

# Tax Update

June 2022

**This update highlights the following key points:**

- ▶ Extended deadlines for tax payments according to Decree 34/2022/ND-CP dated 28 May 2022 of the Government provides guidance on extended deadlines for tax and land rental payments (Decree 34)

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On 28 May 2022, the Government issued Decree 34 to grant extended deadlines for the payment of value added tax (VAT), corporate income tax (CIT), personal income tax (PIT) and state land rental.

## **Taxpayers subject to the extension**

1. Enterprises, organizations, business households, business individuals engaged in the following production activities:
  - ▶ Agriculture; forestry and fishery activities
  - ▶ Manufacture and processing of foodstuffs; production of textiles and garments; production of leather and related products; manufacture of wood and products of wood and cork; production of products from straw and plaiting materials; manufacture of paper and paper products; production of products from rubber and plastic; production of other non-metallic mineral products; manufacture of metals; machining; treatment and coating of metals; production of electronic products, computers and optical products; production of automobiles and other motor vehicles; production of furniture

- ▶ Construction activities
  - ▶ Publishing activities; motion picture, video and television program production, sound recording and music publishing activities
  - ▶ Extraction of crude petroleum and natural gas (no extended deadline for CIT on crude petroleum, condensate, natural gas regarding agreements, contracts)
  - ▶ Manufacture of beverages; reproduction of recorded media; manufacture of coke oven products; production of refined petroleum; manufacture of chemicals and chemical products; manufacture of fabricated metal products (except machinery and equipment), manufacture of motor vehicles and other motor vehicles; repairing, maintenance and installation of machinery and equipment
  - ▶ Water collection, treatment and supply
2. Enterprises, organizations, business households, business individuals engaged in the following trading and business activities:
    - ▶ Transportation and storage; accommodation and food service activities; education and training; human health and social work activities; real estate activities
    - ▶ Employment activities; operations of travel agencies, tour business and assistant services related to tour promotion and organization;
    - ▶ Creative, artistic and recreational activities; libraries, archives, museums and other cultural activities; sporting activities and amusement and recreation activities; movie presentation
    - ▶ Sound recording and music publishing activities; computer programming, consultancy and related activities; information service activities
    - ▶ Mining support service activities
  3. Enterprises, organizations, business households, business individuals engaged in manufacturing ancillary products encouraged to be developed (according to Decree 111/2015/ND-CP dated 3 November 2015); producing highly mechanical products (according to Decision 319/QD-TTg dated 15 March 2018)
  4. Micro- and small-sized enterprises (according to Law 04/2017/QH14 and Decree 80/2021/ND-CP dated 26 August 2021)
  5. Credit institutions, branches of overseas banks which implement COVID-19 stimulus solutions in accordance with the decision of the State Bank of Vietnam)

The above business activities are referenced to Appendix I of Decision 27/2018/QD-TTg dated 6 July 2018.

### **Extended deadlines**

The extended payment deadlines are as follows

- ▶ VAT (except for import VAT)
  - ▶ Will be extended for 6 months from the normal payment deadline with respect to the VAT payable of March, April, and May 2022 (or Quarter 1 of 2022 if VAT is declared on a quarterly basis)

- ▶ Will be extended for 5 months from the normal payment deadline with respect to the VAT payable of June 2022 (or Quarter 2 of 2022 if VAT is declared on a quarterly basis)
- ▶ Will be extended for 4 months from the normal payment deadline with respect to the VAT payable of July 2022
- ▶ Will be extended for 3 months from the normal payment deadline with respect to the VAT payable of August 2022
- ▶ CIT
  - ▶ Will be extended for 3 months from the normal payment deadline with respect to the provisional CIT payments of Quarter 1 and Quarter 2 of 2022
- ▶ Land rental
  - ▶ Will be extended for 6 months from 31 May 2022 (i.e. no later than 30 November 2022) with respect to 50% of the land rental liability of 2022. This extended deadline is applicable for enterprises, organizations and individuals who fall within the regulated objectives and lease land directly from the government and make land rental payments on an annual basis
  - ▶ For business households and business individuals who are engaged in the above-mentioned production and business activities, the extended deadline for payment of VAT and PIT arising in 2022 is 30 December 2022.
  - ▶ If a taxpayer has multiple business activities which include one or more of the business activities mentioned above, the extended payment deadlines are applicable to the entire VAT and CIT payable with respect to enterprises/organizations.

### **Extension procedures**

Taxpayers wishing to apply for extended tax payment deadlines are required to submit a request for extended tax and land rental payments once on the deadline for the monthly (or quarterly) declaration of the respective tax as regulated in the tax administration law, but no later than 30 September 2022.

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APAC No. 16090601  
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