

# PwC Vietnam NewsBrief

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Update on latest draft of the decree regarding the extension of deadlines for payments of taxes

## At a glance...

On 27 March, the General Department of Taxes issued Official letter no. 1307/TCT-CS to all local tax departments to update them on contents of the latest draft of the decree to defer the deadline for payments of taxes and land rental fee. The final draft has now been presented to the Government for approval and is expected to be released very soon and will take effect from the signing date.

Based on this latest draft, we highlight some updates (compared with the last version as mentioned in our NewsBrief dated 18 March (please refer to this [link](#) to download):

- The deadline for payments of CIT due based on FY19 CIT returns and also provisional CIT payments due for Quarter 1 and Quarter 2 of 2020 *for in-scope companies* will be extended to 5 months from the respective statutory deadlines. This is interpreted such that for eligible companies with financial year ends on 31 December, the CIT due per the FY19 CIT return would be payable by the end of August instead of the end of March; and Quarter 1 and Quarter 2 CIT payments for 2020 would be payable at the end of September and end of December respectively.
- The latest draft proposes some changes (in *italics* below) to the scope of application of the decree:
  - Agriculture or forestry *and related services*, and fisheries;
  - Food production and processing; weaving; producing clothes; producing footwear; producing products from rubber; producing electronic products, computers *and optical products*; manufacturing ~~and assembling~~ automobiles *and other motor vehicles* (except for manufacturing ~~and assembling~~ passenger carrying cars with 09 seats or less);
  - Rail transportation; *passenger transportation by bus and other* 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;
  - *Training and education; medical and social assistance activities;*
  - *Composing, artistic, recreational activities; sports activities; activities of botanical gardens, zoos and nature reserves; activities of amusement parks and theme parks; movie activities;*
  - Small and micro enterprises as regulated.
- The latest draft still refers to Decision 27/2018 regarding standard industrial classifications to determine whether a taxpayer falls within its scope, and further sets out the principle that if the in-scope business activities belong to business sector level 1, then all types of business activities under sub-levels 2, 3, 4 and 5 of level 1 will also be subject to the decree. The same principle will apply for the next business sector level.
- The proposals regarding the extensions for VAT payments and PIT payments remain unchanged.
- With respect to land rental fees, the proposals generally remain unchanged. However, this draft proposes that for micro and small enterprises, they will be entitled to an extension of 5 months for the first payment of land rental fee in 2020.

# Contact us

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