



# Vietnam Tax Updates

## Further Guidance on CIT Finalization

*In this newsletter, Grant Thornton summarizes selected tax rulings that may be of interest to investors in Vietnam.*

**Further guidance on CIT finalization  
OL 7250/BTC-TCT  
7 June 2010**

On the 7<sup>th</sup> of June 2010, the Ministry of Finance issued official letter No. 7250 to clarify key issues regarding CIT filings in 2009.

### **Foreign exchange gains/losses**

Foreign exchange gains related directly to main business activities are required to be recorded as such income. This implies that such foreign exchange gains are also entitled to the same CIT incentives applicable to the respective business activity.

### **Main operating income and other income**

Other losses can be used to offset against profits from the main operating activities.



**Loss carry forwards**

From 2009 tax losses must be carried forward continuously to the following years for a maximum period of 5 years.

**School fees**

Generally, school fees for expatriates' children studying in Vietnam are tax deductible provided that the benefits are stated in the labour contract and sufficient supporting documents are provided.

**Uniform allowance**

If the employer has provided uniforms to employees either in cash or in kind, the maximum total annual cap per person will be VND 1,500,000.



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