

THE VITAL ROLE OF STATE AUDIT IN MONITORING THE 2030 AGENDA: A SPOTLIGHT ON SUSTAINABLE DEVELOPMENT GOALS

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Abstract: Since the United Nations (UN) issued 17 sustainable development goals and called on countries to work together to achieve the goal of protecting the planet, protecting the environment and quality of life globally in 2030, Vietnam is one of the countries that become a member of the United Nations committed to implementing the 17 goals that have been included in the 2030 agenda. The goals in the 2030 agenda are good, but how to monitor countries implementing the roadmap correctly and effectively requires the participation and supervision role of the State Audit. This study was conducted to point out the important role and challenges of state audit in helping countries effectively implement the proposed sustainable development goals.

• Keywords: sustainable development goals; state audit institutions; Vietnam state audit office; 2030 agenda.

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1. An overview of sustainable development goals (SDGs)

In 2015, the United Nations member states joined forces to create a roadmap for a better future for all. This ambitious plan, known as the Sustainable Development Goals (SDGs), outlines 17 interconnected goals designed to achieve a world free from poverty, hunger, and inequality, while protecting our planet.

Figure 1: 17 Sustainable development goals



Source: United Nations

The Sustainable Development Goals (SDGs) have a broad scope, encompassing a wide range of social, economic, and environmental issues (United Nations, 2015)

People: Several goals prioritize human well-being and equality. This includes:

- * Ending poverty and hunger (Goals 1 & 2): Ensuring everyone has access to basic necessities like food, shelter, and sanitation.

- * Promoting good health and education (Goals 3 & 4): Guaranteeing access to quality healthcare, education, and mental well-being for all ages.

- * Achieving gender equality (Goal 5): Eliminating discrimination against women and girls and empowering them to reach their full potential.

- * Building peaceful and inclusive societies (Goal 16): Promoting peace, justice, and strong institutions for everyone's safety and security.

Planet: Recognizing the importance of a healthy environment, the SDGs address:

- * Combating climate change (Goal 13): Taking urgent action to reduce greenhouse gas emissions and adapt to climate impacts.

- * Protecting biodiversity and ecosystems (Goals 14 & 15): Conserving our oceans, forests, and other natural resources for future generations.

- * Promoting sustainable consumption and production (Goal 12): Shifting towards practices that minimize waste and environmental impact.

Prosperity: The SDGs acknowledge that economic development is essential for achieving sustainability. They aim to:

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* Foster decent work and economic growth (Goal 8): Creating opportunities for everyone to have secure and fulfilling employment.

* Build resilient infrastructure and promote innovation (Goal 9): Developing infrastructure that can withstand environmental challenges and fostering technological advancements for a sustainable future.

* Reduce inequalities within and among countries (Goal 10): Closing the gap between rich and poor, both within and between nations.

Partnership: The SDGs acknowledge that achieving these goals necessitates collaboration:

* Partnerships for the Goals (Goal 17): Encouraging partnerships between governments, businesses, and civil society organizations to share resources, expertise, and best practices for implementing the SDGs.

2. The role of State Audit in monitoring sustainable development goals

Traditional state audit functions focus on financial accountability. However, for SDGs, their role expands to and likely relate to performance Auditing (INTOSAI Development Initiative, 2017).

Promoting Transparency and Accountability: Audits assess if government policies, programs, and budgets are aligned with the SDGs. This transparency fosters public trust and ensures resources are used efficiently for achieving these goals. Audits can identify potential misuse or misallocation of funds intended for SDG-related projects.

Evaluating Effectiveness and Efficiency: Audits determine if SDG-related programs are being implemented effectively and efficiently. This helps identify areas for improvement and prevents wasted resources. Audits can analyze if programs are truly achieving their intended outcomes in terms of contributing to specific SDGs.

Highlighting Risks and Challenges: Audits can identify potential roadblocks to SDG implementation, such as: Weak governance structures; Corruption; Inadequate data collection on progress. By bringing these issues to light, audits pave the way for corrective measures and improved strategies.

Measuring Progress: Audits provide independent verification of progress made towards achieving the SDGs. This quantitative

data is essential for: Tracking progress on specific targets; Identifying areas where further action is needed.

Figure 2: Main role of State audit in monitoring SDGs



Source: Author's Summary

State audit serves as a powerful tool in ensuring successful implementation of the SDGs. By promoting accountability, transparency, and identifying areas for improvement, SAIs play a critical role in achieving the ambitious goals set forth in the 2030 Agenda (Rajaguguk, 2017).

3. Current status of auditing relate to SDGs in some countries

In Brazil: The Brazilian Court of Auditors (TCU) has conducted audits on various SDG-related areas, including: Public education spending and its effectiveness in achieving SDG 4 (Quality Education); Management of water resources and sanitation services, contributing to SDG 6 (Clean Water and Sanitation). During auditing, these audits have identified inefficiencies and made recommendations for improvement, leading to better allocation of resources and progress towards the SDGs.

In Kenya: The Office of the Auditor General (OAG) of Kenya partnered with the United Nations Development Programme (UNDP) to develop a guide for auditing county governments' performance on SDGs. This guide provides a framework for OAG auditors to assess how county governments are integrating the SDGs into their development plans and budgets. It helps ensure resources reach local communities and contribute to achieving the goals.

In India: The Comptroller and Auditor General of India (CAG) has conducted performance audits

on various government programs related to SDGs, such as: The Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS), which contributes to SDG 1 (No Poverty) and SDG 8 (Decent Work and Economic Growth). The Swachh Bharat Mission (Clean India Mission), which contributes to SDG 6 (Clean Water and Sanitation). After auditing, these audits have highlighted issues like program implementation delays and gaps in targeting beneficiaries. This informs corrective measures and more effective program design to achieve the SDGs.

In Sweden: The Swedish National Audit Office (Riksrevisionen) has conducted audits on the government's integration of the SDGs into its national policies and strategies. After auditing, these audits have assessed how well Sweden's national plans align with the SDGs and identify areas for improvement. This ensures a more cohesive approach to achieving the goals.

4. State Audit Office of Vietnam in monitoring SDGs implementation

4.1. Main areas that Vietnam State Audit Office are focusing on

Vietnam recognizes the importance of the SDGs and has made significant strides towards achieving them. The State Audit Office of Vietnam (SAV) plays a crucial role in monitoring and promoting progress through its audit practices. The SAV incorporates SDGs into its audit strategy by focusing on areas directly linked to specific goals including: (1) Education: Audits might assess the efficiency and effectiveness of government spending on education programs, contributing to SDG 4 (Quality Education). (2) Healthcare: Audits could evaluate the management of public healthcare resources and accessibility of services, contributing to SDG 3 (Good Health and Well-being). (3) Poverty Reduction: Audits might examine government programs aimed at poverty alleviation and social safety nets, contributing to SDG 1 (No Poverty). (4) Environmental Protection: Audits could assess environmental regulations and compliance, contributing to SDG 13 (Climate Action) and SDG 15 (Life on Land).

4.2. Positive impacts that Vietnam State Audit Office made.

The SAV's SDG-focused audits have already made a positive impact during conducting audit, like:

Identifying Inefficiencies: Audits have revealed areas where government programs can be streamlined or targeted more effectively to achieve SDG goals.

Promoting Transparency: The SAV's audit reports contribute to transparency by highlighting progress made and areas needing improvement. This fosters public trust and encourages accountability.

5. Challenges in auditing sustainable development goals

While state audits offer a powerful tool for monitoring SDG implementation, there are several challenges SAIs (State Audit Institutions) face:

First, limited resources: Conducting comprehensive audits, especially those encompassing complex topics like the SDGs, requires significant resources. This includes well-trained personnel, advanced data analysis tools, and adequate funding for conducting fieldwork. Many SAIs, particularly in developing countries, face budgetary constraints that limit their capacity to conduct in-depth SDG-focused audits.

Second, lack of standardized methodologies: Currently, there's no single universally accepted methodology for auditing SDG implementation. This can lead to inconsistencies in how SAIs assess progress across different countries. Without standardized approaches, it can be difficult to compare results and share best practices effectively.

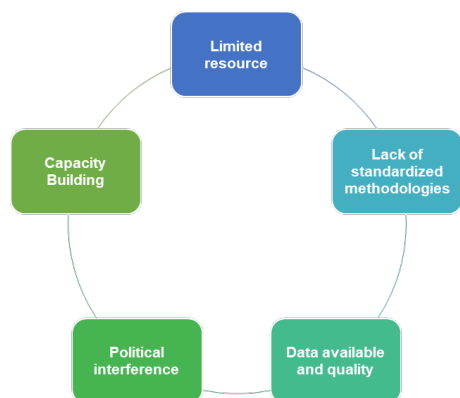
Third, data availability and quality: Effective SDG monitoring relies on robust data collection and analysis. However, data availability and quality can be a major challenge, especially for developing countries. Inconsistent data collection methods, incomplete datasets, and lack of access to disaggregated data (data broken down by specific demographics) can hinder the effectiveness of audits.

Fourth, political interference: In some cases, SAIs might face political pressure that could influence the scope or outcome of their audits. This can undermine the independence and objectivity of the audit process. Ensuring political will and commitment to transparency is crucial for SAIs to function effectively.

Fifth, capacity building: Auditing SDGs requires specialized knowledge and skills beyond traditional financial auditing. SAIs need to invest in training their staff on the intricacies of the SDGs,

social and environmental auditing methodologies, and data analysis techniques.

Figure 3: Main challenges in auditing SDGs implementation



Source: Author's Summary

6. Solutions to the challenges of auditing relate to SDGs implementation

To overcome the challenges that auditors are facing in the process of conducting audits related to sustainable development goals. Here are some potential solutions to address the challenges SAIs face in auditing SDG

First, about limited resources: SAIs can collaborate with international organizations like the World Bank or UN agencies to access technical expertise, funding, and training opportunities. Utilizing data analytics tools and automation can streamline audit processes and improve efficiency. SAIs can also strategically prioritize audits based on national SDG priorities and potential impact.

Second, about lack of standardized methodologies: International organizations like INTOSAI can play a key role in developing and promoting standardized frameworks for SDG auditing. SAIs can participate in knowledge-sharing platforms to exchange best practices in developing and implementing SDG-focused audit methodologies. Developing and testing pilot SDG audit methodologies in specific countries can inform the creation of more standardized approaches.

Third, about data availability and quality: SAIs can work with national statistical agencies to improve data collection methods and ensure the availability of disaggregated data relevant to SDGs. Governments can invest in developing robust data infrastructure to improve data collection, storage, and accessibility for SAIs. SAIs can collaborate

with civil society organizations that might possess data on specific SDG targets and challenges.

Fourth, about political interference: Robust legal frameworks can safeguard the independence of SAIs and protect them from political influence. Raising public awareness about the importance of SAIs and their role in promoting transparency and accountability can create a stronger public demand for independent audits. International organizations can advocate for the importance of SAI independence and provide support to SAIs facing political pressure.

Fifth, about capacity building: SAIs can invest in training programs for their staff on the SDGs, social and environmental auditing methodologies, and data analysis techniques. Collaboration with international organizations and SAIs from developed countries can facilitate knowledge exchange and capacity building for auditors in developing countries. Mentoring programs can pair experienced SDG auditors with new staff to facilitate knowledge transfer and skill development.

Conclusion: The ambitious goals outlined in the 2030 Agenda for Sustainable Development require a multifaceted approach. State Audit Institutions (SAIs) play a critical role in ensuring effective implementation of these goals by acting as guardians of accountability and transparency. While SAIs offer a powerful tool, they face challenges like limited resources, lack of standardized methodologies, and political interference. Collaboration with international organizations, capacity building initiatives, and innovative solutions are crucial to overcome these obstacles. Looking ahead, SAIs are likely to embrace technological advancements, further integrate SDG considerations into their work, and strengthen collaboration with stakeholders. This will enhance their ability to monitor progress, promote accountability, and ensure a more sustainable future for all.

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SOME RECOMMENDATIONS ON THE IMPLEMENTATION OF THE RESOLUTION NO. 107/2023/QH15 OF THE NATIONAL ASSEMBLY OF VIETNAM ON THE APPLICATION OF TOP-UP TAX UNDER THE GLOBAL ANTI-BASE EROSION RULES

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Abstract: Vietnam's Government has been preparing the Decree on the elaboration of the Resolution No. 107/2023/QH15 of the National Assembly of Vietnam. This is a must - be step to implement this Resolution. This paper discusses some important issues need to be clarified in the Decree such as need for clear explanation of crucial and new concepts and definitions, description of the MNEs Group within the scope of GloBE rules and their Constituent Entities, assignment of the responsibilities for reporting on consolidated revenue of the MNEs Group, elaboration of the financial accounting standards used for Qualified domestic minimum top-up tax (QDMTT) calculation etc. This paper also gives some suggestions on the preparation for implementing the Resolution, such as: negotiation of the acceptance of other IF countries on the VAS in preparing the CFSs which affect the top-up tax liability of MNEs Groups, identification of the MNEs Groups within the scope of GloBE rules and operating in Vietnam, propaganda and training issues etc.

• Keywords: GloBE, minimum top-up tax, model rules.

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1. Some important issues need to be clarified in the Decree of the Government on the elaboration of the Resolution No. 107/2023/QH15 of the National Assembly of Vietnam

Firstly, the need for clear explanation of crucial and new concepts and definitions

The GloBE Rules are new and complex with many definitions and concepts being introduced. Chapter 10 of the Model Rules explains more than 150 essential definitions. Therefore, to understand the content of the regulations, the first requirement is to explain the concepts fully and clearly.

Compared to English-speaking countries, Vietnam encounters difficulties in internalizing the GloBE Rules because English version cannot be used directly, but a Vietnamese version through a good translation is needed. Vietnamese content needs to closely follow the original English version and at the same time is required to be easy to understand. Translation is not an easy task because of the cultural differences among countries in the world. In case of the GloBE Rules, the task even become more difficult because this field is very complicated and many concepts have ever been introduced in Vietnam so far. Hardly to find similar words for some technical terms which have never been used in Vietnam, such as:

Tax Transparent Entity, Hybrid Entity, Reverse Hybrid Entity etc.

Moreover, in the GloBE Rules, there are several concepts relating to financial accounting and Country-by-country (CbC) reports. Therefore, it is necessary to compare with the Vietnamese terms in those fields. For example, some financial accounting terms such as deferred tax assets, functional currency, impairment gain or loss etc. are translated into Vietnamese and used in legislative documents on accounting. Therefore, the same Vietnamese terms should be used in the Decree to ensure the consistency in the system of legislative documents.

Secondly, description of the MNEs Group within the scope of GloBE rules and their Constituent Entities

The GloBE Rules apply to multinational entity Groups (MNEs Groups) having annual revenue of EUR 750 million or more in the Consolidated Financial Statements (CFS) of the Ultimate Parent Entity (UPE) in at least two of the four Fiscal Years immediately preceding the tested Fiscal Year.

An accurate description on how to determine whether a Group meets the above revenue threshold in specific cases such as Groups with a fiscal year shorter than 12 months, newly established Groups, and split or merged

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Groups should be clarified in the Decree. In addition, it is essential to point out the entities that are excluded from the application of the GloBE Rules, including entities that carry out activities in the public interest, tax-neutral investment vehicles, and certain asset-holding entities controlled by excluded entities.

Thirdly, *assignment of the responsibilities for reporting on consolidated revenue of the MNEs Group*

The revenue to determine whether the Group is subject to the GloBE rules is the revenue on the CFS of the UPE. In cases where the UPE is not in Vietnam, it is difficult to obtain accurate and timely information about its consolidated revenue. Therefore, the taxpayers are responsible for providing information about the revenue of the ultimate parent company.

Besides, tax administrators should be assigned to check the authenticity of information provided by taxpayers. It is the responsibility of tax administrations to obtain international information sources to identify MNEs Groups with constituent entities in Vietnam that are subject to the GloBE Rules.

Fourthly, *elaboration of the financial accounting standards used for Qualified domestic minimum top-up tax (QDMTT) calculation*

The Model Rules allow countries to use the local accounting standards applicable to the constituent entities when determining the net income or loss of a constituent entity. For Vietnam, Vietnamese accounting standards (VAS) is the accounting standard. Further guidance is provided by the Model Rules on the use of accounting standards as there are additional accounting standard requirements for the QDMTT to qualify as a safe harbour. Under the QDMTT accounting standard, countries are permitted to use the local financial accounting standard, subject to the requirements that all of the constituent entities have financial accounts based on that standard and are required to keep or use such accounts under a domestic corporate or tax law or such financial accounts are subject to an external financial audit. In addition, the local financial accounting standard may need to be adjusted to prevent material competitive distortions to the extent that it is an authorized financial accounting standard.

Overall, the choice of which accounting standards to adopt for the purpose of QDMTT requires careful consideration. To the extent that foreign accounting standards are used, having the administrative capacity to enforce and check the correct application of such rules may be challenging. In this case, the tax officials are required to fully understand not only VAS but also International Financial Reporting Standard and other countries' authorized accounting standard such as the Republic of Korea, Japan, United States of America etc. However, the use of local accounting standards that need to be adjusted for material competitive distortions may also be complex. If the Decree adopts VAS for

QDMTT, each MNE has to test the material competitive distortion for a specific accounting principle. If there is one item that has a variation over the threshold, then the accounting treatment of any item/transaction subject to that principle must be adjusted. For example, if there is a Material Competitive Distortion in relation to the value of an asset, then all other transactions in relation to that asset (e.g. the amortization) need to be adjusted too.

Fifthly, *illustration of how to determine each factor to calculate top-up tax liabilities*

To determine the top-up tax liability, it is necessary to accurately calculate the GloBE income or loss, adjusted covered tax, SBIE, and additional current top-up tax. Each element includes adjustments and special cases. Some additional examples to illustrate the interpretation and application of the regulations should be provided in the Decree. Good examples will support taxpayers and tax officials to easily visualize applicable situations and have a unified understanding of the concepts and specific cases in the Decree.

The Decree-Drafting Agency can use OECD examples or develop examples directly related to Vietnam. To illustrate how the exclusion of International Shipping Income and Qualified Ancillary International Shipping Income operates, OECD gives the example: "Assume a Constituent Entity has Financial Accounting Net Income of EUR 200. This Constituent Entity has an income of EUR 60 that was derived from performing an activity that is not covered by Article 3.3. In addition, this Constituent Entity has International Shipping Income of EUR 100 and Qualified Ancillary International Shipping Income of EUR 40. No adjustments other than the exclusion of International Shipping Income and Qualified Ancillary International Shipping Income are required to compute the GloBE Income of the Constituent Entity. The resulting GloBE Income of the Constituent Entity is EUR 60 (= 200 - (100 + 40))". The example is quite simple but valuable because it helps the reader easy to understand the provision.

Sixthly, *allocation of top-up tax liabilities among constituent entities of the MNEs Group according to Income Inclusion rule (IIR) and QDMTT*

According to the Model Rules, the IIR is applied by certain parent entities in the MNE Groups using an ordering rule that generally gives priority in the application of the rule to the entities closest to the top in the chain of ownership (the "top-down" approach). The Resolution No.107/2023/QH15 only provides that the ultimate parent entity, partially-owned parent entity, or intermediate parent entity shall declare and pay a minimum amount of tax unless this top-up tax has been paid in another jurisdiction that is required to apply a qualified IIR under the GloBE rules. Therefore, the order to apply IIR to each parent entity in the MNEs Group need to be clarified in the Decree.

Meanwhile, a QDMTT applies exclusively with respect to domestic constituent entities. The OECD Commentary suggests that a QDMTT should impose a Top-up Tax on one or more domestic Constituent Entities with respect to the excess profits of all domestic constituent entities, including the domestic parent Entity. For this reason, the Decree is required to explain the allocation of QDMTT liability among domestic constituent entities to ensure that legal liability for the tax is allocated on a basis that complies with Vietnam's legal framework and is enforceable against at least one constituent entity.

Seventhly, guidance on the tax registration, filing, and payment

The Model Rules only provide the filing of information declarations under the GloBE Information Return (GIR), and do not specifically regulate tax registration, additional tax declarations, and tax payments. The Resolution No.107/2023/QH15 only regulates the subjects and deadlines for declaring and paying taxes and assigns the Government to base on the provisions of the Resolution and the Law on Tax Administration and relevant legal provisions to regulate the contents of tax administration of top-up tax under GloBE Rules.

Meanwhile, the GloBE Rules differentiate from other taxes because tax liabilities are calculated on the basis of combining constituent entities within the same group. Therefore, the guidance on tax registration, declaration, and payment must be included in the Decree. The Decree-Drafting Agency should consider the conditions to issue new tax identification numbers to manage the MNEs Groups subject to the GloBE Rules, and how the tax obligations associated with these tax identification numbers are tracked and inherited. Besides, it is necessary to design related declaration forms such as tax registration declarations, information change declarations, tax payment declarations, etc.

Eighthly, related tax penalties on non-compliance

Like other tax policies, to ensure the integrity and effectiveness of the implementation of the GloBE Rules, the Decree is required to manage cases of administrative violations regarding top-up tax liabilities, including regulations on violations, sanctioning authority, fine levels, sanctioning orders, and procedures. Because the OECD does not give a detailed description of this content, a reference to relevant tax administration regulations should be considered to provide specific regulations in this Decree.

Ninthly, implementation of the Safe harbour provisions

MNE Groups and tax administrations will incur incremental compliance and administration costs concerning the application of the GloBE Rules. MNE Groups need to collect, adjust, and aggregate information

on a jurisdictional basis to calculate the top-up tax. Thus, the safe harbor provisions are essential to limit unnecessary compliance and administrative burden for MNE Groups and tax administrations. Paragraph 6 and paragraph 7 of Article 6 of the Resolution No. 107/2023/QH15 provide the simplified safe harbor provisions. To ensure the feasibility, the following issues should be guided clearly in the Decree: (i) The subjects eligible to apply the Safe harbour provisions; (ii) The subjects excluded; (iii) The criteria of the deduction conditions; and (iv) The procedures to enjoy the exemption. For example, to transitional CbCr safe harbour, the purpose of this provision is to reduce the compliance difficulties that MNEs will face in building systems to collect the data needed for undertaking full GloBE calculations so rule is focused on bright-line rules that use readily available and easily verifiable data rather than seeking to achieve a high degree of precision by undertaking the full GloBE calculations for a jurisdiction. Therefore, more details on the source of data should be given in the Decree. These data would be from Qualified CbC Report which is prepared and filed using Qualified Financial Statements. The explanation of the definition of Qualified Financial Statements, the application of the test and the treatment of certain entities such as Joint ventures, Investment entities are also needed to clarified in the Decree.

Tenthly, implementation when OECD gives more guidance on the application of GloBE Rules

Currently, the OECD is continuing to publish additional Administrative Guidance. To ensure the accuracy and integrity of policy, the Decree should proclaim how the Government will deal with the new Administrative Guidance which are published after the effective date of the Decree. On one hand, the Government can consider to amend and supplement the content of the Decree. On the other hand, if the new Administrative Guidance does not contradict to the Decree, the Government can designate the Ministry of Finance to have specific regulations for implementation.

2. Some recommendations on the preparation for implementing the resolution No. 107/2023/QH15 of the National Assembly of Vietnam

Firstly, negotiation of the acceptance of other IF countries on the VAS in preparing the CFSs which affect the top-up tax liability of MNEs Groups

Since VAS is not one of the Acceptable Financial Accounting Standards defined in the Model Rules, the application of VAS for IIR purposes would need to be tested, and adjusted as necessary to prevent any material competitive distortions. For QDMTT purposes, as mentioned above, if the choice of the Decree is using the local financial accounting standard, this standard may need to be adjusted to prevent material competitive distortions to the extent that it is an authorized financial accounting standard (and not an acceptable financial

accounting standard). Therefore, for both IIR and QDMTT, the constituent entities applying VAS may need to adjust their accounts while the tax authority is responsible for verifying the entity's adjustment.

In the future, to minimize the compliance burden for both MNE Groups and tax authorities, Vietnam should prove the equivalence between VAS and IFRS to treat the VAS as an acceptable financial accounting standards.

Secondly, identification of the MNEs Groups within the scope of GloBE rules and operating in Vietnam

In principle, constituent entities subject to the GloBE Rules are responsible for self-declaring and paying additional taxes. However, determining the constituent entities in Vietnam that are subject to the GloBE Rules is a prerequisite and relatively difficult for the Vietnam tax authorities. According to international experience, three sources of information can be used to determine constituent entities in-scope of GloBE Rules, including information declaration according to GloBE Information Returns (GIR), CbC reports, and information directly from managing tax authorities.

The deadline for submitting the GIR is 15 or 18 months since the end of the financial year. Therefore, during the initial implementation of the GloBE Rules, Vietnam is not able to exploit information from GIR. Besides, Vietnam has, as of yet, not fully implemented CbC reporting and has not agreed to the exchange of information under the CbC Multilateral Competent Authority Agreement (or any similar competent authority bilateral agreements so Vietnam tax authorities do not have enough information from CbCr).

Thus, local tax authorities need to proactively and actively review entities under their management, coordinate with international information sources such as publicly released CbC data, and bilaterally exchange information to identify entities subject to the GloBE Rules in Vietnam.

Thirdly, propaganda to enterprises on the Resolution No. 107/2023/QH15

The tax authorities are responsible for disseminating policies to ensure effective implementation of the GloBE Rules. The propaganda is not only for protecting the rights and interests of businesses but also for avoiding errors in the declaration and payment process according to the rules. The following activities should be chosen for the propaganda: (i) An electronic handbook on the Resolution No. 107/2023/QH15 and detail guiding legislative documents both in English and in Vietnamese should be given free to all related enterprises directly to their emails and on the website of the General Department of Taxation; (ii) Workshops on the implementation of the Resolution No. 107/2023/QH15 should be held by the provincial tax offices to related enterprises in the localities in order to give detail guidance and to explain any questions from taxpayers on the implementation

of the Resolution; (iii) Introduction of the Resolution No. 107/2023/QH15 and detail guiding legislative documents on TV programs and other internet platforms.

In addition, it is necessary to listen to opinions from entities about difficulties, problems, or suggestions to continue completing the regulations related to GloBE Rules. Therefore, a hotline phone and hotline internet emails should be establish to answer and to collect feedbacks from taxpayers on this issue.

Fourthly, tax officers' training

The application of the GloBE Rules imposes new requirements for tax officials, including updating international information, analyzing the return information, assessing risk areas, auditing taxpayers, and collecting top-up tax. Therefore, tax authorities need to prioritize efforts to develop knowledge and skills for tax officials, especially knowledge related to IFRS. The tax authority also needs to carry out the work of digitizing training programs and documents on the intranet system, strengthen the organization of online training classes for officials, contribute to improving professional qualifications for them, promote administrative reform, and apply information technology and electronics in management work.

Fifthly, evaluation of the current tax incentive policy system to amend and supplement the Corporate Income Tax Law with a plan to adjust the tax rate system and tax incentives appropriately

It is an urgent requirement for Vietnam to deploy an overall assessment of the current tax incentive policy system and develop a project to amend and supplement the Corporate Income Tax Law with a plan to adjust the tax rate system and tax incentives appropriately. In particular, it is possible to consider switching from income-based incentives (tax exemptions, reductions, or tax rate incentives) to incentives based on the time of recording expenses or based on investment costs (allowing accelerated depreciation or qualified refundable tax credit regulations according to OECD). Tax incentive reforms need to apply to all entities with production and business activities in Vietnam, not just entities covered by the GloBE Rules.

Besides, Vietnam should continue to improve the business investment environment, reform administrative procedures, and improve the efficiency of the process of organizing and implementing preferential policies to attract investment. This is a regular, continuous requirement that is decisive in attracting foreign investment and is a factor in ensuring that policies are properly and fully implemented in practice./.

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