**Preventing tax loss in real estate transfer**

Ministry of Finance has recently issued Official Letter No. 3849/BTC-TCT regarding preventing tax loss in real estate business and transfer.

Accordingly, for resolving several obstacles causing problems in an affair of preventing tax loss from real estate business and transfer, the Ministry of Finance enacted guidelines to address specific problems as follows:

Pursuant to Article 2.11 of Decree No. 12/2015/ND-CP and Article 17 of Circular No. 92/2015/TT-BTC, a land price table regulated by the Provincial People's Committee is the basis of tax calculation for cases of non-prices on the transfer contract or prices on the transfer contract are lower than the land price prescribed by the Provincial People's Committee at the time of transfer.

According to Land Law 2013, the People's Committee of the Province enacted the Land Price Table every 5 years and a land price adjustment annually. For ensuring publicity and transparency in the affair of management of real estate business and transfer, requiring the People's Committees of Provinces and Cities to take care and provide the following noticeable contents:

1. In regards to land locations, road sections, and roads that had prices pursuant to Land Price Table and land price adjustment coefficient issued by the Provincial People's Committee: the Provincial People's Committee is required to issue the Price Land Table (including land price adjustment coefficient) in order to facilitate tax calculation according to the above-mentioned regulations.
2. In regards to land locations, road sections, and roads have not had prices comply with the Land Price Table issued by the People's Committee of the province: the Provincial People's Committee is required to command the Department of Natural Resources and Environment to cooperate with the equivalent agencies to review for advising the Provincial People's Committee to immediately enact the Decision on adjustment and supplement Land Price Table for each location being complied with the real transaction price on the market and the selling price of investor. In cases of non-issuing it, investors are required to publicize the selling prices and notify the equivalent individuals and organizations when proceeding with transactions on real estate formed in the future as well as performing financial obligations regarding real estate transfers.
3. The application for real estate transfer shall be submitted to competent authorities through a one-stop-shop mechanism (the Natural Resources and Environment Agency, the Land Registry, the One-Stop-Shop Section of the People's Committee...): the agency receiving dossiers through the one-stop-shop mechanism is responsible for disseminating laws, propagating and guiding taxpayers on the location, street, and how to identify and apply specific prices of each type of real estate (including the land price adjustment coefficient as prescribed by the Provincial People's Committee) for organizations and individuals acknowledge and comply with regulations when performing financial registration regarding real estate transfers.

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