SUMMARY


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1. Objectives of the research

- Analyze, assess and point out weaknesses and shortcomings of major Vietnamese CIT adjustments.
- Study experience in reforming and adjusting CIT of several nations in the region and in the world.
- Propose Vietnamese CIT adjustments in accordance with international practice.

2. Structure of the research

Chapter 1. Introduction to Corporate Income Tax System

1.1. Nature and characteristics of CIT
   1.1.1. Characteristics of CIT
   1.1.2. Nature of CIT

1.2. The role of CIT in the economic integration

1.3. Major methods of CIT adjustments
   1.3.1. Requirements towards CIT adjustments
   1.3.2. CIT adjustment methods

1.4. Experience of several Asian countries
   1.4.1. CIT tax rate
   1.4.2. Tax incentives
   1.4.3. Regulations on deductible and non-deductible expenses
   1.4.4. Regulations on thin capitalization
   1.4.5. Management of multi-level marketing
1.4.6. CIT on income from sale of certified emission reductions

Chapter 2. Current Corporate Income Tax System in Vietnam

2.1. Development of CIT in Vietnam

2.2. Current CIT adjustment methods
    2.2.1. CIT tax rate
    2.2.2. Tax incentives
    2.2.3. Regulations on deductible and non-deductible expenses

2.3. Newly arisen issues in the economic integration
    2.3.1. Regulations on thin capitalization
    2.3.2. Management of multi-level marketing
    2.3.3. CIT on income from sale of certified emission reductions

2.4. Assessment of current CIT
    2.4.1. Strong points
    2.4.2. Weaknesses

Chapter 3. Proposal of Vietnamese CIT adjustments to 2020

3.1. Vietnamese CIT reform orientation to 2020
    3.1.1. Requirements towards CIT reform
    3.1.2. CIT reform strategy during 2011-2020

3.2. Proposal of Vietnamese CIT adjustments in accordance with international practice
    3.2.1. CIT tax rate
    3.2.2. Tax incentives
    3.2.3. Regulations on deductible and non-deductible expenses
    3.2.4. Regulations on thin capitalization
    3.2.5. Management of multi-level marketing
    3.2.6. CIT on income from sale of certified emission reductions
3. **Conclusions and recommendations**

- Until 2020, CIT system needs to loosen and come to deregulate several limits on expense in accordance with Vietnam’s current economic development and international practice, so as to ensure a real competitive CIT tax rate compared with other Asian countries.

- In the current situation, Vietnam needs to reduce the scope of tax incentives, adopt CIT preferential policy to attract FDI invested in supporting industries in order to stimulate the development of SMEs and to improve the competitive capacity of domestic companies, and complete the legal framework for controlling transfer pricing phenomena.

- CIT system needs to point out the process path for deregulating the limited ratio of 15% on advertisement and marketing expenses to ensure the conformity with international practice.

- CIT system needs to add new regulation on entertainment expense including a clear definition of entertainment expense and certain limit on this expense based on other Asian countries’ experiences.

- It is necessary for Vietnam to add new regulation on thin capitalization in CIT law, propose the debt-equity ratio of 3:1 based on OECD’s recommendations and other countries’ experience.

- Vietnam can refer to the US’s experience for identifying and controlling the pyramid promotional schemes in Vietnam.

- In the future, CIT system needs to add more regulations on the sale of certified emission reductions in the secondary market.