Business Performance Report Adjusted to the Taxation Purpose for Local Companies

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The process of reforming the current accounting system and perfecting the financial statement with a view to supplying useful information to various users (investors, creditors, etc.) will certainly lead to differences in goals for financial managers and tax agencies. The following table presents differences in goals for financial managers and tax agencies.

ences in definitions of various items by financial managers and tax agencies.

Item	For taxation purpose	For financial purpose - Sales noticed by the accountant according to guidelines set by Criterion 14 although it gives no instruction to make entry of sale after issuing invoices. - When receiving future income relating to increases in assets or decreases in liability, and - The added value should be reliably identifiable. - The company is allowed to choose the sum written off from three levels offered by three amortization methods set by the Criterion 03 for Tangible Assets and Criterion 04 for Intangible Assets.		
Sales Entry making time	All income from goods sold or services supplied, including any charge or fee collected by the company when selling goods and services. The time of delivery of goods or completion of services, or issuance of invoice.			
Amortization	- The sum written off is set by Decision 206/2003/QY-BTC dated Dec. 12, 2003 by the Ministry of Finance Fast amortization could be allowed but the sum written off should not be two times higher than the normal sum and should ensure some profit for the company.			
Expenditures on raw materials, fuel and power	Reasonable expenditure levels and market prices of goods delivered from warehouse (losses of raw materials and goods are not included).	- Actual expenditures by the company.		
Wages, salaries and lunch allowances	According to rules set by the Labor Code. Lunch allowance should not exceed the minimum wage set for civil servants.	Actual expenditures by the company.		
R&D activities, training out- lay, bonuses, health care service	As stated in legal invoices.	Actual expenditures by the company.		
Purchase of services from outsiders	As stated in legal invoices.	Actual expenditures by the company.		
Expenditures on female la- borers, watchpersons' ser- vice, medical and social security, etc.	As required by rules.	Actual expenditures by the company.		
Interest payments	Not 1.2 times higher than the lending rate offered by the commercial bank that had credit relation with the company at the time in question.	Actual expenditures by the company.		
Contingency fund	Funds set for depreciation of goods in stock, bad debts, falls in prices of stocks and redundancy payment, etc. must comply with rules set by the Ministry of Finance.	Complying corporate policies on contingency funds.		
Redundancy payment	As set by current rules.	Actual expenditures by the company.		
Advertisement, marketing, sales promotion expenditures	Not exceeding 10% of total reasonable expenditures.	Actual expenditures by the company.		
Export tax	Reasonable expenditure	Against the sales.		
VAT when ineligible for tax refund	Reasonable expenditure	Actual expenditures by the company.		
Tax-related fines	Not be included in reasonable expenditures.	As one of expenditures by the company.		
Expenditures without legal invoices	Not be included when assessing corporate income tax.	As one of expenditures by the company.		
Expenditures not relating to sales and taxable income	Not be included when assessing corporate income tax	As one of expenditures by the company.		
Allocation for subsidiaries	According to rules on percentage allocated.	According to the policy of the company.		
Other expenditures	Complying with guidelines by the Ministry of Finance.	Actual expenditures by the company.		

To deal with these differences and serve the task of supervising and estimating business performance of the company, in my opinion, the company had better work out a report on the business performance adjusted to taxation purpose. The report suggested here is based on the form B02A-DN.

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02	Expenditures not included when assessing taxes and 1970 almen	30.1	n savings at	discrively the
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06	Taxable profit (loss) from business 22988 628 Y2533140 (1919)	30.0	ob hegamical	narket has n
07	Profit (loss) from other causes	40	or restaint to	Hal to equippe
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nterna ad trai	Incomes included in financial statement but not considered as 101 taxable incomes manuscrap and appear and wou bright incomes.	40.4	braineseus" i ch is bought	scample, state quipment wh
12	Taxable profit (loss) 103008, sonistrius noww. odd, ouclered I	40.0	bus alsleed	year and age
13	Before-tax total profit (loss)	50	d vadar of se	1 June Annieus (
	Upward adjustment and and fabre before	Her ever	elasbivihal	ecause thuse
14/20	Expenditures not deductible for taxation purpose to a teom laudas.	50.1	ardT Jaem	eller of equip
15	Incomes not included in financial statement but considered as taxable incomes	107 10 VOV	on luternative and to a sur	ending Accord a Transparer
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16	Expenditures not included in financial statement as deductibles	50.3	ragisus toan	reditore Viet
17 js 12 Vng 91	Incomes included in financial statement but considered as taxable income has to notice ago as only stoaded to	50.4	nment will us ridor for its	ad the Gover ecure safe cor
18	Total taxable profit (loss) addsb ggr -and dilw sma	dora 50	there are no	At present
19	Losses suffered in the previous year	60	anister war	to has garwe
20	Total taxable income after previous loss added	70	uned a ou si'	First, there
9 21	Company income tax aco idab no stasmusch 00 berzegenon e	1 Van 180	laoi ngirtol l	te the Healt et
22	Tax reduction, if any an arrangus adoad bere gold -191V new contents	80.1	ORUGINA A VIT	enconosyonani etsereda simu
23	Tax payment made in the fiscal year	80.2	vietas andi	ame foreign
24	Remaining tax payments not ultaining a sans -10t in sonore	80.3	losa index	lank's foreign
25	After-tax profit (loss) a manual de la	90	fan strict m	ran man aga

To make financial reports a useful instrument for taxation, the reporting system must be perfected by making reports suitable for taxation purpose, thereby making tax reports easier. The above-suggested report can help:

separate information needed for making financial statement from one needed for tax assessment, and income considered as company profit from income considered as taxable one.

o-provide company leadership with full information about its business performance, therefore they can work out necessary measures for the future; and allow potential investors to gain understanding of the company and decide on their possible investments.