

Tax Alert

June 2022



Tax payment deferral scheme for 2022 approved

As part of a post-pandemic economic recovery package, the Government issued Decree 34/2022/-ND-CP on 28 May 2022 approving certain tax payment deferral policies for taxpayers in 2022. The business activities eligible for 2022 tax payment deferral are mostly the same with those under Decree 52/2021/ND-CP. The deferral period is based on the type of tax and reporting frequency of the taxpayer.

1. Corporate income tax (“CIT”) payments

- The Government will allow qualifying taxpayers to defer, for three months, the payment of income tax that becomes owing for the first two quarters of 2022.
- The deferral of income tax payments also applies to branches or affiliated business units of qualifying taxpayers, except where such reporting entities carry out business activities that do not qualify for a tax deferral.

2. Value added tax (“VAT”) payments, excluding import VAT

- The Government will allow qualifying taxpayers to defer VAT payments as follows:
 - A six-months extension to remit taxes is granted to qualifying taxpayers for the reporting periods between March and May 2022 for monthly remitters, and for the reporting period January to March 2022 for quarterly remitters.
 - A five-months extension to remit taxes is granted for the June 2022 reporting period for monthly remitters, and for the reporting period April to June 2022 for quarterly remitters.
 - A four-months extension to remit taxes is granted for the July 2022 reporting period for monthly remitters.
 - A three-months extension to remit taxes is granted for the August 2022 reporting period for monthly remitters.
- The deferral of VAT payments also applies to branches or affiliated business units of qualifying taxpayers, except where such reporting entities carry out business activities that do not qualify for a tax deferral.

3. Land rental payments

- The Government will allow qualifying taxpayers to defer, for six months, 50% of the land rental payment due between 31 May 2022 and 30 November 2022.

4. Personal income tax (“PIT”) and Value Added Tax (“VAT”) payments by business households and individuals conducting business

- The Government will allow qualifying taxpayers categorized as business households, or individuals conducting business, to defer payment of PIT and VAT to 31 December 2022.

Taxpayers must self-assess if they qualify and submit a written request for tax payment deferral and land rental payment directly to the tax authority. Deferral requests may be filed once for all applicable taxes and land rental fees, jointly with the monthly or quarterly tax declarations, or separately by 30 September 2022.

Please contact KPMG for further discussion on the process and procedures to apply Decree 34.

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