

# COVID-19

## Decree now finalised on extension of deadlines for tax and land rental payments in 2021



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## At a glance ...

Similar to last year, on 19 April, the Government released Decree 52 regarding the extension of deadlines for payment of taxes and land rental fee applicable for the 2021 tax year. The Decree took effect from the signing date.



Below is a summary of certain key contents:

## **Contents**

In addition to the eligible business activities stated in last year's rules on extension (Decree 41), Decree 52 now adds some additional business activities as emphasized in bold below.

Companies engaging in the eligible business activities and which have generated revenue from such activities in 2020 or 2021 will be entitled to the extension.

### *Manufacturing sector*

- Agriculture, forestry and fishery;
- Food production and processing; weaving; producing clothes; producing leather and related products;
- Wood processing and producing products from wood, bamboo of various species (except beds, wardrobes, tables, chairs); producing products from straw and plaiting materials; producing paper and paper-related products; producing products from rubber and plastic; producing products from other non-metallic minerals, metal production;
- Mechanical processing, handling and coating metal; manufacturing electronic products, computers and optical products; manufacturing automobiles and other motor vehicles;
- Production of beds, wardrobes, tables, chairs;
- Construction;
- **Publishing activities; cinematographic activities, television program production, music recording and publishing;**
- **Exploiting crude oil and natural gas (no extension for corporate income tax on crude oil, condensate, natural gas collected under agreements or contracts)**
- **Manufacturing of beverages; printing, copying records of all kinds; production of coke coal, refined petroleum products; chemical production and chemical products; manufacturing of products from prefabricated metal (except for machinery and equipment); motorbike manufacturing; repair, maintenance and installation of machines and equipment; and**
- **Drainage and wastewater treatment.**

### *Service sector*

- Transportation and warehousing; accommodation and catering services; education and training; health and social assistance activities; real estate business;
- Labour and employment service activities; activities of travel agents, tour operators and support services related to advertising and organizing tours;
- Composing, artistic, entertainment activities; library activities, conservation, museums and other cultural activities; sports activities, entertainment activities; movies;
- **Radio and television activities; computer programming, consulting services and other activities related to computers; information service activities; and**
- **Supporting services for mining activities.**

### *Other in-scope sectors/activities*

- Production of supporting industry products given priority for development; key mechanical products as defined;
- Small and micro enterprises as defined;
- Banking – in certain circumstances.

For those in the above list, the following would be applied:

#### **1. Extension of deadlines to pay VAT and CIT**

- Generally, the deadlines for payments of CIT and VAT are extended as follows:
  - The deadline for VAT payments for March, April, May and June 2021 (for companies declaring VAT on a monthly basis) and Quarter 1 and Quarter 2 of 2021 (for companies declaring VAT on a quarterly basis) will be extended by 5 months, for example, payment of March 2021 VAT return will be due by 20 September 2021. VAT payments for July and August 2021 will be extended by 4 months and 3 months, respectively, after the statutory deadlines. Of note, this will not apply to import VAT.
  - The deadline for provisional CIT payments for Quarter 1 and Quarter 2 of 2021 will be extended by 3 months after the statutory deadlines. For example, payment of Quarter 1 provisional CIT will be due by 30 July 2021.
- Dependent units and branches of in-scope companies which separately file VAT and CIT returns at local tax departments will also be entitled to the above extensions. However if the branches and dependent units do not conduct in-scope business activities, they are not entitled to extensions.



## 2. Extension of deadline to pay VAT and PIT for individuals and business households

- Similar to Decree 41, the deadline for payment of VAT & PIT for 2021 will be extended to 31 December 2021, applicable to individuals and business households which engage in in- scope business activities.

## 3. Extension of deadline to pay annual land rental fee

- An extension of 6 months for the first payment of 2021 (due 31 May 2021) will be granted to those who directly lease land from the State, pay land rental fee on an annual basis and conduct in-scope business activities.

## 4. Companies which engage in both in- scope and out- of- scope business activities

- Companies which engage in multiple business activities shall be entitled to extension of taxes and of land rental payments incurred pertaining to all activities provided that at least one of their business activities falls under the in- scope activities.

## 5. Some administrative requirements

- In case the extended deadline falls on a public holiday, the deadline shall be the next working day.
- Eligible taxpayers are required to submit a request (in prescribed form as attached to Decree 52 - the form is generally similar to that under Decree 41 except for the inclusion of some new in-scope business activities) to their directly managing tax department together with the monthly or quarterly tax return. The deadline is 30 July 2021 and failure to meet the deadline will result in forfeiture of these benefits. The submission can be done either electronically, by hard copy directly sent to the local tax department or by postage and should be done once, covering all types of taxes and land rental fees for all eligible periods.
- If a taxpayer is eligible for taxes and land rental payment extensions in multiple locations, which are under different managing tax departments, then its directly managing tax department has to send copies of the submitted request form to the relevant tax departments in the other locations.
- In order to be entitled to the extensions under Decree 52, taxpayers must fully settle the taxes and land rental amounts which are deferred according to the provisions under Decree 41 and corresponding late payment interest (if any) to the State budget before 30 July 2021.



# Contact us

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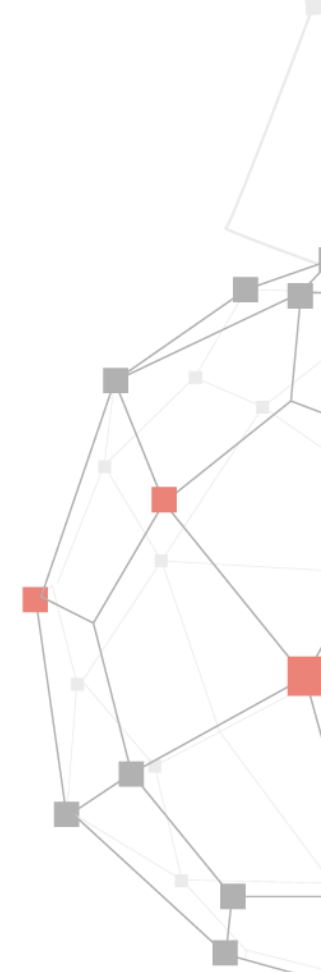
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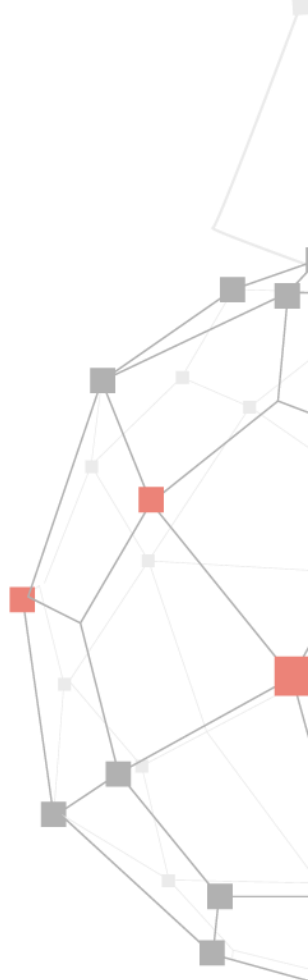


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