tax evasion or tax fraud shall apply when it is necessary to verify circumstances for making decisions on handling or prompt prevention of acts of tax evasion or tax fraud.

3. In the course of tax inspection, if inspected subjects show signs of dispersion or destruction of documents and exhibits related to acts of tax evasion or tax fraud, tax inspectors on duty may temporarily seize those documents and exhibits. Within twenty four hours after temporarily seizing documents and exhibits, tax inspectors shall report to heads of tax administration agencies or tax inspection teams for issuance of decisions on temporary seizure of documents and exhibits. Within eight working hours after receiving the reports, competent persons shall consider and issue temporary seizure decisions. If competent persons do not agree with the temporary seizure, tax inspectors shall return documents and exhibits within eight working hours.

4. When temporarily seizing documents and exhibits related to acts of tax evasion or tax fraud, tax inspectors shall make written records of temporary seizure. This written record must clearly state the names, quantity and types of temporarily seized documents and exhibits, and bear signatures of the person who temporarily seizes and the person who manages documents and exhibits. Issuers of temporary seizure decisions shall preserve temporarily seized documents and exhibits and be held responsible before law if those documents and exhibits are lost, sold, exchanged or damaged.

In case of necessity to seal up documents and exhibits, the sealing must be conducted in the presence of owners of those documents and exhibits. When owners of documents and exhibits are absent, the sealing shall be conducted in the presence of representatives of their families or organizations, local administration and witnesses.

5. Exhibits being Vietnamese currency, foreign currencies, gold, silver, gems, precious metals and objects under special management shall be preserved according to law; for exhibits being perishable goods or articles, temporary seizure decision issuers shall make written records thereof and promptly sell them to avoid any loss. Proceeds from the sale of exhibits shall be transferred into custody accounts opened at the State Treasury so as to ensure full collection of tax and fine amounts.

6. Within ten working days after the temporary seizure, temporary seizure decision issuers shall dispose of the temporarily seized documents and exhibits by taking measures stated in the disposal decisions or return them to individuals and organizations when confiscation of temporarily seized documents and exhibits is not applied. The time limit for temporary seizure of documents and exhibits may be prolonged for complicated cases which need verification but must not exceed sixty days after the date documents and exhibits are temporarily seized. The prolongation of the time limit for temporary seizure of documents and exhibits shall be decided by competent persons defined in Clause 1 of this Article.

7. Tax administration agencies shall send copies of the temporary seizure decision, temporary seizure written record and decision on disposal of documents and exhibits related to acts of tax evasion or tax fraud to organizations or individuals whose documents and exhibits are temporarily seized.

Article 91.- Search of hiding places of documents and exhibits related to acts of tax evasion or tax fraud

1. Heads of tax administration agencies may decide on search of hiding places of documents and exhibits related to acts of tax evasion or tax fraud. If the hiding place of documents and exhibits related to acts of tax evasion or tax fraud is a place of residence, written approval of competent persons defined by law is required.

2. Search of a place shall be conducted when there is a ground to believe that documents and exhibits related to an act of tax evasion or tax fraud are hidden there.

3. Search of a hiding place of documents and exhibits shall be conducted in the presence of its owner and witnesses. When the owner

of a searched place is absent and the search cannot be delayed, the presence of representatives of the local administration and two witnesses is required.

4. Search of hiding places of documents and exhibits related to acts of tax evasion or tax fraud shall not be conducted at night, on holidays or when owners of searched places proceed with weddings or funerals, except when illegal acts are caught on flagrant delicto and the reasons for the search shall be clearly stated in the written records.

5. All cases of search of hiding places of documents and exhibits related to acts of tax evasion or tax fraud must be decided and recorded in writing. A copy of the decision on and written record of search of a hiding place shall be handed to the owner of the searched place.

Chapter XI

ENFORCEMENT OF TAX ADMINISTRATIVE DECISIONS

Article 92.- Cases subject to enforcement of tax administrative decisions

1. Taxpayers fail to pay tax or fines for tax law violations after ninety days from the expiration of the stipulated time limit for payment of taxes or fines for tax law violations.

2. Taxpayers fail to pay tax or fines for tax law violations after the expiration of the extended time limit for tax payment.

3. Taxpayers that have unpaid tax or fines commit acts of dispersing their assets or fleeing away.

Article 93.- Measures of enforcing tax administrative decisions

1. Measures of enforcing tax administrative decisions include:

a/ Deduction of money amounts from accounts of entities subject to enforcement of tax administrative decisions at the State Treasury, commercial banks or other credit institutions; request for freezing of accounts;

b/ Deduction of part of salaries or incomes;

c/ Distraint of assets, auction of distrained assets according to legal provisions in order to fully collect tax and fine amounts;

d/ Confiscation of money or other assets of entities subject to enforcement of tax administrative decisions being held by other organizations or individuals;

e/ Stoppage of customs procedures for imported goods;

f/ Revocation of tax identification numbers; suspension of use of invoices;

g/ Revocation of business registration certificates, establishment and operation licenses or practice licenses.

2. Measures of enforcing tax administrative decisions specified in Clause 1 of this Article cease to be effective as soon as tax and fine amounts are fully paid into the state budget.

Article 94.- Competence to decide on enforcement of tax administrative decisions

Heads of tax administration agencies, the director of the Anti-Smuggling Investigation Department, the director of the Post-Customs Clearance Inspection Department are competent to decide on enforcement of tax administrative decisions for the cases specified at Points a, b, c, d, e and f, Clause 1, Article 93 of this Law.

The revocation of business registration certificates, establishment and operation licenses or practice licenses specified at Point g, Clause 1, Article 93 of this Law must comply with legal provisions.

Article 95.- Decisions on enforcement of tax administrative decisions

1. Enforcement of tax administrative decisions shall be carried out only when decisions thereon are issued by competent persons defined in Article 94 of this Law.

2. A decision on enforcement of a tax administrative decision contains the following: date of issuance; grounds for issuance; full name, position and unit of the decision issuer; full name, place of residence and working office of the entity subject to enforcement of the tax administrative decision; reason(s) for the enforcement; measure of enforcing the tax administrative decision; date and place of

enforcement; the agency assuming the prime responsibility for executing the decision on enforcement of the tax administrative decision; the coordinating agency(ies); signature of the decision issuer; seal of the issuing agency.

3. Decisions on enforcement of tax administrative decisions shall be sent to entities subject to enforcement of tax administrative decisions and concerned organizations and individuals at least five working days before the enforcement is carried out; enforcement decisions shall be sent to immediate superior tax administration agencies. In case of application of the enforcement measures specified at Point c, Clause 1, Article 93 of this Law, the decisions shall be sent to presidents of People's Committees of communes, wards or townships where the enforcement is carried out before they are executed.

Article 96.- Responsibilities for organizing the execution of decisions on enforcement of tax administrative decisions

1. Issuers of decisions on enforcement of tax administration decisions are responsible for organizing the execution of their decisions.

2. People's Committees of communes, wards or townships where entities subject to enforcement of tax administrative decisions reside or are located shall direct responsible agencies to coordinate with tax administration agencies in enforcing tax administration decisions.

3. People's Police shall ensure order and safety and support tax administration agencies in the course of enforcing tax administrative decisions upon request of issuers of enforcement decisions.

Article 97.- Enforcement by the measure of deducting money from accounts of entities subject to enforcement of tax administrative decisions

1. The measure of deducting money from accounts shall be applied to entities subject to enforcement of tax administrative decisions that have deposits at the State Treasury, commercial banks and other credit institutions.

2. Upon receipt of decisions on enforcement of tax administrative decisions, the State Treasury, commercial banks or

other credit institutions shall deduct money amounts stated in enforcement decisions from accounts of entities subject to enforcement and transfer those amounts to the state budget's accounts at the State Treasury, and at the same time notify such in writing to the issuers of enforcement decisions and the entities subject to enforcement.

3. A decision on enforcement of a tax administrative decision by deducting money from the accounts of the entity subject to enforcement is valid for thirty days after it is issued. If the State Treasury, commercial banks or other credit institutions cannot fully deduct tax amounts as stated in the enforcement decisions upon the expiration of the decisions' validity duration, they shall notify such in writing to the issuers of those decisions.

4. During the validity duration of decisions on enforcement of tax administrative decisions, if there remains a balance on accounts of entities subject to enforcement of tax administrative decisions but the State Treasury, commercial banks or other credit institutions fail to deduct money from such accounts for payment into the state budget under enforcement decisions, they will be sanctioned for administrative violations under the provisions of Chapter XII of this Law.

Article 98.- Enforcement by the measure of deducting part of salaries or incomes

1. The measure of deducting part of salaries or incomes shall be applied to taxpayers subject to enforcement of tax administrative decisions who are working on state payrolls or under contracts of a term of six months or more or enjoying pensions or working capacity loss allowances.

2. The rate of deduction from salary, pension or working capacity loss allowance applicable to an individual must be between 10% and 30% of total monthly salary or allowance of that individual. For other incomes, the rate of deduction shall be based on the actually earned incomes but must not exceed 50% of total income amount.

3. Employing agencies or organizations that currently manage salaries or incomes of persons subject to enforcement of tax administrative decisions shall:

a/ Deduct part of salaries or incomes of persons subject to enforcement of tax administrative decisions and transfer the deducted amounts into the state budget's accounts at the State Treasury according to the contents of the decisions on enforcement of tax administrative decisions from the latest payment of salaries or incomes until deducting the full tax or fine amounts stated in the enforcement decisions, and at the same time notify such to the issuers of the enforcement decision and the enforcees;

b/ In case labor contracts of enforcees expire when tax or fine amounts have not been fully deducted under enforcement decisions, employing agencies or organizations shall notify such to the issuers of enforcement decisions within five working days after the termination of those labor contracts.

c/ If employing agencies or organizations that currently manage salaries or incomes of persons subject to enforcement of tax administrative decisions intentionally shirk executing the decisions on enforcement of tax administrative decisions shall be sanctioned for administrative violations under the provisions of Chapter XII of this Law.

Article 99.- Enforcement by the measure of distraining assets or auctioning distrained assets

1. Tax administration agencies that cannot apply the measures of enforcing the tax administrative decisions specified at Points a and b, Clause 1, Article 93 of this Law or collect the full tax or fine amounts though having applied these measures may apply the measure of distraining assets or auctioning distrained assets to collect the tax arrear or fine amounts into the state budget.

The measure of distraining assets may not apply to taxpayers who are undergoing medical treatment.

2. The values of distrained assets of enforcees must be equal to tax amounts stated in enforcement decisions and expenses for conducting enforcement.

3. The following assets may not be distrained:

a/ Medicines, foods and foodstuffs to meet the essential needs of entities subject to enforcement of tax administrative decisions and their families;

b/ Working tools;

c/ Dwelling houses and essential personal articles of entities subject to enforcement of tax administrative decisions and their family members;

d/ Worshiping objects; relics of deceased persons, orders, medals, certificates of merit;

e/ Assets in service of defense and security.

4. If entities subject to enforcement of tax administrative decisions fail to pay fully tax arrear or fine amounts within thirty days after the distraint of assets, tax administration agencies may auction the distrained assets so as to fully collect tax arrear or fine amounts.

5. The Government shall specify the order and procedures for enforcing tax administrative decisions by the measure of distraining assets and auctioning distrained assets.

Article 100.- Enforcement by the measure of confiscating money or other assets of enforcees currently held by other organizations or individuals

1. Confiscation of money or other assets of an enforcee being held by another organization or individual (hereinafter referred to as third party) shall be applied when the following conditions are fully satisfied:

a/ The tax administration agency cannot apply the enforcement measures specified at Points a, b and c, Clause 1, Article 93 of this Law or cannot collect fully tax arrear or fine amounts though having applied these measures;

b/ The tax administration agency has grounds to determine that a third party owes a debt or holds money or other assets of the enforcee.

2. Principles of confiscation of money or other assets of enforcees from a third party are as follows:

a/ The third party that owes a due debt to the enforcee or holds money or other assets of the enforcee shall pay tax arrear or fine amounts for the enforcee;

b/ If money or other assets of the enforcee held by a third party are objects of security transactions or involved in a case of bankruptcy, the confiscation of such money or other assets shall be effected according to legal provisions.

c/ The money amount paid by the third party into the state budget for the enforcee is considered the money paid to the enforcee.

3. Responsibilities of the third party that owes a debt to or holds money or other assets of the enforcee are:

a/ To supply to the tax administration agency information on the debt to or money amount or other assets of the enforcee he/she/it currently owes or holds, clearly stating the money amount, time limit for debt payment, type, quantity and state of assets;

b/ Not to return, upon receipt of a written request of the tax administration agency, money or other assets to the enforcee until paying money into the state budget or transferring assets to the tax administration agency for carrying out procedures for auction;

c/ To send to the tax administration agency a written explanation of the failure to satisfy the latter's written request within five working days after the receipt of that request;

d/ An organization or individual that owes a debt or holds money or other assets of the entity subject to enforcement of a tax administrative decision and fails to pay the tax amount subject to enforcement within fifteen days after receipt of a request of the tax administration agency shall be regarded as owing tax to the State and subject to the enforcement measures specified in Clause 1, Article 93 of this Law.

Article 101.- Enforcement by the measure of stopping customs procedures for imported goods

1. Enforcement by the measure of stopping customs procedures for imported goods shall be made when the customs offices cannot apply the measures specified at Points a, c and d, Clause 1, Article 93 of this Law or cannot fully collect tax arrear or fine amounts though having applied these measures.

2. Heads of customs offices of localities where taxpayers that have overdue tax debts reside or are located shall notify the measure

of stopping customs procedures for imported goods at least five working days before the measure is applied.

Article 102.- Enforcement by the measure of revoking tax identification numbers; suspending the use of invoices; revoking business registration certificates, establishment and operation licenses or practice licenses

1. The enforcement measure specified in this Article shall be applied when the tax administration agency, though having applied the measures specified at Points a, b, c, d and e, Clause 1 of this Law, cannot fully collect tax arrear or fine amounts.

2. Heads of tax administration agencies have the following responsibilities:

a/ To notify this enforcement measure to the enforcee three working days before revoking tax identification numbers or suspending the use of invoices;

b/ To request in writing competent state management agencies to revoke business registration certificates, establishment and operation licenses or practice licenses.

3. When applying the enforcement measure specified in this Article, competent state management agencies shall publicly notify it on the mass media.

Chapter XII

HANDLING OF TAX LAW VIOLATIONS

Article 103.- Taxpayers' acts of violation of tax law

1. Violating tax procedures.
2. Delaying tax payment.
3. Making wrong declarations to reduce payable tax amounts or increase refundable tax amounts.
4. Committing tax evasion or tax frauds.

Article 104.- Principles and procedures for handling tax law violations

1. All detected acts of tax law violation shall be handled in a prompt, fair and thorough manner. All consequences caused by acts of tax law violation must be remedied in strict accordance with law.

2. Organizations and individuals shall be administratively sanctioned for tax violations only when they commit acts of violation of tax law.

3. The handling of tax law violations shall be carried out by competent persons.

4. An act of tax law violation shall be sanctioned only once.

When many persons jointly commit an act of tax law violation, each shall be sanctioned.

When a person commits many acts of tax law violation, he/she shall be sanctioned for each act.

5. The handling of tax law violations shall be based on the nature and severity of violations and involved extenuating and aggravating circumstances in order to decide on appropriate sanctions.

6. The order and procedures for sanctioning tax law violations shall be stipulated by the Government.

7. Tax law violations that are severe enough for penal liability examination shall be handled according to the penal law and criminal procedure law.

Article 105.- Sanctioning of acts of violating tax procedures

1. Acts of violation of tax procedures include:

a/ Filing tax registration dossiers after the expiration of the time limit for filing tax registration dossiers;

b/ Filing tax declaration dossiers within ninety days after the expiration of the time limit for filing tax declaration dossiers specified in Clauses 1, 2, 3 and 5, Article 32 of this Law or upon the expiration of the extended time limit for filing tax declaration dossiers specified in Article 33 of this Law;

c/ Filing tax declaration dossiers within the period from the date of expiration of the time limit for submitting customs declarations to the date of disposal of unclaimed goods according to the provisions of

the Customs Law, for the case specified at Point a, Clause 4, Article 32 of this Law;

d/ Failing to fully declare the contents of tax dossiers, unless taxpayers make additional declarations within a set time limit;

e/ Violating regulations on supply of information related to the determination of tax liability;

f/ Violating regulations on observance of tax examination or inspection decisions, decisions on enforcement of tax administrative decisions.

2. No sanction shall be imposed for violations of tax procedures where taxpayers enjoy the extension of the time limit for filing tax declaration dossiers or tax payment.

3. The Government shall issue specific regulations on the sanctioning level for each act of violating tax procedures.

Article 106.- Sanctioning of acts of late tax payment

1. A taxpayer who pays tax later than the set time limit or extended time limit for tax payment, the time limit stated in a notice or handling decision of the tax administration agency shall fully pay the tax amount and a fine equal to 0.05% of the tax amount for each day of late payment.

2. A taxpayer who makes a declaration, thus reducing the payable tax amount, or fails to declare tax but later voluntarily remedies his/her act by fully paying the payable tax amount before the competent agency detects his/her violation shall be fined for late tax payment according to this Article but shall not be sanctioned for violation of tax procedures, underpayment or evasion.

For exported or imported goods, a taxpayer who detects errors that alters the payable tax amount and then voluntarily pays the deficit tax amount into the state budget within sixty days after the registration of the customs declaration and before a tax examination or inspection is conducted by the customs office shall be fined for late tax payment according to this Article but shall not be sanctioned for violation of tax procedures, underpayment or evasion.

3. Taxpayers shall determine by themselves the late tax payment fines based on the tax amount, the number of days of late payment and the fine rate specified in Clause 1 of this Article.

If taxpayers cannot determine or incorrectly determine by themselves the late tax payment fine amounts, the tax administration agencies shall determine and notify such fine amounts to taxpayers.

4. If taxpayers fail to pay the tax and late payment fine within thirty days after the expiration of the tax payment time limit, the tax administration agencies shall notify those taxpayers of the tax and fine due.

Article 107.- Sanctioning of acts of making incorrect declarations to reduce payable tax amounts or increase refundable tax amounts

Taxpayers that have fully and truthfully reflected the economic operations giving rise to their tax liability in the accounting books, invoices and vouchers but made wrong declarations, thereby reducing payable tax amounts or increasing refundable tax amounts, or made incorrect declarations other than those specified in Clauses 6 and 7, Article 108 of this Law, thereby reducing payable tax amounts or increasing refundable tax amounts, shall fully pay the inadequately declared tax amount or return the excessively refunded tax amount and be imposed a fine equal to 10% of the inadequately declared or excessively refunded tax amount and a fine for late payment of the inadequately declared or excessively refunded tax amount.

Article 108.- Sanctioning of acts of tax evasion or tax fraud

A taxpayer that commits one of the following acts of tax evasion or tax fraud shall fully pay the tax amount according to regulations and be imposed a fine of between one and three times the evaded tax amount:

1. Failing to file the tax registration dossier; failing to file the tax declaration dossier; filing the tax declaration dossier more than ninety days after the expiration of the time limit for filing tax declaration dossiers specified in Clauses 1, 2, 3 and 5, Article 32 of this Law or after expiration of the extended time limit for filing tax declaration dossiers specified in Article 33 of this Law;

2. Failing to record in accounting books revenues related to the determination of the payable tax amount;

3. Failing to issue invoices upon selling goods or services, or writing on sale invoices values lower than the actually paid values of goods or services sold;

4. Using unlawful invoices or invoices for accounting costs of goods or input materials in operations that give rise to tax liability, thereby reducing the payable tax amount or increasing the creditable or refundable tax amount;

5. Using other unlawful vouchers or documents to incorrectly determine the payable or refundable tax amount;

6. Failing to make additional declarations to the tax declaration dossier when previous declarations are inconsistent with the actual exported or imported goods within sixty days after the customs declaration is registered;

7. Intentionally failing to make declarations or making incorrect declarations of the duties on exported or imported goods;

8. Colluding with goods consignors to evade duties on imported goods;

9. Using duty-free goods for improper purposes without declaring duty.

Article 109.- Competence to sanction tax law violations

1. For acts of violation specified in Clause 1, Article 103 of this Law, the sanctioning competence is as defined in this Law and the law on handling of administrative violation.

2. For the acts specified in Clauses 2, 3 and 4, Article 103 of this Law, heads of tax administration agencies, the Director of the Anti-Smuggling Investigation Department and the Director of the Post-Customs Clearance Inspection Department under the General Department of Customs are competent to issue decisions on sanctioning them.

Article 110.- Statute of limitations for sanctioning tax law violations

1. For an act of violation of tax procedures, the statute of limitations for sanctioning is two years from the date that act is committed.

2. For an act of tax evasion or tax fraud which is not severe enough for penal liability examination, or an act of late tax payment or inadequate declaration of tax liability, the statute of limitations is five years from the date that act is committed.

3. Upon the expiration of the statute of limitations for sanctioning tax law violations, taxpayers will not be sanctioned but shall fully pay the underpaid, evaded or defrauded tax amounts into the state budget.

Article 111.- Exemption from sanctioning of tax law violations

1. Persons sanctioned for tax law violations may request exemption from sanctioning in case they suffer from natural disasters, fires, accidents or other *force majeure* circumstances.

2. Exemption from sanctioning of tax law violations shall not be given to entities that have complied with decisions on sanctioning of tax law violations, issued by tax administration agencies or competent state authorities.

Article 112.- Handling of tax law violations committed by tax administration agencies

1. Tax administration agencies that violate the provisions of this Law, thus causing damage to taxpayers, shall pay damages to those taxpayers according to law.

2. In case tax administration agencies are at fault in making incorrect tax assessment or refund, they shall pay damages to taxpayers according to the provisions of this Law and other relevant legal provisions.

Article 113.- Handling of tax law violations committed by tax administration officers

1. Tax administration officers who cause troubles or difficulties to taxpayers, thus affecting the lawful rights and benefits of taxpayers, shall, depending on the nature and severity of their violations, be disciplined or examined for penal liability. If causing damage to taxpayers, they shall pay compensations according to law.

2. Tax administration officers who act irresponsibly or in contravention of the provisions of tax law shall, depending on the nature and severity of their violations, be disciplined or examined for penal liability. If causing damage to taxpayers, they shall pay compensations according to law.

3. Tax administration officers who abuse their positions or powers to act in collusion with or cover up violating taxpayers or organizations providing services of carrying out tax procedures shall, on the nature and severity of their violations, be disciplined or examined for penal liability according to law.

4. Tax administration officers who abuse their positions or powers to illegally use or misappropriate the collected tax amounts or fine amounts for tax law violations shall, depending on the nature and severity of their violations, be disciplined or examined for penal liability and pay to the State compensations for all illegally used or misappropriated tax or fine amounts according to law.

Article 114.- Handling of violations committed by commercial banks, other credit institutions or tax payment guarantors

1. Commercial banks or other credit institutions that fail to perform the responsibility to deduct and transfer from taxpayers' accounts to the state budget's accounts tax amounts or fine amounts for tax law violations payable by taxpayers upon request of tax administration agencies shall be handled on a case-by-case basis as follows:

a/ Commercial banks or other credit institutions shall not be sanctioned if taxpayers' deposit accounts no longer have a balance at that time or the balance of taxpayers' accounts have been wholly deducted or transferred to the state budget's accounts but those deducted and transferred amounts are not enough to pay tax amounts or fine amounts for tax law violations payable by taxpayers;

b/ Commercial banks or other credit institutions shall be handled for their violations when taxpayers' accounts have a balance enough or more than enough to pay tax amounts or fine amounts for tax law violations payable by taxpayers at that time but they fail to deduct money amounts payable by taxpayers from such accounts. In this case, commercial banks or credit institutions shall pay fines equal

to the money amounts they fail to deduct and transfer to the state budget's accounts.

2. Guarantors for the tax liability fulfillment shall pay tax amounts or fine amounts for the guaranteed taxpayers when those taxpayers fail to pay tax amounts into the state budget's accounts or violate tax law.

Article 115.- Handling of tax law violations committed by concerned organizations and individuals

1. Concerned organizations and individuals that commit acts of colluding with or covering up taxpayers that evade tax, commit tax frauds or fail to comply with decisions on enforcement of tax administrative decisions shall, depending on the nature and severity of their violations, be administratively handled or examined for penal liability according to law.

2. Concerned organizations and individuals that fail to perform their responsibilities specified in this Law shall, depending on the nature and severity of their violations, be administratively handled or examined for penal liability according to law.

Chapter XIII

COMPLAINTS, DENUNCIATIONS AND INSTITUTION OF LEGAL ACTIONS

Article 116.- Complaints and denunciations

1. Taxpayers, organizations and individuals may lodge complaints with tax administration agencies or competent state agencies for review of decisions of tax administration agencies, administrative acts of tax administration officers when they have grounds to believe that those decisions or acts are unlawful or infringe upon their lawful rights and benefits.

2. Citizens may lodge denunciations against acts of tax law violation committed by taxpayers, tax administration officers or other organizations and individuals.

3. Competence, procedures and time limit for settling complaints or denunciations are as defined in the law on complaints and denunciations.

Article 117.- Institution of legal actions

Legal actions against decisions of tax administration agencies or tax officers shall be instituted in accordance with the law on procedures for handling administrative cases.

Article 118.- Responsibilities and powers of tax administration agencies in handling tax-related complaints or denunciations

1. Upon receiving complaints about tax law enforcement, tax administration agencies shall consider and settle them within the time limit stipulated by the law on complaints and denunciations.

2. Tax administration agencies that receive complaints about tax law enforcement may request complainants to supply dossiers and documents relevant to those complaints. If complainants refuse to supply dossiers and documents, tax administration agencies may refuse to consider and settle the complaints.

3. Tax administration agencies shall refund the incorrectly collected tax amounts or fine amounts to taxpayers or third parties within fifteen days after receiving the settlement decisions of superior tax administration agencies or competent authorities defined by law.

Chapter XIV

IMPLEMENTATION PROVISIONS

Article 119.- Implementation effect

1. This Law takes effect on July 1, 2007.

2. To annul the provisions on tax administration in tax laws and ordinances and the Customs Law.

Article 120.- Implementation detailing and guidance

The Government shall detail and guide the implementation of Articles 9, 19, 27, 30, 31, 32, 42, 43, 49, 60, 62, 72, 76, 89, 90, 91, 99,

104, 105 and 111 of this Law and other necessary contents according to tax administration requirements for the implementation of this Law.

This Law was passed on November 29, 2006, by the XIth National Assembly at its 10th session.

Chairman of the National Assembly
NGUYEN PHU TRONG