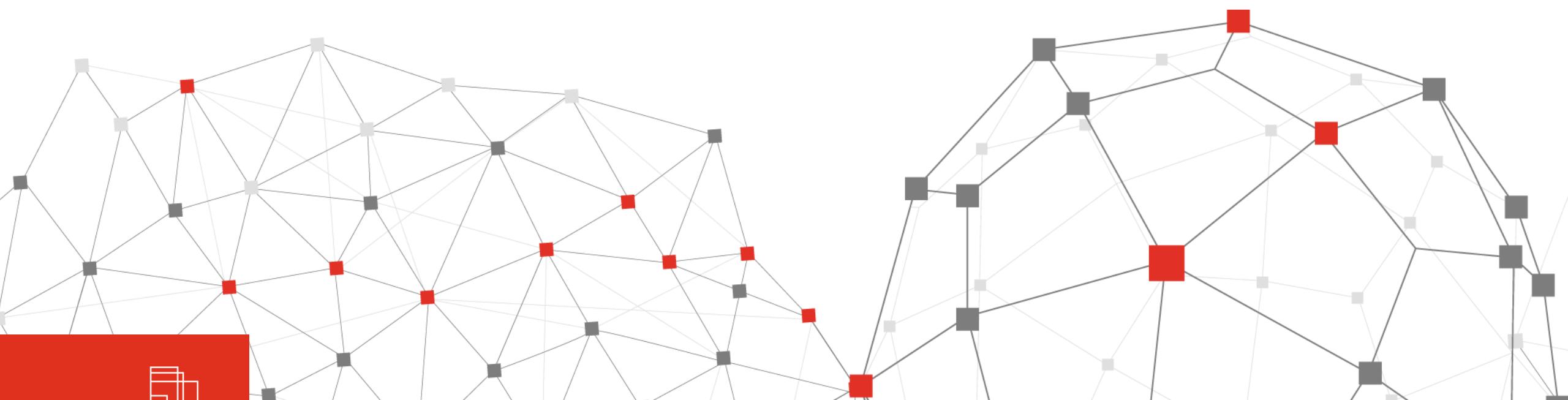


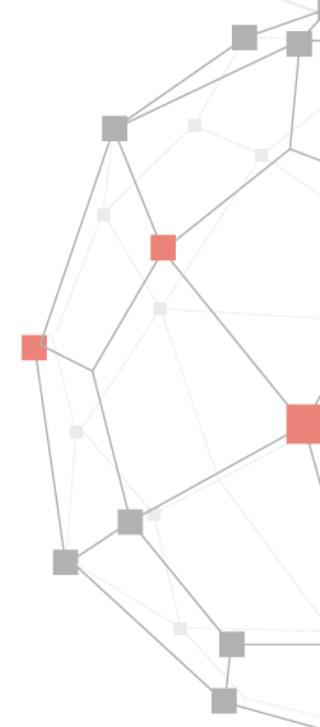
COVID-19

Draft decree regarding the extension of deadline for tax payments



At a glance...

To support companies which are affected by Covid-19, on 10 March, the Ministry of Finance released a draft decree to defer the deadline for payments of value added tax, personal income tax and land rental fee. Currently, the MoF is gathering comments from relevant parties. The final draft is expected to be submitted to the Government soon.



Some notable points are highlighted below:

The draft Decree is applicable to enterprises, individuals and business households engaging in the following business activities:

Agriculture, forestry and fishery;

Food production and processing; weaving; producing clothes; producing footwear; producing products from rubber; producing electronic products, computers; manufacturing and assembling automobiles (except for manufacturing and assembling cars with 09 seats or less);

Rail transportation; land transportation; water transportation; air transportation; warehousing and support activities for transportation;

Accommodation services, catering services;

Activities of travel agents, tour operators and support services, related to advertising and organizing tours; and

Small and micro enterprises as regulated.

For those in the above list, the following would be applied:

1. Extend the deadline to pay VAT

The deadline for VAT payments for March, April, May and June 2020 (for companies declaring VAT on a monthly basis) and Quarter 1 and Quarter 2 2020 (for companies declaring VAT on a quarterly basis) will be extended to 5 months from the statutory deadline.

Companies are still required to submit VAT returns within the statutory timeline.

Dependent units and branches of the above companies (excluding those having construction, installation, sales activities which are subject to temporary declaration of VAT at 1% or 2%) which separately file VAT returns at local tax departments will also be entitled to the above extensions provided that their business activities fall within the categories mentioned above.

2. Extend the deadline to pay VAT and PIT for individuals and business households

The deadline for payments of VAT, PIT will be extended to 15 December 2020, applicable to individuals and business households which engage in the business activities fall into the scope of application of this draft Decree.

3. Extend the deadline to pay annual land rental fee

An extension of 5 months for the first payment of 2020 will be granted to those who directly lease land from the State, pay land rental fee on an annual basis and use such land for the abovementioned business activities.

4. For those having different business activities

The draft decree provides that companies, individuals and business households which have multiple business activities, which include some of those mentioned above will also be entitled to extensions of VAT and PIT payments.

The draft indicates that the above extensions must actually be requested (in a prescribed form). We will update again if/when these proposals are finalized.

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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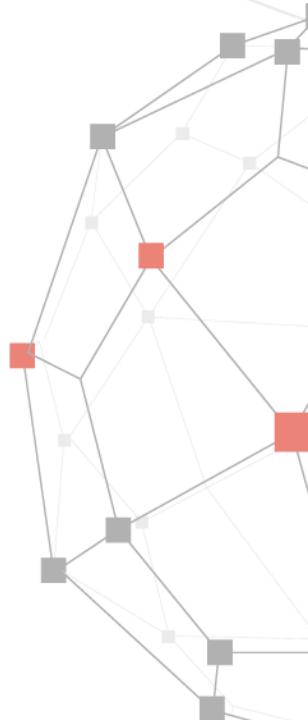


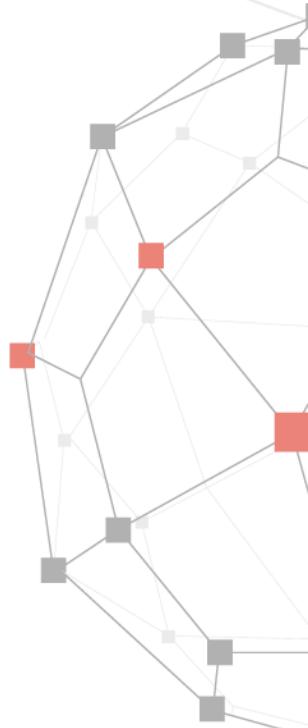
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