



## LEGAL NEWS

### Information - Communications

#### **Electronic identification accounts of foreigners: How to register and use?**

##### **1. What is the foreigner's electronic identification account?**

Electronic identification means activities of registering, comparing, creating, and attaching electronic identities to electronic identity owners.

Currently, state agencies perform electronic identification for Vietnamese citizens and foreigners. Within that identification number of a foreigner means a unique sequence of natural numbers established by the electronic identification and authentication system to manage the electronic identity of a foreign person.



In accordance with Article 8, Decree No. 59/2022/ND-CP, electronic identities of foreigner's cover:

- Personal information: Electronic identities of foreigners, Full name, Date of birth, Gender, Citizenship, Number, symbol, date of issuance, type of document, and place of issuance of a passport or international travel document.
- Biometric information: Portrait photo, Fingerprint

The objectives of electronic identities of foreigners aged 14 and older entering Vietnam. For foreigners who are under 14 years old or are under guardianship, the registration shall be made via electronic identification accounts of their fathers, mothers, or guardians (Article 11, Decree 59).

## **2. What does the foreigner's electronic identification account use for?**

The foreigner's electronic identification accounts are:

- Level-1 electronic identification account for a foreign electronic identity owner is as valid to prove the information of the person in the activities and transactions required personal information.
- Level-2 electronic identification account for a foreign electronic identity owner is as valid as the use of his/her passport or valid international travel documents in carrying out transactions.

At the same time, such use is as valid to information in documents of the foreigner that have been synchronized into his/her electronic identification account for comparison by competent agencies and organizations when carrying out transactions requiring the presentation of these documents.

## **3. How to register the electronic identification account of foreigners?**

### **3.1. Registration for level-1 electronic identification accounts**

In accordance with Clause 1, Article 15, Decree 59/2022, Foreigners shall use mobile devices to register level-1 electronic identification accounts in VNelD.

Foreigners shall use VNelD to enter information about their passports or valid international travel documents and email addresses or phone numbers (if any). Provide information according to instructions on VNelD.

Take portrait photos by mobile devices and send requests for electronic identification accounts to the agency managing electronic identification and authentication via VNelD.

The agency managing electronic identification shall notify the result of registration via VNelD or SMS or email.

### **3.2. Registration for level-2 electronic identification accounts**

Clause 2, Article 15, Decree 59 prescribes that foreigners shall carry out procedures for registration of electronic identity accounts at the immigration management agency of the Ministry of Public Security or the provincial-level Public Security Departments.

The foreigner must present passports or international travel documents. At the same time, provide email addresses or phone numbers (if any) and request additional information to be integrated into electronic identification accounts.

Officers shall receive and input the information provided by foreigners into the electronic identification and authentication system; take portrait photos and fingerprints of the



foreigners who come to carry out procedures to authenticate with the Citizen Identity Database.

After confirming consent to register for the creation of electronic identity accounts, the immigration management agency shall send a request for a grant of electronic identification accounts to the agency managing electronic identification and authentication. [More](#).

## Tax – Fee – Charge

### Value-Added Tax 2022: 8 regulations to know

#### 1. What is the value-added tax?



Article 2, Law on Value Added Tax 2008 prescribes that:

*“Value-added tax is a tax imposed on the added value of goods or services arising in the process from production, circulation to consumption.”*

Therefore, VAT is only applicable to the added value, not all the total value of goods and services.

VAT is the indirect tax added to the selling price of goods and services. Production and business units shall take the VAT tax obligations to the state although the consumers pay VAT.

#### 2. VAT payers

Pursuant to Article 3, Circular No. 219/2013/TT-BTC, VAT payers are organizations and individuals producing or trading in VAT-liable goods and services in Vietnam, regardless of their business lines, forms, and organization (below referred to as business establishments) and organizations and individuals that import from abroad goods or purchase services liable to VAT (below referred to as importers), including:

Business organizations established and make business registration under the Enterprise Law, the Law on State Enterprises (now the Enterprise Law), the Law on Cooperatives, or another specialized business law.

Economic organizations of political organizations, socio-political organizations, social organizations, socio-professional organizations, people’s armed forces units, non-business organizations, and other organizations;

### 3. 7 cases not requiring VAT declaration and payment

Pursuant to Article 5, Circular No. 219/2013/TT-BTC (a number of articles are amended and supplemented by Circular No. 119/2014/TT-BTC and Circular No. 193/2015/TT-BTC), cases not requiring VAT declaration and payments include:

**Case 1:** Organizations and individuals that receive revenues from compensation (including also compensation for land and land-attached assets upon land recovery under decisions of competent state agencies), bonuses, support, transfer of the emission right, and other financial revenues.

When receiving compensation, bonus, support, transfer of the emission right, or other financial revenues, business establishments shall make receipts under regulations. Paying business establishments shall make payment documents based on spending purposes.

A business establishment that receives money from an organization or individual to provide to the latter the service of repair, warranty, sales promotion, or advertising shall declare and pay VAT under regulations

*For example:* Enterprise A receives from enterprise B an amount of VND 50 million as compensation for contract cancellation. In this case, enterprise A shall make a receipt and does not have to declare and pay VAT on that amount.

**Case 2:** Vietnam-based production and business organizations and individuals that purchase from foreign organizations without permanent establishments in Vietnam or overseas individuals not residing in Vietnam such services:

- As repair of vehicles, machinery, and equipment (including supplies and spare parts);
- Advertising and marketing;
- Investment and trade promotion;
- Goods sale and service provision brokerage;
- Training;
- Sharing of charges for an international post or telecommunications services provided outside Vietnam between Vietnamese and foreign partners, and lease of communication and transmission lines and foreign satellite frequency bands in accordance with law

**Case 3:** Non-business organizations and individuals that do not have to pay VAT when selling their assets. [More](#)



## What is the excise tax? What are excise tax-liable goods and services?

### 1. What is the excise tax?

The excise tax is the indirect tax imposed on a specific good or service. Excise taxes are commonly levied on luxury goods and services in order to regulate the production, import, and consumption of society. At the same time, excise tax also makes up a relatively small and volatile portion of state and local and, to a lesser extent, federal tax collections.



Accordingly, excise taxpayers include:

- Producers and importers of goods and providers of services are subject to excise tax.
- Exporters that purchase excise tax-liable goods from producers for export and do not export but sell them domestically shall pay excise tax.

### 2. Objectives of excise tax

#### 2.1. Goods:

Pursuant to Clause 1, Article 2 of the Law on Excise Tax 2008, amended and supplemented in 2014 and Article 2, Decree No. 108/2015/ND-CP, excise tax-liable goods are:

- Cigarettes, cigars, and other tobacco preparations used for smoking, inhaling, chewing, sniffing, or keeping in the mouth;
- Liquor;
- Beer;
- Under-24 seat cars, including cars for both passenger and cargo transportation with two or more rows of seats and fixed partitions between passenger, holds and cargo holds;
- Two- and three-wheeled motorcycles with a cylinder capacity of over 125 cm<sup>3</sup>;
- Aircraft and yachts;
- Gasoline of all kinds.
- Air-conditioners of 90,000 BTU or less;



- Playing cards;
- Votive gilt papers and votive objects.

Note: Excise tax-liable goods are complete commodities, excluding component sets used for assembling these commodities.

## **2.2. Services**

Pursuant to Clause 2, Article 2, Law on Excise Tax 2008, excise tax-liable goods include:

- Dance halls;
- Massage parlors and karaoke bars;
- Casinos; prize-winning video games, including jackpot and slot games and games on similar machines.
- Betting: Covers betting for sports and entertainment activities and other forms of betting as prescribed by law.
- Golf business, including the sale of membership cards and golf playing tickets;
- Lottery business.

## **3. Non-taxable objects**

Pursuant to the Law on Excise Tax 2008 and Article 3, Decree No. 108/2015/ND-CP, goods specified in Clause 1, Article 2 of this Law are not subject to excise tax in the following cases:

Goods that are directly exported by producers or processors, or which are sold or entrusted by these producers or processors to other business establishments for export;

- Imported goods, including:

+ Goods such as humanitarian aid or non-refundable aid; gifts for state agencies, political organizations, socio-political organizations, socio-political professional organizations, social organizations, socio-professional organizations, or people's armed forces units; and donations or gifts for individuals in Vietnam within the quotas prescribed by the Government.

+ Goods imported as humanitarian aid or non-refundable aid, including also goods imported with non-refundable aid as approved by competent agencies; goods provided as humanitarian assistance or emergency relief for overcoming consequences of wars, natural disasters or epidemics; [More](#).



## LEGAL UPDATES

### Finance - Banking

#### **Bond par value of privately corporate increases 1,000 times**

In previous regulations, the par value of bonds privately placed/offered in the domestic market is VND 100,000 (one hundred thousand) or its multiples.

However, in accordance with law provisions prescribed in Decree No. 65/2022/ND-CP, the par value of bonds is amended as VND 100 million or its multiples. **The minimum par value of bonds of privately corporate increases 1,000 times.**

*Bond par value of privately corporate increases 1,000 times (Illustration)*

Besides, Decree 64 also amends and supplements a number of regulations as follows:

#### ***- Supplement the principles of a bond issuance plan***

For bonds privately placed/offered in the domestic market, enterprises are allowed to change the conditions and provisions of bonds prescribed in Article 6 of this Decree after the bond issuance plans are approved by the competent authorities and the owner of over 65% of the same bond total.

#### ***- Regulations on identifying the professional securities investors***

Professional securities investors have financial capacity/professional knowledge of securities.

#### ***- Supplement new regulations on representatives of bondholders***

The representatives of bondholder's report to the State Securities Commission of Vietnam and the Stock Exchange quarterly and yearly and report for discovering any violations from organizations that can cause affect bondholder's benefits.

The representatives of bondholders shall be responsible for compliance with securities law and regulations prescribed in Article 14 of this Decree when supplying the representatives of bondholders. At the same time, under the management and supervision of the State Securities Commission in accordance with law provisions. If committing violations when providing services, to be administratively sanctioned in accordance with the regulations on sanctioning of administrative violations in the field of securities and securities market.

This Circular takes effect on September 16, 2022.



## Information - Communications

### Free issuance and usage of electronic identification account

This is the content prescribed in Decree No. [59/2022/ND-CP](#) dated September 05, 2022, of the Government on electronic identification and authentication.

In accordance with Decree 53, there are 03 levels of electronic identification accounts:

- Level-1 electronic identification accounts of the individual: Personal identification number; Full name; Date of birth; Gender for a Vietnamese citizen; nationality, information of passport or international travel document for foreigners.
- Level-2 electronic identification accounts of the individual: Information in Level-1 and biometric information: portrait photo; fingerprint.

Organizations' electronic identification accounts cover: Identification code of the organization, The name of the organization including the Vietnamese name, abbreviated name (if any), and a foreign language name (if any). Date of establishment, Address of head office. Personal identification number or identification number of a foreigner; full name of the at-law representative or head of the organization.

#### *Free issuance and usage of electronic identification account (Illustration)*

In particular, in accordance with Article 31, Electronic identity owners that are Vietnamese agencies, organizations or citizens are not required to pay expenses for registration for the grant of electronic identification accounts and expenses for the use of electronic identification accounts.

Organizations and individuals using electronic authentication services shall pay expenses for organizations providing electronic authentication services in accordance with the law.

Subjects of the grant of electronic identification accounts, including:

Citizens aged 14 years or older. For Citizens who are under 14 years old or are under guardianship, the registration shall be made via electronic identification accounts of their fathers, mothers or guardians.

- Agencies and organizations established or registered to operate in Vietnam.

The Decree 59 takes effect on October 20, 2022.



## Insurance

### **HCMC: Enterprise must update identity card numbers in VSSID**

On August 27, 2022, Ho Chi Minh City Social Security issues Official Dispatch No. [4887/BHXH-CNTT](#) regarding the additional update of citizen's identity card numbers/personal identification numbers of insurance participants in the database managed by the Vietnam Social Security, and the installation and use of VSSID.

With the goal of ensuring to gradually replace personal papers based on the integration and authentication of personal information and papers into the national database on population for the purpose of using only citizen's identity cards and national electronic identification application of the Ministry of Public Security (VNEID), in which the first priority is given to several papers including health insurance cards.

- To receive the Lists of social and health insurance participants from the social security agencies no later than September 10, 2022. Such Lists must comprise:

- Form 01: A List of participants that have been synchronized by the social security agency with the national database on population, and participants using their citizen's identity cards instead of health insurance cards for medical examination and treatment.
- Form 02: A List of participants that do not match with the national database on population, and participants who have not yet been granted personal identification numbers/citizen's identity card numbers.

- After receiving 02 Lists as mentioned above, the unit shall:

- For the List made according to Form 01:

- Print Form 01, and request participants to check information stated on Form 01. In case the information is match and correct, sign in the column "certified by the participant" (column 9) Send the List (in paper form) to the social security agency before September 30, 2022. In case where the information is incorrect, note in the column 9, and make a dossier for correcting information as prescribed and send such dossier to the social security agency.

Notify participants to use their citizens' identity cards instead of health insurance cards for medical examination and treatment

- For the Lists made according to Form 02:

- Print Form 02, request participants to declare correct information in columns 10 to 12, sign in column 14 and send them to social security agencies before September 30, 2022.

## LIST OF UPDATED LEGAL NORMATIVE DOCUMENTS

<b>Information - Communications</b>		
1	Decree No. <a href="#">60/2022/ND-CP</a> dated September 8, 2022 of the Government defining the functions, tasks, powers and organizational structure of the Vietnam Television	Issuing date: 08/09/2022 Effective date: 08/09/2022 Effect status: In force
2	Decree No. <a href="#">59/2022/ND-CP</a> dated September 05, 2022 of the Government on electronic identification and authentication	Issuing date: 05/09/2022 Effective date: 20/10/2022 Effect status: Not yet applied
<b>Natural resources - Environment</b>		
3	Directive No. <a href="#">04/CT-TTg</a> dated May 17, 2022 of the Prime Minister on a number of urgent tasks and solutions to conserve wild and migratory birds in Vietnam	Issuing date: 17/05/2022 Effective date: 17/05/2022 Effect status: In force
4	Decision No. <a href="#">523/QD-TTg</a> dated April 27, 2022 of the Prime Minister approving the Program on 5-year periodical overall survey and assessment of fisheries resources and habitats of aquatic species nationwide through 2030	Issuing date: 27/04/2022 Effective date: 27/04/2022 Effect status: In force
<b>Public order</b>		
5	Directive No. <a href="#">05/CT-TTg</a> dated May 18, 2022 of the Prime Minister on enhancing the management and protection of forests, addressing illegal deforestation and encroachment on forest land	Issuing date: 18/05/2022 Effective date: 18/05/2022 Effect status: In force
<b>Science – Technology</b>		
6	Decision No. <a href="#">569/QD-TTg</a> dated May 11, 2022 of the Prime Minister promulgating the Strategy for development of science, technology and innovation through 2030	Issuing date: 11/05/2022 Effective date: 11/05/2022 Effect status: In force



<b>Administration</b>		
7	Decree No. <a href="#">55/2022/ND-CP</a> dated August 23, 2022 of the Government prescribing the national database on reception of citizens, settlement of complaints, denunciations, petitions and reports	Issuing date: 23/08/2022 Effective date: 10/10/2022 Effect status: Not yet applied
<b>Insurance</b>		
8	Official Dispatch No. <a href="#">4887/BHXH-CNTT</a> dated August 27, 2022 of Ho Chi Minh City Social Security regarding the additional update of citizen's identity card numbers/personal identification numbers of insurance participants in the database managed by the Vietnam Social Security, and installation and use of VSSID	Issuing date: 27/08/2022 Effective date: 27/08/2022 Effect status: In force

*Thank you for your reading!*

**VIETNAM LAW COMMUNICATION JOINT STOCK COMPANY**

**In Hanoi:** 1A Floor, IC Building, No. 82 Duy Tan Street, Dich Vong Hau Ward, Cau Giay District, Hanoi

**Tel:** 0938 36 1919

**In Ho Chi Minh City:** 5<sup>th</sup> Floor, Orchard Parkview, No. 130 - 132 Hong Ha, Ward No. 9, Phu Nhuan District, HCMC

**Tel:** 028.39950724 - 028.39950262

**Email:** [cskh@luatvietnam.vn](mailto:cskh@luatvietnam.vn)

**Hotline:** 0938 36 1919

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