

THE BENEFIT OF FDI: TAX RETURNS

GROUP 2

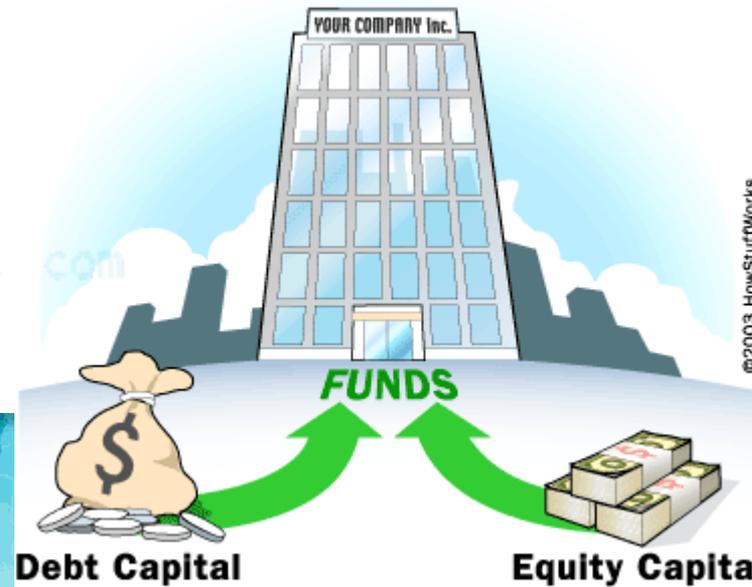
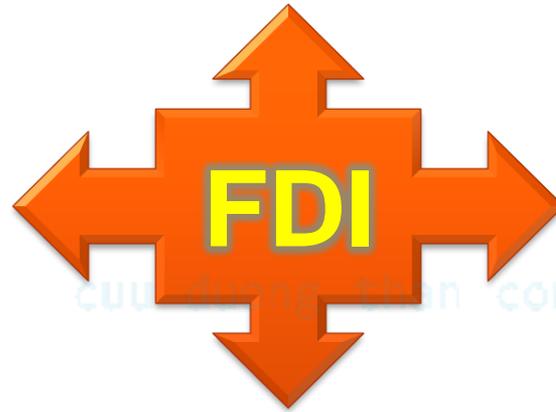
1. NGUYỄN THỊ MAI ANH (1989)
2. NGUYỄN THỊ NGỌC HÀ
3. NGUYỄN HOÀNG HƯƠNG
4. ĐẶNG HỒNG QUẢNG
5. VÕ THỊ THÁI

OUTLINES:

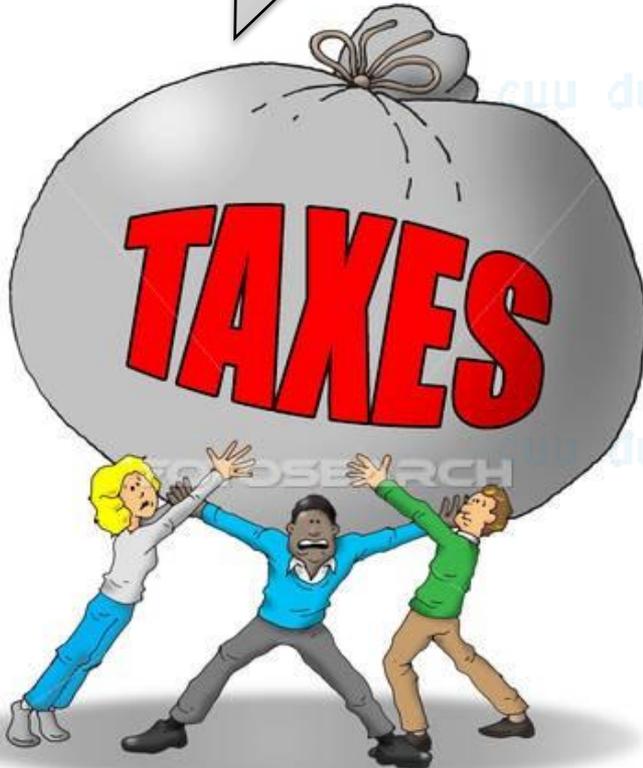
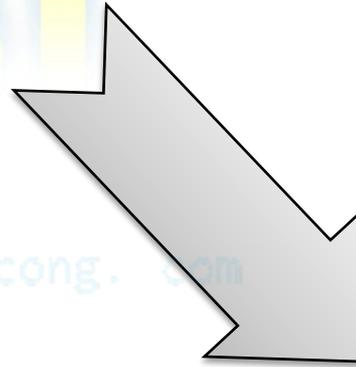
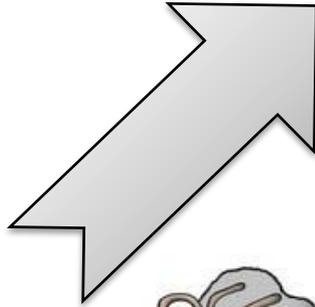
- I. INTRODUCTION
- II. VIETNAM'S STIPULATION IN FDI'S TAX RATE
- III. TAX RATE STATISTICS OF VIETNAM
- IV. SOME TYPICAL FDI ENTERPRISES IN VIETNAM
- V. TAX AS GOVERNMENT TOOL
- VI. CONCLUSION

I - INTRODUCTION

technology transfer



FDI



WHAT IS TAX RETURN?



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Form **1040** U.S. Individual Income Tax Return **2011**

First name and initial Last name Social security number

Home address

Filing Status Working stiff. Skip questions 4-8
 Live off investments. Skip question 3

Income taxed at highest rate

3. Wages, salaries, tips, etc.

Income taxed at lowest rate

4. Carried interest

5. Capital gains

Loopholes

6. Cayman accounts

7. Swiss accounts

8. Foreign investments

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Tax returns must be filed every year for an individual or business that received income during the year, whether through regular income (wages), interest, dividends, capital gains, or other profits.

II -

VIETNAM'S STIPULATION IN FDI'S TAX RATE

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CORPORATE INCOME TAX

◉ *Before 2004*

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CORPORATE INCOME TAX

After 2004

No difference in **CIT rate**

A uniform CIT rate of
28% (2004) & 25% (2008).

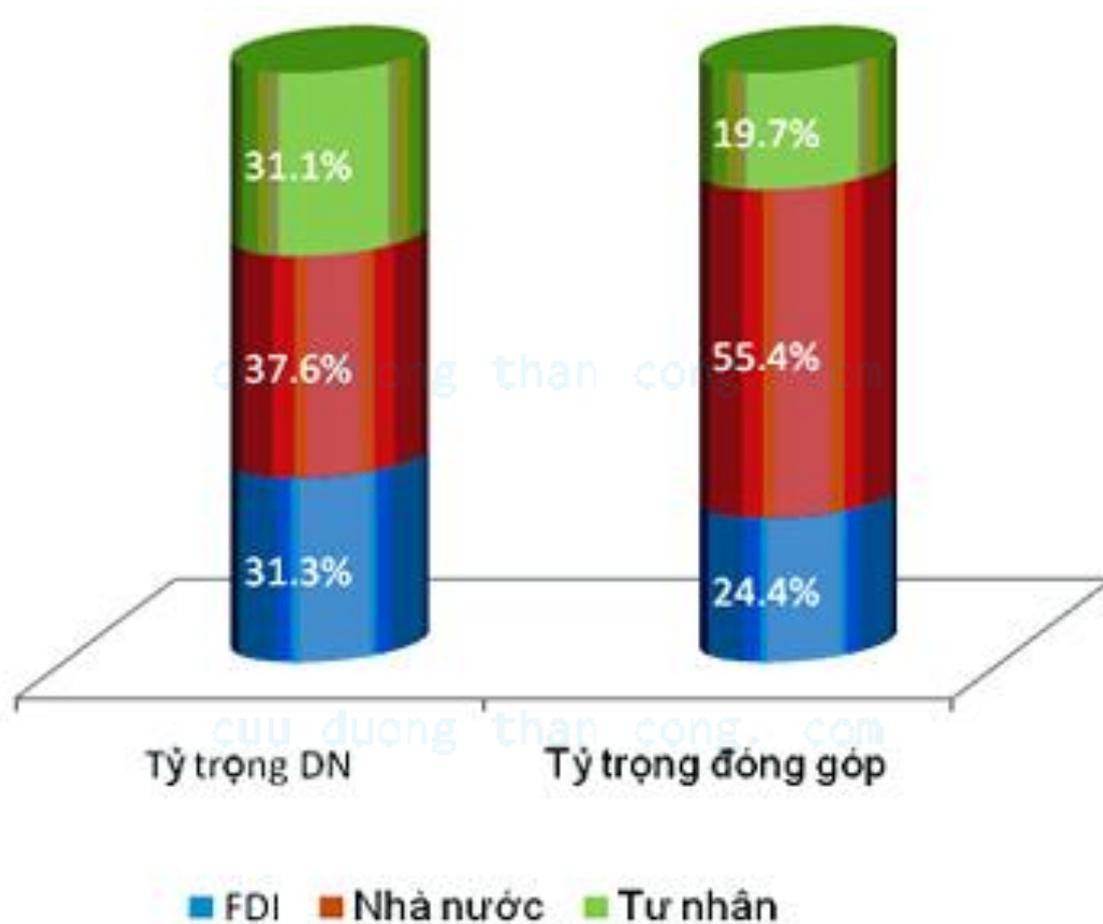
No **Profit remittance
tax**

III -

VIETNAM'S TAX RATE
STATISTICS

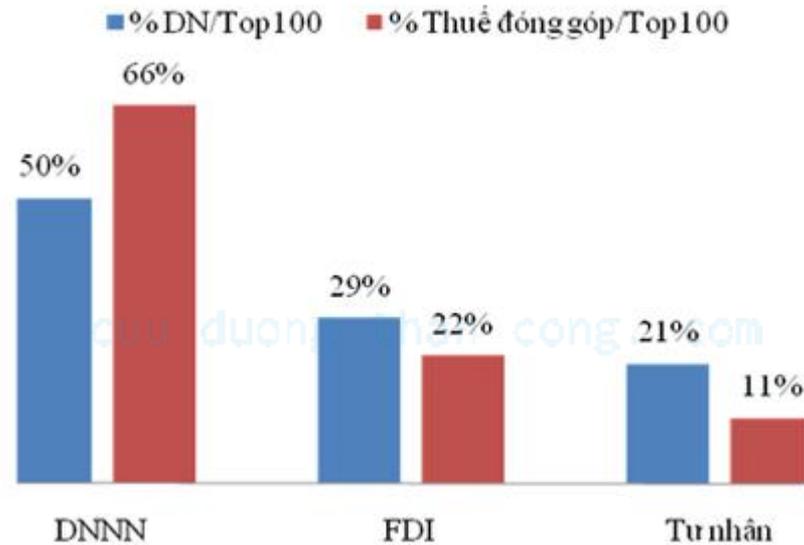
Graph 1:

V1000 Ranking Table in 2010



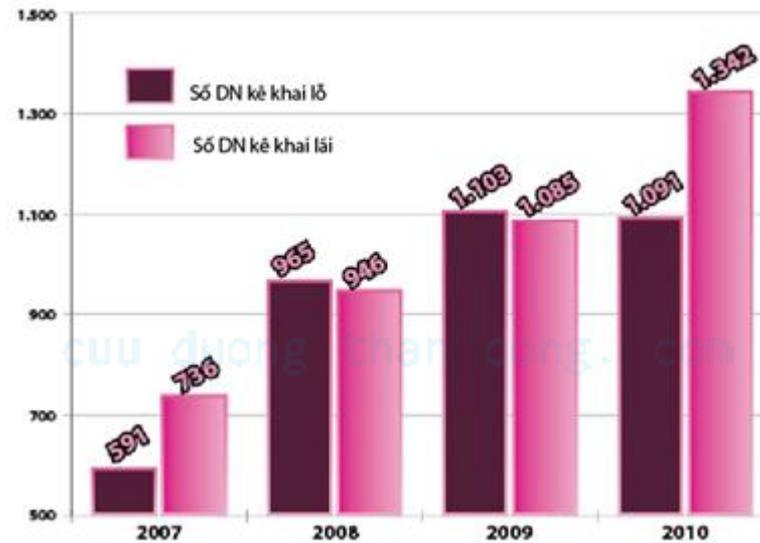
GRAPH 2:

TAX CONTRIBUTION BY SECTIONS IN 2010



GRAPH 3:

BUSINESS CLAIMS FROM 2007 TO 2010



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IV – SOME TYPICAL FDI ENTERPRISES IN VIETNAM

FACTS:

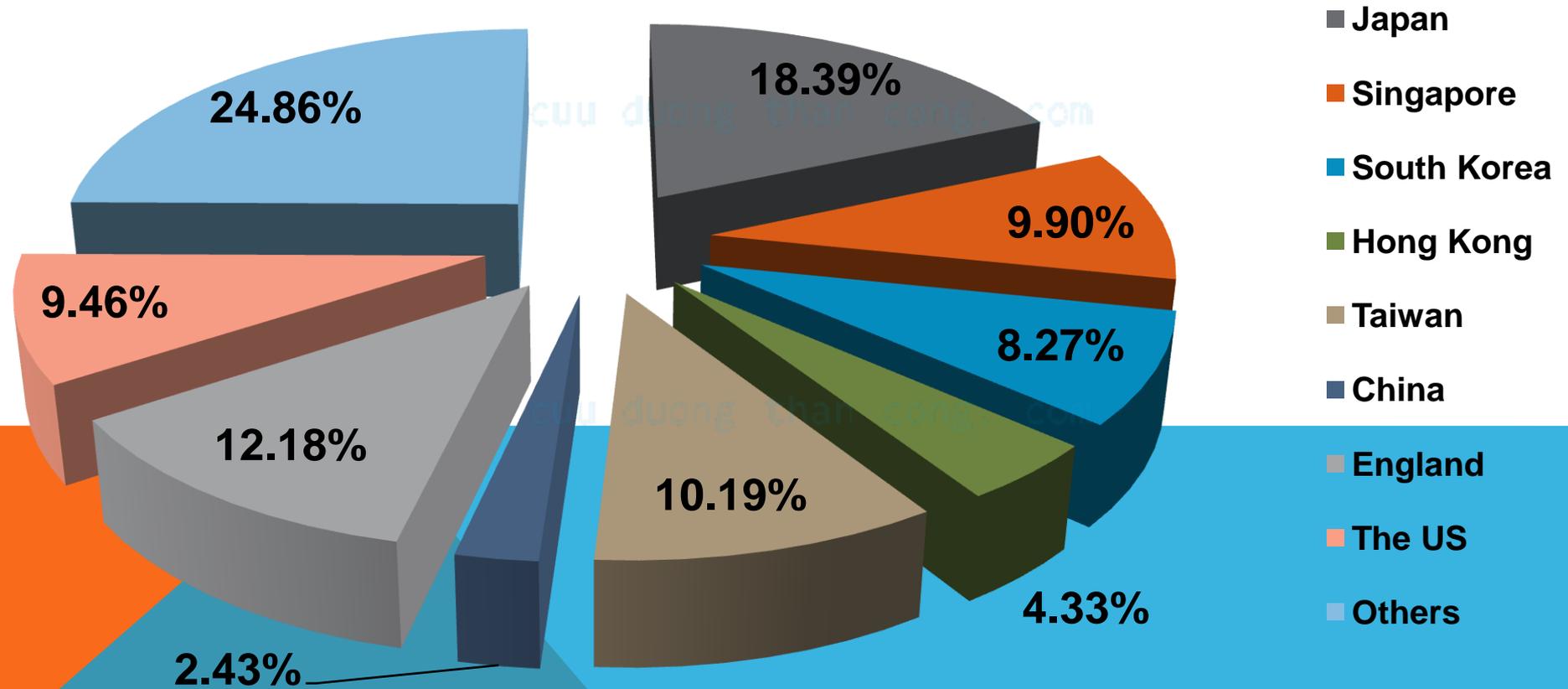
According to Vietnam Report:

- **In 2010, FDI enterprises = 31.3 % of 1000 leading enterprises of paying tax to the State budget**
- **In 2010, FDI enterprises \approx 19,842 billion VND of corporate income tax**
- **In 2011 FDI enterprises \approx increased twice to 38,914 billion VND**

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Based on Vietnam Report in 2010:

The percentage FDI enterprises contributed to the 2010 State budget



Two typical FDI enterprises: Unilever Vietnam and CALOFIC

According to the Unilever Annual Report and
Accounts 2010 by Unilever Group

	€ million 2010	€ million 2009	€ million 2008
Turnover	44,262	39,823	40,523
Cost of sales	(23,054)	(20,580)	(21,342)
Gross profit	21,208	19,243	19,181
Distribution and selling costs ^(a)	(11,730)	(9,468)	(9,309)
Administrative expenses	(3,139)	(4,755)	(2,705)
Research and development	(928)	(891)	(927)
Other ^(a)	(2,211)	(3,864)	(1,778)
Operating profit	6,339	5,020	7,167

According to the Unilever Annual Report and Accounts 2010 by Unilever Group

		€ million	€ million	€ million
		2010	2009	2008
Tax charge in income statement				
Current tax				
Current year		(1,479)	(1,263)	(1,650)
Over/(under) provided in prior years ^(a)		88	151	80
		(1,391)	(1,112)	(1,570)

Unilever Vietnam

- **In Vietnam, Unilever started in 1995 with a total investment around US\$120 million in 2 companies: Lever Vietnam - specialising in Home and Personal Care products and Unilever Bestfoods & Elida P/S - in Foods, Tea and Tea-based Beverages.**
- **Unilever Vietnam = one of the most successful FDI enterprises in Vietnam.**
- **1995 – 2005: paid more than 2,400 billion VND to the nation's budget.**
- **In 2011, ranked the 29th among 1000 leading enterprises of paying corporate income tax to the State budget.**

CALOFIC

- **CALOFIC = Cai Lan Oils and Fats Industries Company controlled by Vietnam Ministry of Industry and Trade, and Wilmar group of Singapore.**
- **In 2011, paid 783 billion VND to Quang Ninh's budget and 1,328 billion VND to the State budget.**
- **In 2011, ranked the 128th among 1000 leading enterprises of paying corporate income tax to the State budget.**

V- TAX AS GOVERNMENT TOOL

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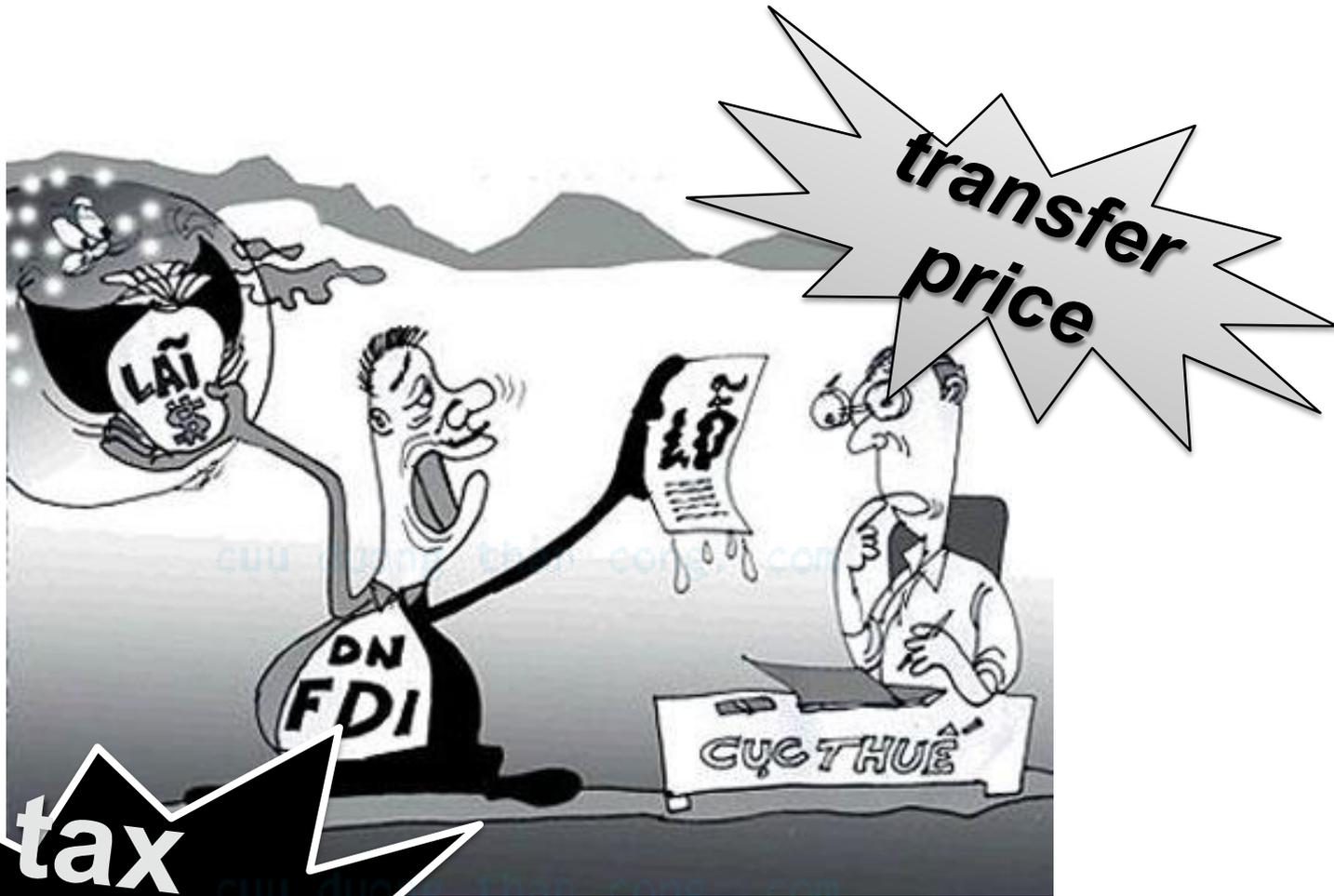
<https://fb.com/tailieudientu>

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Government in developing countries adopt many incentives to facilitate the entry of FDI

Tax incentives are part of their promotional efforts (income tax, profit tax, tax credit....)





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VI - CONCLUSION



- **FDI firms contribute a large amount of tax return for the host countries , especially the developing countries**
- **However, the government need to apply much more effective policies to attract more FDI as well as get more tax return from them**
- **FDI tax does not only make the government budget bigger but also acts as a tool for government to control the economy in general.**

Members' Tasks

Members	Task	Appreciation
Nguyễn Thị Mai Anh	<ul style="list-style-type: none">- Be leader- Find out Vietnam's tax rate statistics- Present	A
Nguyễn Hoàng Hương	<ul style="list-style-type: none">- Make the outline- Find out tax as government's tool	A
Nguyễn Thị Ngọc Hà	<ul style="list-style-type: none">- Find out FDI tax in general- Present	A
Võ Thị Thái	<ul style="list-style-type: none">- Find out tax policies- Present	A
Đặng Hồng Quảng	<ul style="list-style-type: none">- Give some examples of FDI firms- Present	A

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**THANKS FOR
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**YEAH!
THANKS !**

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