PwC Vietnam Legal NewsBrief

Decree 91/2022 which amends Decree 126/2020 guiding the implementation of the Law on tax administration 2019

2 November 2022

At a glance...

Decree 91/2022 took effect on the signing date, i.e. 30 October 2022. One of the notable points under Decree 91/2022 is the change of the rule for provisional corporate income tax ("CIT") payments.

In detail…

Some key points

Abolish the 75% rule on provisional CIT payments and reinstate the 80% rule

The total four provisional quarterly CIT payments must not be lower than 80% of the annual CIT liability ("80% rule"). This contrasts with the previous 75% rule whereby the first three quarterly CIT payments should not be less than 75% of the annual CIT liability. Any shortfall will be subject to late payment interest, counting from the deadline for payment of the quarter 4 provisional CIT liability. This rule shall also apply to foreign shipping lines making provisional CIT payments on a quarterly basis and finalising CIT on an annual basis.

The change to the 80% rule may be beneficial to some taxpayers and can be applied retrospectively from tax year 2021 if the following conditions are met:

- The taxpayer's provisional CIT paid in the first 3 quarters of tax year 2021 was less than 75% of the total CIT liability for 2021; and
- The re-application of the 80% rule for tax year 2021 would result in the decrease in late payment interest.

For taxpayers which have already been subject to tax audits, if the late payment interest was already calculated based on the 75% rule, they can request a recalculation of late payment based on the 80% rule. If the recalculated late payment interest is less than that under the 75% rule, companies can submit Form 01/GTCN to the tax authorities to request for a decremental adjustment of the late payment interest.

In detail…

Some key points

Other notable points

- E-commerce platform owners are required to provide information on traders/organisations/ individuals who conduct the sale/ purchase of goods and/or provision of services on the e-commerce platform to the tax authorities on a quarterly basis.

- For individuals who receive dividends/bonus in the form of securities which are deposited in the individuals' accounts by 31 December 2022, and whose PIT has not yet been declared and paid on behalf by any applicable entities, the individuals can now perform PIT filings by themselves without any penalties/ late payment interest being imposed.

- The provision regarding the environmental protection tax filing applicable to companies involved in the domestic exploitation and consumption of coals which assign to its subsidiary or dependent unit to exploit, process and consume the coals is revised in which the object subject to environmental protection tax is changed from "purchased coals" to "taxable exploited coals".

- A new template for the suspension of invoice usage, i.e. Form 04-1/CC is introduced.

Contact us

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