

GMS Flash Alert



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Vietnam - Tax Authorities Focusing in on Tax Debts

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

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

WHY THIS MATTERS

Unsettled tax debt presents a risk of:

- * imposition of penalties and interest;
- * deportation for the individuals and difficulties when re-applying for (re)entry.

What Taxpayers Can Expect



KPMG INSIGHTS

- The taxpayer/company should review the tax debt status of the taxpayer/employee within the last 10 years so as to be able to take action(s) that may be necessary to avoid a ban being imposed in terms of that individual's exit from Vietnam.
- The debt recorded by the tax system may not represent the actual amount owed due to numerous external reasons (e.g., missing/wrong payment, system errors, incorrect tax return recorded, etc.). Therefore, tax debt reconciliation with the tax authority should be carried out periodically or upon departure or upon receiving a tax debt notification issued by the tax authority to help ensure the fulfilment of the individual's tax obligations.
- To prevent tax debt arising in future, taxpayers may wish to make sure they adhere to tax payment deadlines and include necessary information in payment descriptions to help avoid missing/wrong payments.

What KPMG Can Help With

- Periodic tax payment / tax debt reconciliation;
- Tax debt review and clearance;
- Working with tax and immigration authorities to reconsider, and potentially remove, an exit ban.

Contact us

For additional information or assistance, please contact your local GMS or People Services professional or one of the following professionals with the KPMG International member firm in Vietnam:



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