

THE PRESIDENT

**Order No. 28/2012/L-CTN of December 3, 2012, 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 X<sup>th</sup> National Assembly, the 10<sup>th</sup> session;*

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

*Pursuant to Article 57 of the Law on Promulgation of Legal Documents,*

PROMULGATES:

**The Law Amending and Supplementing a Number of Articles of the Law on Personal Income Tax,**

which was passed on November 22, 2012, by the XIII<sup>th</sup> National Assembly of the Socialist Republic of Vietnam at its 4<sup>th</sup> session.

President of the Socialist Republic of Vietnam  
TRUONG TAN SANG

**Law Amending and Supplementing a Number of Articles of the Law on Personal Income Tax**

(No. 26/2012/QH13)

*Pursuant to the 1992 Constitution of the Socialist Republic of Vietnam, which was amended and supplemented under Resolution No. 51/2001/QH10;*

*The National Assembly promulgates the Law Amending and Supplementing a Number of Articles of the Law on Personal Income Tax.*

**Article 1.**

To amend and supplement a number of articles of the Law on Personal Income Tax.

**1. To amend and supplement Clauses 2 and 5, Article 3 as follows:**

“2. Incomes from salaries and wages, including:

- a/ Salaries, wages and amounts of similar nature;
- b/ Allowances, except those paid in accordance with the law on preferential treatment for persons with meritorious services; defense or security allowances; hazard or danger allowances for persons working in sectors, occupations or jobs at places where exist hazardous or dangerous elements; allowances for attraction of laborers to work in certain sectors or in certain regions under law; allowances for sudden difficulties, allowances for laborers suffering labor accidents or occupational diseases, lump-sum maternity or child adoption allowances; allowances for working capacity decrease, lump-sum retirement allowances, monthly survivorship allowances and other allowances in accordance with the law on social insurance; severance and job loss allowances provided in the Labor Code; social relief allowances and other allowances which are not of salary and wage nature specified by the Government.”

“5. Incomes from transfer of real estate, including:

- a/ Incomes from transfer of rights to use land and assets attached to land;
- b/ Incomes from transfer of right to own or use residential houses;
- c/ Incomes from transfer of right to lease land or water surface;
- d/ Other incomes earned from transfer of real estate in any form.”

**2. To amend and supplement Clause 10, Article 4 as follows:**

“10. Pensions paid by the Social Security Fund; monthly pensions paid by voluntary pension funds.”

**3. To amend Point c, Clause 1, Article 7 as follows:**

“c/ Tax period upon each transfer or annual tax period applicable to incomes from securities transfer.”

**4. To amend and supplement Clause 1, Article 19 as follows:**

“1. Reduction based on family circumstances means a sum of money deductible from pre-tax taxable incomes from business, salary or wage of a resident individual taxpayer. Reduction based on family circumstances consists of the following two parts:

- a/ Reduction for the taxpayer, which is VND 9 million/month (VND 108 million/year);
- b/ Reduction for each dependant of the taxpayer, which is VND 3.6 million/month.

In case the consumer price index (CPI) fluctuates by more than 20% compared to the level at the effective date of the Law or the latest adjustment of reduction based on family circumstances, the Government

shall submit to the National Assembly Standing Committee for adjustment the reduction based on family circumstances specified in this Clause suitable to the fluctuation of CPI for application in the next tax period.”

**5. To amend and supplement Clause 1, Article 21 as follows:**

“1. A taxed income from business, salary or wage is the total of taxable incomes specified in Articles 10 and 11 of this Law, except premiums of social insurance, health insurance, unemployment insurance and professional liability insurance for some professions and jobs subject to compulsory insurance, contributions to voluntary pension funds, and reductions specified in Articles 19 and 20 of this Law.

The Government shall specify the maximum level of reduction for contributions to voluntary pension funds specified in this Clause.”

**6. To amend and supplement Article 24 as follows:**

“Article 24. Responsibilities of income-paying organizations and individuals and responsibilities of resident individual taxpayers

1. The responsibility to make tax declaration, withholding, payment and finalization is specified as follows:

a/ Income-paying organizations and individuals shall declare, withhold and remit tax into the state budget, and make tax finalization for all kinds of taxable income they pay to taxpayers;

b/ Individuals who have taxable incomes shall declare and pay tax into the state budget and make tax finalization in accordance with law.

2. Income-paying organizations and individuals shall supply information on incomes and dependants of taxpayers under their management in accordance with law.

3. The Government shall specify tax withholding rates suitable to each kind of income specified at Point a, Clause 1 of this Article and tax finalization specified in Clause 1 of this Article.”

**Article 2.**

1. This Law takes effect on July 1, 2013.

2. The Government shall detail and guide the implementation of articles and clauses as assigned in the law.

This Law was passed on November 22, 2012, by the XIII<sup>th</sup> National Assembly of the Socialist Republic of Vietnam at its 4<sup>th</sup> session.-

Chairman of the National Assembly  
*NGUYEN SINH HUNG*