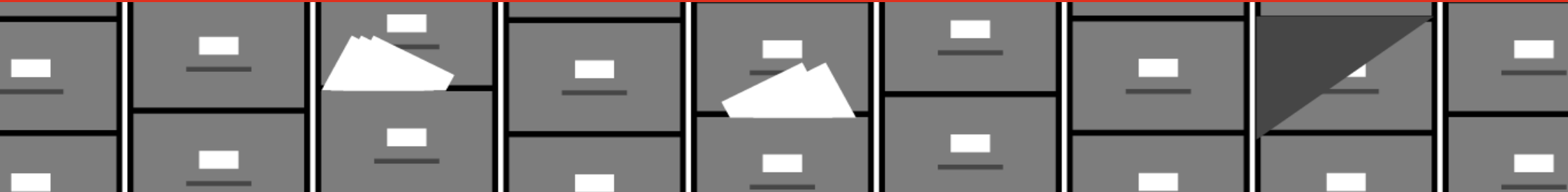


New Decree 22/2020 on business license fees



3 March 2020

At a glance...

The Government released Decree 22/2020/ND-CP on 24 February 2020 amending the rules on business license fees. Decree 22 took effect on 25 February.



In details

Some notable changes are highlighted below:

New cases exempted from business license fees

- i. Business license fee is exempted in the first year of establishment or doing business (from 1 January to 31 December) for:
 - ✓ Newly established organizations (with new tax code, new enterprise code).
 - ✓ Households, individuals and groups of individuals doing business for the first time.
 - ✓ Branches, representative offices and business locations established by the above during their period of business license fee exemption.
- ii. Small and medium-sized enterprises (SMEs) converted from business households shall be exempt from business license fee for three years from the date of their initial enterprise registration certificate (ERC).
- iii. Public general education and public preschool education establishments.

Filing of business license fee return

- Previously, business license fee returns had to be filed once upon commencement of business operation and by the last date of the first month of commencing operations. In case a taxpayer had not yet commenced operations, the return had to be filed within 30 days from the issuance of the ERC or investment registration certificate and tax registration certificate.
- Under Decree 22, taxpayers which have just been established/ started doing business have to file the business license fee return by 30 January of the year subsequent to the year of establishment or the first year of operations.

Deadline for payment of business license fees

- Deadline for payment of business license fees remains, generally, 30 January for the year in question.

Payment of business license fee upon business suspension

- Taxpayers shall not be required to pay business license fee during a suspension period, provided that a notification on business suspension is submitted to the tax authorities by 30 January annually.

Contact us

This publication has been prepared for general guidance on matters of interest only, and does not constitute professional advice. For further information, please reach out to us.

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