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OPPORTUNITIES AND CHALLENGES FOR VIETNAM IN ATTRACTIVE FDI IN GLOBAL MINIMUM CORPORATE TAX IMPLEMENTATION

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Abstract:

Vietnam is one of the countries that has achieved many achievements in more than 30 years of attracting foreign direct investment (FDI) mainly thanks to the application of preferential policies and corporate income tax (CIT). However, one of the problems that need the Program to prevent tax base erosion and profit transfer of multinational companies (BEPS).to be solved in the process of attracting FDI of Vietnam as well as other countries. According to the action plan of BEPS, by the end of 2023 the "Global Minimum Corporate Tax Rule" will be implemented by participating countries. Therefore, Vietnam needs to have a plan to adjust the CIT policy appropriately to ensure the taxing rights of Vietnam, as well as to perfect the CIT policy to be able to compete and attract investors to Vietnam. Vietnam. This study aims to analyze the current situation of CIT policy for FDI in Vietnam. At the same time, an assessment of the effects of GMT may affect the CIT policy for FDI. On that basis, some policies are proposed to adjust the CIT policy in general and for FDI in particular when Vietnam and other countries implement GMT in the near future.

Keywords: *FDI, Global minimum tax, attractive FDI, tax base erosion and profit shifting, Corporate income tax*

1. Introduction

In a flat world, economic globalization with successive events leading to the world economy is reshaping the global supply chain towards more flexibility, adaptability, application of digital technology, promoting promoting e-commerce and increasing globalization of services, which reshape the world's foreign direct investment flows. In that context, in order to create a healthy competitive environment, ensure the fairness of the tax system between countries and prevent tax loss, the Organization for Economic Co-operation and Development has initiated and is supported by the Group of Economies. the world's leading developed and emerging economy through its Initiative to Combat Tax Base Erosion and Profit Shift to distribute taxing rights, conduct a review of profit distribution and profit allocation principles to ensure that all businesses operating internationally pay a minimum tax rate. The global minimum tax is designed to prevent a "race to the bottom" of preferential tax rates between countries in attracting foreign investment; at the same time, removing loopholes in management to prevent foreign-invested enterprises from evading taxes and transferring prices, thereby contributing to increasing state budget revenue. Commitment to the implementation of the global minimum tax puts pressure, but importantly creates opportunities, prompts us to reform and perfect the legal framework of the tax system in accordance with international practices and standards; create trust, strengthen integration and enhance Vietnam's economic position in the international arena. The implementation of the global minimum tax forces us to modify our strategies and policies to attract foreign direct investment (FDI) in the direction of eliminating corporate income tax (CIT) incentives with enhanced solutions. competitiveness of the investment and business environment, infrastructure development, training of skilled and skilled human resources with competitive salaries in the region and the world. These are important factors to improve the labor productivity of the economy. If Vietnam does not apply the global minimum tax, the State budget revenue on CIT will not be affected, but the entire amount of incentives for current FDI enterprises will be paid by the governments of the countries. owning FDI enterprises in Vietnam to collect their budget. If the standard domestic minimum additional tax is applied, Vietnam will have the right to levy additional tax on FDI enterprises that are enjoying the actual tax rate in Vietnam lower than the minimum 15%, from that increases state budget revenue.The Vietnamese Government has committed to implementing the global minimum tax, the Prime Minister directs the ministries and branches to focus on researching and proposing solutions related to the global minimum tax rate; focus on reviewing, perfecting institutions, regulations and building a roadmap for the application of the global minimum tax on the basis of international experience and appropriate application to Vietnam, and submit it to the competent authorities for approval. This will be a factor leading to innovation to attract FDI inflows, creating a new impetus for our country's economic growth in the coming time. January 1, 2024 The global minimum Corporate Tax will apply. So what does Vietnam need to prepare? Have businesses affected by the global minimum corporate tax agree to enforcement? Currently, there are about 1015 FDI enterprises in Vietnam with global consolidated revenue of over 750 million Euros that will be affected. On July 1, 2023, the General Department of Taxation of Vietnam has applied VAT reduction from July 1, 2023 to December 31, 2023 for the group of goods and services that are applying the tax rate of 8% according to the implementation of the Decree No. Decree No. 44/2023/ND-CP of the government on the regulation of VAT reduction in 2023. This policy of Vietnam is welcomed by many businesses because the state agency has provided practical support for businesses to get through this difficult time. This VAT reduction will help businesses have more money to pay staff salaries, retain employees to find orders during this difficult period. The value-added tax reduction policy will help businesses overcome the period of scarcity of orders, creating motivation for enterprises to increase production and business expansion, thereby creating more jobs for the society.

2. Literature review

2.1 Action plan against tax base erosion and profit shifting

In the increasingly fierce competition to attract FDI, countries have continuously pursued corporate tax reduction policies for a long time (since the early 1980s until now), even creating a "running race". race to the bottom” on the CIT rate. Therefore, for FDI, the cost of CIT becomes an important factor influencing the decision and location of investment. In the midst of a rapidly evolving digital economy, it has never been easier for many multinational companies to choose where they want to locate their production and support parts. As a result, MNEs can implement tax avoidance and tax evasion schemes by shifting profits from areas with high CIT rates to areas with low CIT rates, causing tax base erosion and profit shifting (BEPS). Since 2012, OECD countries have initiated solutions to deal with multinational companies taking advantage of differences in tax policies of each territory, transferring profits between countries in order to evade taxes or evade taxes. pay only a low tax rate.

Accordingly, BEPS 1.0 was born at the Antalya Summit (Turkey) in November 2015, the G20 leaders approved the "BEPS Action Package" with specific actions to limit tax evasion through BEPS. Commitment to the implementation of the “BEPS Action Package” is a prerequisite for a country to participate in the global cooperation framework on BEPS. Following that, BEPS 2.0 was born with the aim of reaching consensus among countries, avoiding unilateral measures, and ensuring that multinational companies pay taxes fairly in the markets in which they operate. business. On that basis, the concept of "Global Minimum Tax Rate" was developed to cope with the "race to the bottom" in context of countries implementing corporate tax reductions to promote foreign investment. Specifically BEPS 2.0 consists of two pillars, called Pillar 1 and Pillar 2:

- Pillar 1 applies to multinational companies with global turnover of more than 20 billion euros, gradually decreasing to 10 billion euros within 7 years, and having a pre-tax profit margin on sales greater than 10%. For these companies, 25% of the excess profits above 10% will have to be distributed to the countries in which they do business according to a certain formula.

- Pillar 2 applies to companies with a global turnover of 750 million euros. Accordingly, these corporations will have to pay a minimum tax rate of 15% on income calculated according to the principles of Pillar 2 in each territory in which the company operates. If the actual tax rate is less than 15% they will have to pay an additional tax according to certain calculation rules. The principles of pillar 2 work under a rather complicated mechanism, but their meaning is quite simple: multinational companies must pay their share of taxes fairly in all countries where they are active. According to the plan of BEPS 2.0 program “Global Minimum Tax Rule” will be implemented by participating countries. This is a multilateral agreement with the participation of more than 140 countries worldwide, including Vietnam, with a uniform minimum tax rate of 15% for multinational corporations with total revenue from 750 million euros or more. Regarding the expected implementation time of these invitation rules in 2024, some countries may apply early in 2023 or late in 2025 or later. The rule is estimated to generate over $150 billion in global corporate income tax annually, and the proposed new rules could impact Vietnam's investment climate even if Vietnam itself does not impose it. use them.

2.2 Impact of Global Minimum Tax on Vietnam

Pillar 2 is considered a historic step forward in international tax reform, especially as the basis for putting an end to "tax havens", countries or territories that do not tax or tax very much income. low, where multinationals “hide” their profits through the establishment of shell companies (which do not need to have any employees or operate in the jurisdiction). Since 2017, Vietnam has officially joined the BEPS project cooperation forum and became the 100th member of this forum. In fact, over the past 30 years, Vietnam has attracted foreign investment mainly through the application of preferential tax rates and corporate income tax exemption and reduction. Tax incentives have always been an important investment attraction tool and a top concern of international investors interested in Vietnam. It can even be said that this is an important criterion affecting the investment trends and decisions of multinational companies when they consider investing in expanding production in Vietnam or neighboring countries. It can be seen that the agreements to promote the global minimum corporate tax plan will affect developing countries, including Vietnam:

- This new tax agreement may reduce the ability of developing countries to attract foreign companies with tax incentives. Because if this tax rate is applied, the tax incentives that foreign companies are enjoying will no longer be valid.

- For tax allocation to countries and markets, if countries have a relatively large domestic market, like Vietnam, the global tax rate can benefit tax revenue, because it allows countries to States have the right to levy taxes (albeit limited to a certain extent) on technology and e-commerce companies with large tax revenues in these markets.

- The new global minimum corporate tax rate may affect the structuring of transactions within the member units of multinational companies, as these companies often use internal pricing mechanisms to manage tax obligations globally. Internal transactions of multinational companies are an area of concern to authorities in developing countries because transfer pricing activities and abuse of loopholes in tax law are very complex today.

Thus, the agreement on the global minimum corporate tax will have an impact and impact on anti-transfer pricing activities in order to close the gap in CIT policy for FDI and ensure tax revenue in developing countries. including Vietnam.

2.3 Current status of corporate income tax policy for FDI in Vietnam

Since the corporate income tax policy has a direct impact on the profits of FDI enterprises, in Vietnam since the implementation of the policy to attract FDI (1987), most measures to encourage FDI are based on in preferential policies, corporate income tax exemption and reduction. First of all, the common tax rate through amendments to the Law on Corporate Income Tax in Vietnam has been reduced in turn: 28% in the 2001-2008 period, 25% in the 2009-2013 period, and 22 in the 2014-2015 period. % and from 1/01/2016 20%. Regarding the form of corporate income tax incentives, including the application of a corporate income tax rate lower than the normal tax rate for a definite term or for the entire duration of the investment project.

Table 1: Preferential corporate income tax for investment projects

Preferential tax rates and the application period	Exemption and reduction of corporate income tax	Investment projects
9% 30 years	Tax-free for 5 years. 50% reduction of tax payable in the next 10 years.	Having an investment scale of VND 30,000 billion or more, disbursing at least VND 10,000 billion within 3 years from the date of issuance of the investment registration certificate or approval of the investment policy.
7% 33 years	6 years tax-free 50% reduction of tax payable in the next 12 years.	New establishment investment projects (including the expansion of such newly established projects) of innovation centers, research and development centers with total investment of 3,000 billion VND or more. disbursed at least VND 1,000 billion within 3 years from the date of issuance of investment registration certificate or decision on approval of investment policy. (a) Is a level 1 high-tech project (b) There are Vietnamese enterprises participating in the chain of level 1 (c) Value added accounts for over 30% to 40% of the total cost of final output products provided by economic organizations. (d) Meets technology transfer criteria level 1
5% 37 years	Tax free for 6 years. 50% reduction in tax payable for the next 13 years.	The National Innovation Center was established by decision of the Prime Minister. An investment project that falls within the categories specified at Point b, Clause 2, Article 20 of the Law on Investment and meets one of the following four criteria: (a) Is a level 2 high-tech project (b) There are Vietnamese enterprises participating in the chain of level 2

Preferential tax rates and the application period	Exemption and reduction of corporate income tax	Investment projects
		(c) Value added accounts for more than 40% of the total cost of final output products provided by economic organizations. (d) Meets Level 2 technology transfer criteria

Source: Decision No. 29/2021/QD-TTg dated October 6, 2021

Vietnam currently has more than 26,000 operating FDI enterprises, of which there are more than 1,000 enterprises with a turnover of 750 million euros. Compared with the proposed GMT tax rate of 15%, it can be seen that most FDI enterprises are enjoying tax incentives issued by Vietnam that are lower than the global minimum tax.

2.4 Tax Management for FDI Enterprises

The commitment to fulfill the official membership obligations of the BEPS Forum has brought benefits to Vietnam: Contributing to the reform of the tax system in line with international practices and international standards, improve the efficiency of reform and modernization of the tax system in the period of 2017 - 2020; Prepare institutional conditions and improve tax administration capacity, contributing to enhancing the effectiveness of Vietnam's international integration process; Promote the reform of the tax administration system in Vietnam to approach international standards, thereby actively contributing to the fight against tax loss, improving the investment environment, making business more transparent, and improving the quality of revenue. attract foreign investment capital; Enhance experience sharing, improve tax administration capacity, promote coordination with other countries to fight tax evasion, especially for foreign capital flows; Enhancing Vietnam's position and role in international forums. In addition to the achieved results, tax management for FDI enterprises has to face the phenomenon of enterprises transferring prices, evading taxes, thereby causing losses and damage to the state budget, affecting the environment. investment market and competition with other types. The report of the Ministry of Finance shows that by the end of 2021, the total assets of FDI enterprises is VND 8,857,187 billion, up 13.1% compared to 2020, and the owner is VND 2,549,558 billion, up 12. ,3%. However, the growth of capital of FDI enterprises mainly comes from external financing.

The production and business results of FDI enterprises in 2021 have a growth with revenue reaching VND 8,567,847 billion, an increase of 19.3% compared to 2020, profit after tax is VND 366,222 billion, an increase of 83,585 billion dong, equivalent to 29.6%. The amount of state budget payment of FDI enterprises also increased. However, the profitability indicators in some areas are still negative, have not been improved, and the budget payment is still not commensurate with the total investment. In 2021, the number of businesses reporting losses is 14,293, accounting for 55% of the total number of businesses and an increase of 11% compared to 2020 with a value of VND 168,334 billion. The number of enterprises with accumulated losses is 16,258 enterprises, accounting for a large proportion, up to 62% of the total number of enterprises and an increase of 8% compared to 2020 with a value of VND 706,146 billion. The number of businesses that lost to their owners was 4,402 enterprises, accounting for 17% of the total number of enterprises and increased by 15% with a value of VND 162,233 billion.

Table 2: State budget revenue books of foreign-invested enterprises in Vietnam

	2015	2016	2017	2018	2019	2020	2021
Value (Billion VND)	140.979	162.934	172.166	190.309	212.199	209.090	217.259
Structure (%)	13,81	14,40	13,31	13,29	13,66	13,84	13,85

Source: General Statistics Office of Vietnam in 2023

Preliminary statistics from the Ministry of Finance show that currently, there are about 1,105 FDI enterprises in Vietnam with global consolidated revenue of over 750 million euros (according to the financial report for 2021 by the General Department of Taxation in conjunction with Ernst company). & Young Vietnam review), and about 400 FDI enterprises are enjoying preferential regimes and only 1 year left to enjoy tax incentives (reported by 20 tax departments). Therefore, the specific study of calculating the impact of the global minimum tax on businesses faces many difficulties because each enterprise has different incentives, investment time and tax policy implementation time, 2024 global minimum is very close. The global minimum tax regime has reached a framework agreement among the member countries of the OECD, the unity of the G20 and the G7, has already been joined by more than 140 countries. At the Conference held by Investor magazine in June 2022 in Hanoi, global issues and recommendations were discussed on what Vietnam needs to do to implement the global minimum tax regime. This workshop discussed solutions that our country needs and can implement according to the principle of benefit sharing between the parties when Vietnam has a competitive advantage in attracting and using FDI. The fight against tax evasion, tax laundering, and money laundering through "tax havens" has been considered a global issue by the Governments of all countries, recently reaching a broad consensus by means of a global minimum mechanism. In principle, the G7 countries have agreed to apply a global minimum corporate income tax rate of 15% to prevent tax competition between countries. The tax rate of 15% is still much lower than the average tax rate of about 23.5% in industrialized countries, so the US supports the 21% rate. On July 1, 2021, member countries of the Organization for Economic Co-operation and Development (OECD) agreed to impose a minimum tax rate on a global scale, the G20 finance ministers also agreed approved this agreement in July 2021. However, a few provisions of the agreement still need to be finalized before the G20 Summit takes place in October 2021 as well as continuing to seek the support of the countries participating in the Forum on cooperation and implementation of the agreements. OECD/G20 tax base erosion and profit shifting solution. In October 2021, a 15% tax rate was agreed by 139 countries. Under the agreement, from 2023, a minimum global corporate tax rate of 15% will be applied to companies with income of 750 million euros ($870 million) or more. The agreement has made some adjustments to the original document, in that the 15% tax rate will not increase immediately and small businesses will not be affected by this rate. This agreement is expected to create a breakthrough and bring fairness because it reallocates more than $125 billion in profits from about 100 of the largest and most profitable multinational companies to countries, contributing to avoiding situation in which many countries race to reduce taxes to attract foreign investment and limit the transfer of profits abroad. Many developing countries have corporate income taxes ranging from 20 to 40%, higher than 15%. However, corporations can pay less than the minimum tax rate because they benefit from tax incentives. There are two types of tax incentives that developing countries usually give to foreign investors.

The first are incentives that create temporary or permanent differences between the financial statements of companies that declare their profits in accordance with international accounting standards (accounting profits) and their taxable income, calculated based on domestic tax regulations. These incentives do not reduce the total amount of tax payable, but only help companies can delay tax obligations. The General Cooperation Forum is committed to finding a harmonized solution to ensure the fairness of this type of incentive in a way that may not require additional taxation, although the detailed way to do so has not been determined yet do this.

The second type is simply the reduction or elimination of taxes on profits, usually for a certain period of time such as tax exemptions, preferential tax rates, tax deductions/withholdings, investment incentives or reductions, tax exemptions. enterprise income. These tax incentives are generally considered less effective than the first type of tax incentives and are more likely to lead to profit displacement. These are the types of incentives that this tax reform bet is aiming for. When joining the global minimum tax mechanism, a country will have to apply it to all sectors of the economy, cancel the tax incentives currently prescribed in law and in bilateral investment agreements. to apply the effective tax rate consistent with the global minimum tax rate.

2.5 The reaction of some countries on the policy of the Global Minimization Tax

For the global minimum tax mechanism, most countries have agreed, but there are also countries that oppose it.

India: The global minimum corporate income tax (CIT) rate of 15% is beneficial for the country in attracting foreign investment (FDI), not negatively impacting companies doing business in India. The CIT rate in India is 22%, so the country supports the global minimum tax regime. On April 1, 2020, India expanded the scope of digital tax by applying a balanced tax rate of 2% to foreign legal entities selling goods and services online to domestic customers if they have a business. annual revenue of more than 20 million INR (about 275,404 USD). In 2016, India also imposed a balanced tax of 6% on the online advertising revenue of large multinational companies such as Google and Facebook.

China: China opposes to the global minimum 15%; recommended that G20 leaders address the concerns of all parties. China's biggest concern concerns Hong Kong (the 7th largest tax haven in the world and the largest in Asia), because if the global minimum tax regime is implemented, some multinational companies The company will move the headquarters of the company located here.

Korea: currently has 51 multinational business groups and 473 subsidiaries in 22 countries considered a tax haven by the OECD; in which Samsung group has the largest number of companies (59 companies) in countries/regions with corporate income tax below 15%, followed by SK with 57, LG 34, CJ 33 and Huynhdai Motor 25.

However, the global minimum tax regime does not increase Korea's CIT as the country has taxed corporate income tax at a maximum of 27.5%.

Poland and Hungary: do not support the agreement on the global minimum tax regime of the G7 leaders, the framework agreement of the OECD and the G20. The regulation of lower tax rates is so that developing countries can catch up with the development level of more advanced economies through attracting FDI, but Poland and Hungary argue that with a minimum CIT rate, 15% will reduce the ability to attract FDI.

Malaysia: current CIT rate 24%, preferential tax rate for pharmaceutical manufacturers and manufacturers who want to move to Malaysia from 0% to 10% with possibility to reduce CIT rate to 20%

to continue encourage investment attraction and provide additional incentives for multinationals to invest in the country.

Table 3: Average corporate income tax in 2021 by regions around the world

Area	Average tax rate (%)
Africa	27,97
Asia	19,62
Europe	19,84
North America	26,37
South America	26,63
G7	26,69
OECD	23,04
BRICs	27,4
EU27	21,3
G20	26,75
World	23,54
Viet Nam	20,0

Source OECD, BIDV Research investment institute

2.6 Vietnam's solution

With becoming the 159th member of the Global Forum from December 26, 2019, Vietnam needs to carry out the necessary work related to the application of the minimum tax mechanism to meet the requirements of large TNCs. , as well as potential investors. The applicable CIT rate in Vietnam is 20%, the preferential tax rate below 15% includes 5%, 10%, tax reduction and exemption period for highly preferential projects of 10 years or more. Therefore, if Vietnam is slow to apply the global minimum tax regime, FDI enterprises with a turnover of more than 750 million euros will have to pay the difference between the amount of CIT actually paid in our country and the amount of CIT payable to the country. the country where the company's head office is located; The state loses a sizable budget revenue, which can negatively impact the investment environment.

3. Results and Discussion

Sharing about the global minimum tax policy, Mr. Luu Duc Huy, Director of the Policy Department (General Department of Taxation), said that countries with overseas investment capital will basically apply the global minimum tax. demand from 2024. Meanwhile, countries receiving investment capital from abroad, similar to Vietnam are currently studying to come up with response policies. Specifically, according to Mr. Luu Duc Huy:

Firstly, for countries with offshore investment, the global minimum tax will be basically applied from 2024 to collect the difference from the actual tax rate compared to the global minimum tax (15%), including countries with large investment capital in Vietnam: such as Korea, Japan, Hong Kong, Singapore..."European Union countries, non-EU European countries such as Switzerland, United Kingdom, Norway and Asian countries such as Korea, Japan, Hong Kong, Australia will apply the tax. global minimum from 2024.The US alone raised the minimum tax rate of the current US minimum tax regime from 10.5% to 21% and revised the relevant rules to be consistent with global minimum tax regulations. Mr. Huy informed.

Second, for countries receiving investment capital from abroad, similar to Vietnam, it is studying to come up with a global minimum tax response policy, including the application of the domestic minimum additional tax regulation. standards, in order to avoid paying additional tax on the income of the member company whose actual tax rate is lower than the minimum for countries where the parent company is headquartered. At the same time, "these countries are also studying a number of financial support solutions to retain FDI enterprises subject to the global minimum tax and attract new investors", said Director General of Policy Department. General Department of Taxation revealed. Specifically, Indonesia applies the IIR minimum taxable income aggregation rule starting from 2024 (Income Inclusion Rule: a regulation that allows the country where the supreme parent company is located to be taxed the maximum parent company. high on the income of subsidiaries in other countries that are effectively taxed below the 15% minimum tax rate); at the same time, apply UTPR from 2025. (Undertaxed Payment Rule: stipulates taxable profits below the minimum. This regulation supplements the above IIR regulation, applicable in case the member company is paying actual tax less than the minimum, but not yet. subject to additional tax under IIR in another country, the countries in which the group member is located will have the right to levy the additional tax on the member company in that country). Or Malaysia also applies a global minimum tax from 2024; Thailand applies a global minimum tax from 2025. Thailand also proposes to collect an additional standard domestic minimum tax and allocate 50% - 70% of this additional tax revenue to the Public Support Fund. industry under the Competition Enhancement Act. This fund will support businesses in part due to the implementation of the global minimum tax increase. African countries want to enact a standard domestic minimum additional tax, whereby, at the Africa Tax Administration Forum, develop a proposed approach to drafting domestic minimum additional tax legislation.

4. Conclusions and recommendations

4.1 Conclusions:

The global minimum tax is a new issue that has a long-term impact on our country's policy of attracting FDI, so it is necessary to have a proactive and scientific approach so that when applied in Vietnam, it does not cause any impact. negative, but on the contrary creates a healthy investment environment and is increasingly attractive to international investors.

Our country is being evaluated by international organizations, many countries and investors as having great advantages for FDI, in recent years it has become a production base for a number of high-tech products of the world. . If the application of the global minimum tax mechanism meets the legitimate requirements of large economic groups that are producing and doing business, as well as potential investors, it will make inherent advantages such as political stability. value, macroeconomic stability, high growth rate, transition to circular economy, green and sustainable growth, digital economy, digital enterprises, enhanced digital government, business and investment environment investment, the FDI economic sector makes a greater contribution to the realization of the goals of the development strategy for the period 2021-2030.

4.2 Recommendations

Our country should study the domestic minimum tax that some other countries are applying so that Vietnam does not lose a sizable budget revenue. Some recommendations:

Fully study the G7, G20, OECD documents related to the global minimum tax mechanism, refer to the regulations of some major countries such as India, China, Japan, Korea, member countries ASEAN, then select the contents suitable for our country to use in the process of amending and supplementing the Law on Investment, the Law on Enterprises and the Law on Taxation.

Our country studies the Qualified domestic minimum top –up taxes that some countries such as Switzerland and Singapore are considering to apply.

Our country needs from the experience of fairly high income tax incentives for a number of R&D projects, innovation and creativity centers, semiconductor technology, future technology, gradually switching to incentives on the basis of cost. investment and business with financial subsidies from the Government. On August 9, 2022 US President Biden signed the CHIPS Act providing: providing a subsidy equal to 25% of eligible investments. Government regulations: subsidize 13% of eligible R&D expenses... to pay corporate tax debts.

Reviewing Vietnam's regulations on investment incentives related to corporate income tax, comparing them with G7, G20 and OECD documents to eliminate incompatible regulations. From a number of regulations of other countries suitable to our country's conditions, choose to apply when adjusting corporate income tax rates.

Researching and perfecting tax laws for foreign organizations that are not present in Vietnam but generate business and income in Vietnam, this is a necessary condition for taxing corporations. multinational technology.

Conducting renegotiation of the Agreement on Avoiding Double Taxation to update and supplement the concepts of permanent establishments in the context of the 4.0 technology revolution and the digital economy, and change a number of relevant contents. regarding the application of the global minimum tax regime of the two countries.

Assess the loss of corporate income tax that the countries or territories where the headquarters of multinational corporations are located will benefit, while Vietnam is the source of income for these corporations and its subsidiaries, but have not yet collected corporate income tax because they allow their subsidiaries to enjoy preferential corporate income tax policies; thereby adjusting and eliminating corporate income tax incentives for this case.

Negotiate with each TNC affected by the global minimum tax mechanism to agree on a mutually beneficial solution through policies and mechanisms appropriate to UNCTAD (United Nation Conference on Trade and Development) regulations. international investment treaties and new generation FTAs that Vietnam participates in.

Determining the time to carry out the work related to the application of the global minimum tax regime in Vietnam; No later than September 30, 2023, complete the recommendations of the working group for the Ministry of Finance to submit to the government a plan to amend the investment law, the enterprise law and the tax law along with sub-law documents such as decrees and circulars. related. The Government submits to the National Assembly at the year-end session to collect opinions from delegates to carry out the voting procedures to approve the amendment of many laws with one law so that the revised law will take effect from the beginning of 2024.

To accelerate and more effectively reform the national administrative system, including streamlining the state apparatus, streamlining and improving morality; governance capacity of civil servants and public employees, reducing administrative procedures and harassment, shifting to e-government, digital government in investment and business management.

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