

'Tax agencies will keep track of fares so management can be more transparent.'



An Uber motorbike driver drops off a customer in Hanoi. Photo by Reuters

Ride-hailing apps Grab and Uber are to be officially authorized in Vietnam after completing trial runs, but the government has pledged to impose the stricter controls it currently imposes on local transport firms.

The phone-based transport services have created healthy competition but they need to be regulated, the Ministry of Transport said.

Director of the ministry's transport department, Tran Bao Ngoc, said that ride-hailing services will have to register their businesses with investment authorities and the transport ministry and the tax authorities.

“Tax agencies will keep track of fares so management can be more transparent,” said Ngoc.

Ho Chi Minh City's Tax Department is looking to collect more than VND53 billion (\$2.34 million) in suspected back taxes from Uber by January 10. The department has asked five commercial

banks to help retrieve the money.

Uber Vietnam, a subsidiary of Uber International Services Holding B.V. based in the Netherlands, filed a lawsuit last month, saying that it is not subject to taxes according to Vietnam's agreement on double taxation avoidance with the Netherlands.

But the city court dismissed the lawsuit earlier this week, saying Uber Vietnam does not have the legal status for such action.

Grab and Uber arrived in 2014 and operate both car and motorbike taxi services. The two services have been running on a trial basis since early 2016, but have been caught up in a war with traditional taxi drivers.

Many taxi firms have accused Grab and Uber of "unfair competition" that has hindered their businesses and caused thousands of drivers to quit.

Last September, Hanoi Taxi Association said Uber and Grab had been transferring around \$150 million overseas every year to evade taxes. Grab denied the accusation.

Source: VnExpress