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DECREE NO. 15/2022/ND-CP DATED JANUARY 28, 2022 OF THE GOVERNMENT ON TAX EXEMPTION AND REDUCTION POLICIES ACCORDING TO RESOLUTION NO. 43/2022/QH15 DATED JANUARY 28, 2022 OF THE NATIONAL ASSEMBLY



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After the issuance of the National Assembly's Resolution No. 43/2022/QH15 on fiscal and monetary policies to support the socio-economic development and recovery program ("Resolution 43"), on January 28, 2022, the Government issued Decree No. 15/2022/ND-CP on tax exemption and reduction policies

("Decree 15") according to the above-mentioned Resolution 43/2022/QH15 to implement the tax exemption and reduction policy in the National Assembly's fiscal policy.

Value-added Tax Reduction from February 1, 2022 to December 31, 2022

In order to facilitate entities, individuals and tax administration departments in application with specialized tax legal regulations, Decree 15 provides the reduction of value-added tax ("VAT") for goods and services subject to the VAT rate of 10%, and also clearly states the goods and services not eligible for VAT reduction, as particulars:

- (i) Telecommunication, financial activities, banking activities, securities, insurance, trading of real estate, metal and precast metal products, mining products (excluding coal mining), coke mining, refined oil, chemical products;
- (ii) Goods and services subject to excise tax;
- (iii) Information technology as prescribed in the laws on information technology.

The reduction of VAT shall be applied consistently in all stages including import, production, processing, trading, except for coal products which the reduction of VAT is only applied to the stage of mining for purpose of sale. Accordingly, the VAT reduction is determined according to the tax calculation method and shall be applied from February 1,

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2022 to December 31, 2022, specifically including:

- (i) For businesses whose VAT payable is calculated by tax credit method, the businesses are entitled to the VAT tax rate of 8% for their goods and services;
- (ii) For businesses whose VAT payable is calculated per percentage on revenue, the businesses are entitled to reduction of 20% of the percentage rate to calculate VAT for their goods and services.

Procedures for VAT Reduction

In order to apply the deducted VAT rate, businesses must issue separate invoices for goods and services subject to VAT reduction. In case the businesses fail to issue separate invoices, the VAT reduction prescribed under Decree 15 will not be applied. For cases where the businesses issued an invoice and declared at the tax rate or percentage to calculate VAT that has not yet been deducted, the seller and the buyer shall make a minutes detailing the mistakes and the seller must issues and deliver an adjusted invoice to the buyer for the application of VAT reduction. Businesses declare goods and services eligible for VAT reduction according to the declaration on "VAT reduction according to Resolution 43" together with the value-added tax declaration.

Reduction of Expenses for Supporting and Financing the Covid-19 Prevention and Control

The reduction of VAT shall be applied consistently in all stages including import, production, processing, trading, except for coal products which the reduction of VAT is only applied to the stage of mining for purpose of

In addition to the expenses prescribed in laws on excise tax, in the corporate income tax period of 2022, expenses for

supporting and financing the Covid-19 prevention and control in cash and in kind are included in deductible expenses for determination of taxable income for corporate income tax amounts through certain organizations including Vietnam Fatherland Front Committee at all levels, medical facilities, educational institutions, press agencies and other agencies specified under Decree 15.

Decree 15 has additionally provided for the case that an enterprise provides support and sponsorship through the transfer of this donation to its parent company. In case the enterprise is a member unit, it is required to meet following conditions to be eligible for deduction of support and sponsorship expenses upon determination of deductible expenses:

- (i) The parent company must have a minutes or document certifying the

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- expenses of support or sponsorship signed and stamped by the representatives of enterprises being the member unit and parent company;
- (ii) The enterprise has legal invoices and documents for support or finances in cash or in kind as prescribed by law;
 - (iii) The parent company has a written confirmation of the supports and finances of the member unit; and
 - (iv) The parent company provides supports and finances through certain organizations listed in Decree 15.

This is a new regulation in Decree 15 compared to the corresponding regulations in Decree 44/2021/ND-CP on guidelines for deductible expenses upon determination of income subject to corporate income tax regarding enterprise/organization's grants to prevention and control of Covid-19 pandemic and is supplemented on the basis of arising expenses of supports and finances from economic groups in Vietnam.

Decree 15 takes effect from February 1, 2022.

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Bản tin này cùng với các nội dung trong bản tin chỉ nhằm mục đích cung cấp thông tin chung. Chúng tôi không cam kết hoặc bảo đảm về tính chính xác, tính thời sự hoặc sự đầy đủ của các thông tin cung cấp trong bản tin này. Bản tin này thể hiện quan điểm, ý kiến chính thức hay tư vấn pháp luật của chúng tôi. Bạn không nên sử dụng những thông tin trong bản tin này để thay thế cho việc tham khảo ý kiến tư vấn pháp luật của chúng tôi hoặc của luật sư của bạn. Việc bạn sử dụng các thông tin trong bản tin này không hình thành mối quan hệ “luật sư – khách hàng” giữa bạn và chúng tôi, trừ khi và cho đến khi một thỏa thuận được ký kết giữa bạn và chúng tôi theo đó chúng tôi được yêu cầu tư vấn về vấn đề cụ thể của bạn.

Chúng tôi giữ quyền sửa đổi, tạm ngừng hoặc ngừng vĩnh viễn hoạt động của bản tin này hoặc bất kỳ phần nào của bản tin mà không thông báo trước. Chúng tôi không chịu bất kỳ trách nhiệm nào về các sửa đổi, tạm ngừng hoặc ngừng vĩnh viễn hoạt động của bản tin này.

Nếu bạn có vấn đề nào cần tư vấn, hãy liên hệ với chúng tôi hoặc yêu cầu luật sư của bạn tư vấn về vấn đề đó cho bạn.

Tất cả các quyền, bao gồm cả quyền sở hữu, quyền tác giả, quyền liên quan và các quyền sở hữu công nghiệp đối với nội dung thông tin, thiết kế, trình bày mỹ thuật của bản tin này thuộc chúng tôi và được bảo vệ theo Luật Sở hữu Trí tuệ Việt nam, các hiệp định, hiệp ước quốc tế mà Việt nam đã ký kết.

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