

TAX BULLETIN May 2022

1. Extension of deadline for tax payments in 2022

On 28th May 2022, the Government issued the Decree No. 34/2022/NĐ-CP the deadline for payment of VAT, CIT, PIT, land rental in 2022 with main contents as follows:

➤ Taxpayers entitled to tax payment deferral:

The extension will be given to all the same taxpayer specified in Article 2 Decree No. 52/2021/ND-CP on the extension the deadline for payment of VAT, CIT, PIT and land rental in 2021.

➤ Extension period:

❖ VAT payment:

Tax period	Deadline	Extension of deadline
March 2022	20-04-22	20-10-22
April 2022	20-05-22	20-11-22
May 2022	20-06-22	20-12-22
June 2022	20-07-22	20-12-22
July 2022	20-08-22	20-12-22
August 2022	20-09-22	20-12-22
1 st Quarter 2022	30-04-22	30-10-22
2 nd Quarter 2022	31-07-22	31-12-22

- ❖ CIT provisional payment: Deadline for CIT payment in the 1st and 2nd quarters of 2022 will be extended for 3 months

Tax period	Deadline	Extension of deadline
1 st Quarter 2022	30-04-22	30-07-22
2 nd Quarter 2022	31-07-22	31-10-22

- ❖ VAT and PIT payable by business households and individuals in 2022 will extended until 30 December 2022

- ❖ Land rental payable in 2022: 06 months of extension for 50% payable amount (from 31 May 2022 to 30 November 2022).

The Decree takes effect from 28th May to 31st December 2022.

2. CIT incentive for interest income from bank deposit (Official Letter No. 709/CTHPH-TTHT dated 21st March 2022 of Hai Phong Tax Department)

If the company being entitled to CIT incentives has saving account at a credit institution, regardless of whether the credit institution is inside or outside of the preferential location and incurs interest income paid by the credit institution, this income is not entitled to CIT incentives. For CIT declaration and payment, the company must separately determine income from production and business activities entitled to CIT incentives and income from business activities not entitled to tax incentives. Accordingly, the interest income (not entitled to tax incentives) shall only be offset against interest expenses of non-incentive activities as per principles specified in Clause 7, Article 7, Circular No. 78/2014/TT-BTC.

3. PIT withholding for remuneration payments upon the termination of labour contracts (Official Letter No. 2211/CTTPHCM-TTHT dated 21st March 2022 of Hochiminh City Tax Department)

When terminating the labour contract and company makes final payment for the unpaid monthly salary, bonuses and benefits that are subject to PIT, the PIT withholding will be based on the payment date:

- If the payment date is before the termination date of labour contract, those income shall be treated as taxable income for PIT declaration with progressive tax rate.
- If the payment date is after the termination date of labour contract and the employee has stopped working at the company, for each payment of VND 02 million/payment or more, the company shall withhold PIT at the rate of 10%.

4. CIT incentives for investment projects in the manufacture of supporting industry products (Official No. 1094/CTBNI-TTHT dated 7th April 2022 of Bac Ninh Tax Department)

In case where the SPICA ELASTIC VIETNAM Co., Ltd. has investment projects (new and expanding investment project) in the manufacture of products under the List of prioritized supporting industry products before 1st January 2015 which meet conditions for a project in the manufacture of supporting industry products as provided by the Law No. 71/2014/QH13 and have been granted the Incentive Certificate of manufacturing supporting products No. 1201/GXN-BCT dated 10th March 2022 by Ministry of Industry and Trade, CIT incentives will be given in accordance with the following principles:

- If income derived by the Company from the project for manufacturing supporting products has not yet been given CIT incentives, CIT incentives for projects for manufacturing

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- supporting products (including incentive CIT rate and the duration of CIT exemption or reduction) would have been applied from the tax period when the Incentive Certificate of manufacturing supporting products was granted by the competent authority;
- If income derived by the Company from the project for manufacturing supporting products has been given CIT incentives, other than CIT incentives for projects on manufacturing supporting products, for projects for manufacturing supporting products (including incentive CIT rate and the duration of CIT exemption or reduction) would have been applied for the remaining period as from the tax period when the Incentive Certificate of manufacturing supporting products was granted by the competent authority.