

# 2021 Year end Corporate Income Tax Compliance

Companies should ensure timely filing of their tax returns. Mitigating and managing tax risks and disputes requires a good understanding of tax legislation and so getting proper guidance and advice is important.



## Covid related expenses

are pending further guidance of tax authorities and need strong technical justification

*Unexpected operational costs*



*Additional employment costs*



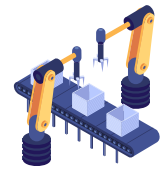
*Unexpected business, supply chain disruption costs*



*Other risk management costs or unusual provisions*



*Cost of asset transition or temporarily suspended*



## 30% cap of borrowing cost

How to determine the borrowing costs subject to regulatory 30% cap and the amount carried forward

## CIT calculation and allocation for branch in other provinces

Require strong accounting data support and may put you at risk of incorrect allocation

## Marketing and promotion expenses

Adverse interpretation of the tax authorities and may be disallowed

## Non-compliance with other laws

Labour, commercial arrangement, technology transfer cost causes non-deductibility issues

## Transfer Pricing

Your related party transactions disclosure and documentation may put you at risk for tax audit

## Common mistakes in CIT calculation

- Incorrect assessment of tax incentives
- Over-claimed deductible expenses
- Insufficient supporting documents for expenses
- Unclear/incorrect documentation related to cross-border transactions
- Inappropriate allocation of expenses among related parties
- Incorrect claim of tax losses carried forward
- Incorrect treatment of promotional expenses
- Labor expenses in non-compliance with labor code

## How KPMG can help you?

- CIT incentive review
- Marketing & promotional expenses review
- Inter-company transactions review
- Deferred tax management
- CIT health check
- CIT planning
- COVID-19 related deductibility
- CIT quarterly calculation and annual preparation
- CIT annual declaration review
- CIT compliance training
- Related Party Transaction disclosure support

## Why KPMG?

Our Corporate Tax practice has the breadth of knowledge and in-depth experience necessary to assist companies to meet their tax compliance obligations in an effective but cost efficient manner, with the focus on identifying legitimate tax savings opportunities and adopting defensible tax treatments/positions.

We can also share tax function best practices for tax governance framework and tax function transformation, bringing together established methods, processes and technologies to develop the framework and foundation or a continuously improving compliance function that is tailored to help meet any company's business goals. We can also leverage knowledge of the organisation and its data to provide value-driven actionable insights.

### Vietnam Tax Firm of the Year

International Tax Review, 2014 – 2020

### Vietnam Transfer Pricing Firm of the Year

International Tax Review, 2021

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