

Resolution 11 provides various measures to support businesses



15 February 2022

At a glance...

On 30 January, the Government issued Resolution 11/NQ-CP on socio-economic recovery measures and implementation of Resolution 43/2022/QH15 on fiscal and monetary policies.



Below are some notable points:

Among various solutions set out in Resolution 11, we highlight some notable tax measures:

1. 2% VAT reduction in 2022. Please refer to our [Newsbrief](#) dated 7 February for details on this.
2. Extension of the deadline for payment of CIT, PIT, VAT, SST and land rental in 2022.
3. 30% reduction of land rental for 2022 which is applicable to tenants that meet both of the following conditions:
 - i. The tenants lease land directly from the Government under a decision, or contract, or certificate of land use right and make annual land rental payments; and
 - ii. The tenants suffer business suspension due to COVID-19.

In 2021, the Government also provided a similar 30% reduction of land rental. However, the scope of application in 2021 was broader i.e., included all those who are impacted by COVID-19, without any requirement that tenants prove that they are impacted by COVID-19. The conditions in 2022 are stricter, i.e. they require tenants to suffer a business suspension due to COVID-19.

Resolution 11 does not provide guidance on how a business suspension would be determined or how long the suspension must be in order for tenants to be entitled to the reduction.



Below are some notable points:

4. Tax deduction of certain expenses for COVID-19 prevention.
5. 50% reduction of registration fee for automobiles manufactured or assembled locally.
6. 50% reduction of environmental protection fee for aviation fuel.
7. Apply export and import duty rates under Decree 101/2021, which supplements items subject to the preferential import tax rate of 0% and adjusts import, export tax rates for several commodity items.
8. Consider a reduction of electricity and water usage fee for corporate and individual customers.
9. Consider amending the rules on usage of Science and Technology Development Fund to enable companies to renew technology, etc.

It is envisaged that the Government will provide implementing guidance for certain of the above measures soon.

Contact us

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