



TAXFLASH

RESOLUTION No.406/NQ-UBTVQH15 ON TAX EXEMPTION & REDUCTION FOR CITIZENS AND ENTERPRISES AFFECTED BY COVID-19

On 19 October 2021, the Standing Committee of the National Assembly issued Resolution No.406/NQ-UBTVQH15 ("Resolution No.406") regarding the solutions including tax exemption & reduction to support enterprises and citizens affected by the Covid-19 pandemic.

We would like to summarize the salient contents of Resolution No.406 below:

CIT Reduction

A 30% reduction in the CIT payable amount for 2021 for taxpayers whose 2021 revenue does not exceed VND200 billion and the 2021 revenue is reduced compared to the 2019 revenue.

Tax exemption for business households and business individuals

PIT and VAT exemption and exemption of other taxes payable arising from production and business activities in the months of the third and fourth quarters of 2021 are given to business households and business individuals having production and business activities in District areas affected by the Covid-19 pandemic in 2021.

VAT Reduction

VAT reduction from 1 November 2021 to 31 December 2021 for goods and services such as transportation services; lodging service; food service; traveling services; art works, products and services relevant to entertainment and culture.

The VAT reduction rate is applied as follows:

- ▶ 30% of the VAT rate applicable to enterprises and organizations using credit method.
- ▶ 30% of the VAT deemed rates applicable to businesses and organizations calculating VAT according to deemed method.

Exemption of late payment charges

Exemption of late payment charges arising in 2020 and 2021 on outstanding tax, land use levies and land rental for loss making enterprises and organizations (*including dependent units, business locations*) in 2020.

Resolution 406 takes effect from 19 October 2021.

If you need further information, please do not hesitate to contact us.

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