



GLOBAL VIETNAM  
LAWYERS

LEGAL **ALERT**

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*Amid the complicated developments and severely negative impacts on the domestic economy due to the Covid 19 pandemic over the past time, Vietnamese businesses seem to be more impatient and longing than ever for appropriate and timely support measures positively taken by the Government, especially those that first and foremost draw our attention to the policies on tax exemption and reduction, tax deferred payment and even land rental reduction because of the burden of incurred high expenses while the current corporate revenue is unsatisfactory and problematic.*

In a very proactive manner, as of 08 April 2020, the Government issued Decree No. 41/2020/ND-CP on extending the deadline for paying tax and land rent ("Decree 41"). Importantly, Decree 41 takes effect immediately from the date of its promulgation. Accordingly, from 08 April 2020, businesses and business households are allowed to extend the time limit for paying corporate income tax (CIT), personal income tax (PIT), value added tax (VAT) and land rent.

Namely:

## **Extending the time limit for paying tax and land rent**

### **1. Subjects of application**

The extension of the time limit for paying tax and land rent will apply to the following 05 groups of subjects:

(i) Enterprises, organizations, households and individuals engaged in production activities in the sectors of agriculture, forestry and fishery; construction; production and processing of food; weaving; producing leather and related products; processing wood and producing products from wood, bamboo of various kinds (except for beds, wardrobes, tables, chairs); producing products from straw and plaiting materials; producing paper and paper products; producing products from rubber and plastic; producing products from other non-metallic minerals; metal production; mechanical processing; treating and overlaying metal; manufacturing electronic products, computers and optical products; manufacturing automobiles and other motor vehicles; producing beds, wardrobes, tables, chairs;

(ii) Enterprises, organizations, households and individuals doing business in such industries as warehousing and transport; accommodation and catering services; education and training; health and social assistance activities; real estate business; labour service activities and employment; activities of travel agents, tour operators and support services related to tourism promotion and organization; Creative, artistic and recreational activities; library activities, archives, museums and other cultural activities; sports activities, entertainment; film screening activities;

(iii) Enterprises, organizations, households and individuals engaged in the production of industrial products supporting development priority; key mechanical products;

(iv) Small and micro enterprises defined in accordance with the Law on Supporting Small and Medium Enterprises No. 04/2017/QH14 and Decree No. 39/2018/ND-CP dated 11 March 2018 of the Government detailing a number of articles of the Law on Supporting Small and Medium Enterprises; and

(v) Credit institutions, foreign bank branches implement solutions to support customers being enterprises, organizations and individuals affected by Covid-19 epidemic in accordance with the regulations of the State Bank of Vietnam and propose the State Bank of Vietnam to publish the list of credit institutions and foreign bank branches participating in customer support.





### Extension of the deadline for paying taxes and land rents

- **For value added tax** (except for VAT at the import stage): the extension time is 5 months from the expiry of the deadline for paying VAT in accordance with the law on tax administration. The deadline for VAT payment of the month and quarter is extended as follows:
  - The deadline for VAT payment of the March 2020 taxation period is 20 September 2020;
  - The deadline for VAT payment of the April 2020 taxation period is 20 October 2020;
  - The deadline for VAT payment of the May 2020 taxation period is 20 November 2020;
  - The deadline for VAT payment of the June 2020 taxation period is 20 December 2020;
  - The deadline for VAT payment of the first quarter 2020 taxation period is 30 September 2020; and
  - The deadline for VAT payment of the second quarter 2020 taxation period is 30 December 2020.
- **For corporate income tax:** extending tax payment for the outstanding CIT amount according to the tax finalization of 2019 but not yet paid to the state budget and the provisional corporate income tax amount of the first and second quarters of 2020. The extension is 5 months from the expiry of the deadline for paying CIT in accordance with the law on tax administration.
- **For VAT and PIT** of business households and individuals: extending the time limit for paying VAT and PIT for the arising tax payable in 2020 latest by 31 December, 2020.
- **For land rent:** extending the land rent payable in the first period of 2020 by enterprises, organizations, households and individuals subject to Article 2 of this Decree, which are being directly leased by the State under the Decisions and Contracts of competent state agencies, for a period of 05 months from 31 May 2010.
- **In case any enterprise, organization, business household or individual engages in production and business activities of various economic sectors,** including economic sectors and fields specified in Articles 2.1, 2.2, 2.3 and 2.5 of Decree 41, all VAT and CIT payables are extended; business households and individuals may extend the entire VAT and PIT payables under the guidance of this Decree.

In addition, Decree 41 also states the sequence and procedures for extending the time for paying taxes and land rent. In particular, taxpayers determine by themselves and are responsible for the extension request to ensure the right subjects that are allowed for extension under this Decree. If the taxpayer sends a written request for an extension of the tax payment and land rent to the tax authority after July 30 2020, the tax and land rent extension will not be accepted in accordance with this Decree.



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*We hope that you will find GV Lawyers' Legal Alert useful and timely, enabling you to capture important and necessary information for your reference. Should you be further interested in or need legal advice related to Decree 41 and other current legal regulations, please contact us at [info@gvlawyers.com.vn](mailto:info@gvlawyers.com.vn) or by phone at 028 3622 355, we will assist and advise you on these matters as quickly as practicable.*