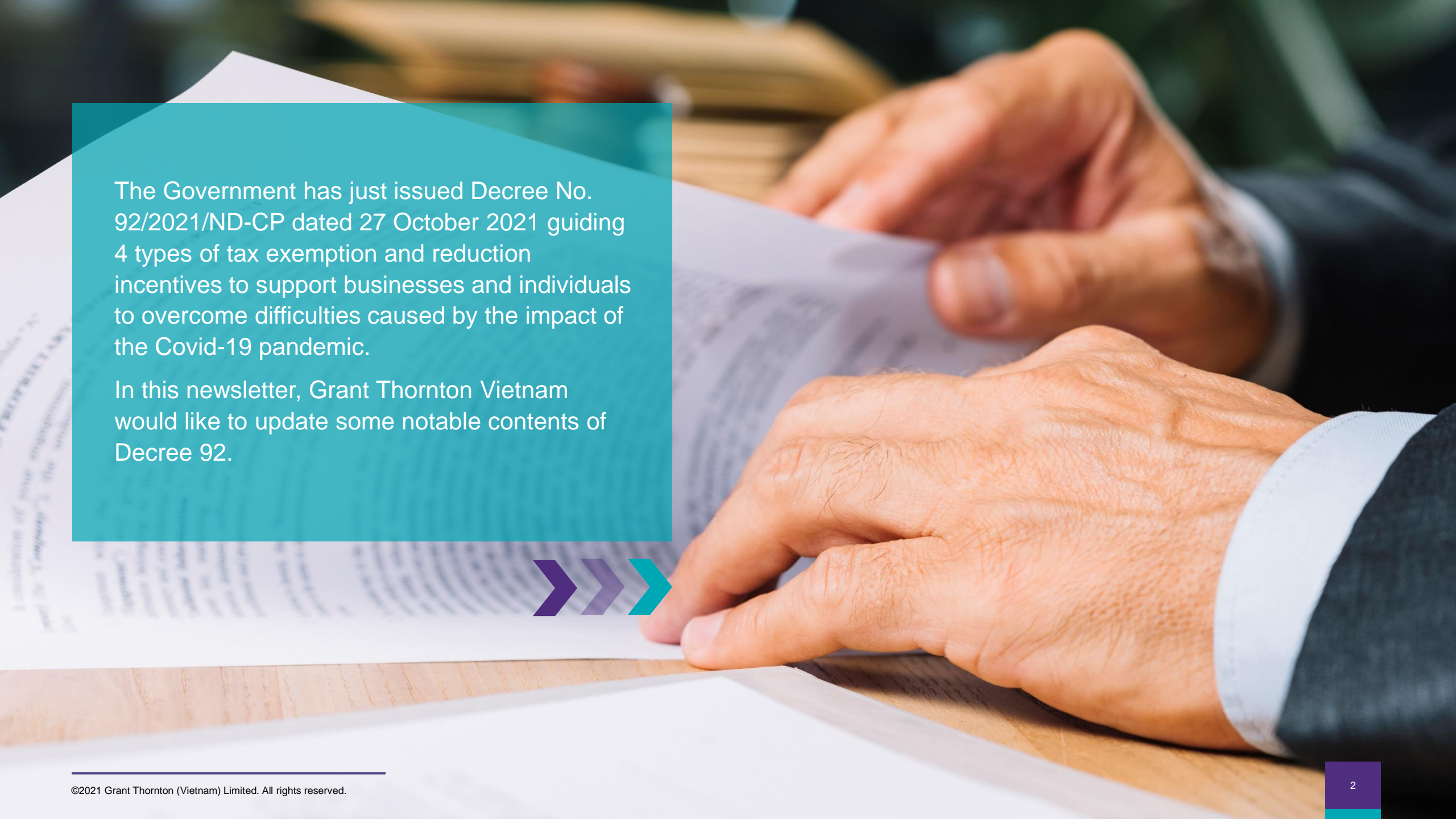




**Decree No. 92/2021/ND-CP  
regulating the implementation of  
Resolution No. 406/NQ-UBTVQH15  
of the National Assembly Standing  
Committee promulgating some  
incentives to support businesses  
and individuals affected by the  
Covid-19 pandemic**

**November 2021**





The Government has just issued Decree No. 92/2021/ND-CP dated 27 October 2021 guiding 4 types of tax exemption and reduction incentives to support businesses and individuals to overcome difficulties caused by the impact of the Covid-19 pandemic.

In this newsletter, Grant Thornton Vietnam would like to update some notable contents of Decree 92.





NO	INCENTIVES AND SUPPORTS	APPLICABLE SUBJECTS	DETERMINATION	DECLARATION PROCEDURES
1	<b>30% CIT reduction for tax year 2021</b>	<ul style="list-style-type: none"> <li>Organizations engaged in the production and trading of goods and services established under Vietnam's law.</li> <li>Revenue in tax year 2021 is less than VND200 billion and revenue in tax year 2021 is lower than the revenue in tax year 2019 (exclude Revenue deductions, financial income and other income).</li> </ul> <p><i>Note: The criterion that the revenue in tax year 2021 is lower than the revenue in tax year 2019 is not applicable for newly established, consolidated, merged, divided, split-up enterprises in the tax year 2020 and 2021.</i></p>	The reduced CIT amount is determined based on the CIT payable of the tax period of 2021, after deducting the CIT portion that the business is enjoying incentives on as prescribed.	<ul style="list-style-type: none"> <li>Based on the revenue in tax year 2019 and the expected revenue in the 2021 tax year, enterprises self-estimate the tax amount eligible for reduction when paying CIT quarterly.</li> <li>When performing the CIT finalization for 2021, businesses should follow the tax administration law to handle the difference between the tax payable already paid quarterly and the tax payable on the finalized return.</li> </ul>

NO	INCENTIVES AND SUPPORTS	APPLICABLE SUBJECTS	DETERMINATION	DECLARATION PROCEDURES
2	<p><b>PIT, VAT and other taxes exemption in Quarter III and Quarter IV.2021 for business households and individuals</b></p>	<p>Business households and individuals are residents who operate in all professions, using all forms of tax declaration and payment, and whose production and business activities are affected by the Covid-19 pandemic in 2021 (according to the list of business households and individuals issued by the local authorities).</p>	<ul style="list-style-type: none"> <li>• <b>In case the tax authority has to issue a Notice of payment</b> Tax authorities estimate the exemption amount based on the tax payable for Quarter III and Quarter IV.2021 as stated on the Notice of Payment.</li> <li>• <b>In case the tax authority does not have to issue a Notice of payment</b> Taxpayers estimate the tax payable according to the Tax declaration forms.</li> </ul>	<ul style="list-style-type: none"> <li>• <b>In case the tax authority has to issue a Notice of payment</b> The tax authority shall create a list of business households and individuals eligible for tax exemption, based on the actual tax paid by each business household or individual to determine the exempted tax amount and issue a tax exemption decision attached to a list of business households and individuals eligible for tax exemption.</li> <li>• <b>In case the tax authority does not have to issue a Notice of payment</b> Business households and individuals; organizations and individuals declare and pay on behalf of business households and individuals; business households using individual invoices should self-determine the tax payable amount after exemption to declare on the tax return, and create a summary of tax payable eligible for exemption attached to the tax return.</li> </ul>

NO	INCENTIVES AND SUPPORTS	APPLICABLE SUBJECTS	DETERMINATION	DECLARATION PROCEDURES
3	<b>30% VAT reduction from 1 November 2021 to end of 31 December 2021</b>	Goods and services, including: <ul style="list-style-type: none"> <li>• Transportation services;</li> <li>• Accommodation and food services;</li> <li>• Information and communication;</li> <li>• Administrative and support services; and</li> <li>• Arts and entertainment services.</li> </ul>	<ul style="list-style-type: none"> <li>• <b>For VAT under credit method</b> 30% reduction of VAT rate for goods and services</li> <li>• <b>For VAT under direct method</b> 30% reduction on the percentage rate used to calculate VAT for goods and services</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Credit method:</b> When creating tax reduction invoices, at the VAT rate, write “prescribed tax rate (5% or 10%) x 70%”; VAT amount; total amount to be paid by the buyer. Based on the VAT invoice, the seller declares output VAT, and the buyer declares and deducts input VAT according to the reduced tax stated on the invoice.</li> <li>• <b>Direct method:</b> When creating a sales invoice, in the "Total" column, write the full price of goods and services before the reduction, in the "Subtotal" line, enter the price after 30% reduction on revenue, and note: <i>"reduced... (amount) equivalent to 30% of the amount used to calculate VAT payable according to Resolution No. 406/NQ-UBTVQH15"</i></li> </ul>



NO	INCENTIVES AND SUPPORTS	APPLICABLE SUBJECTS	DETERMINATION	DECLARATION PROCEDURES
4	<b>Exemption of late payment interest incurred in 2020 and 2021 for businesses and organizations that suffer losses in 2020</b>	Enterprises and organizations (including dependent units, business locations) incur losses in the 2020 tax period.	The head of the tax administration agency, based on administrative tax records, determines the amount of late payment arising in 2020 and 2021 of the taxpayer to issue a decision on exemption of late payment interest.	<ul style="list-style-type: none"> <li>• Taxpayers send a written request for exemption of late payment interest, clearly specifying the loss incurred in the tax period of 2020 to the direct tax administration agency.</li> <li>• Within 15 working days from the date of receiving the written request, the tax authority shall issue a Notice of approval/ disapproval of exemption from late payment interest.</li> </ul>



The enterprises should carefully review the policies and conditions to enjoy the incentives in accordance with regulations. Please contact the experts at Grant Thornton Vietnam for in-depth advice should you have any questions during the review, assessment, planning and implementation process of the above-mentioned tax incentives.





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