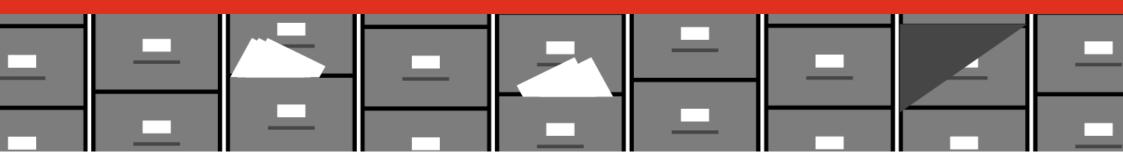
PwC Vietnam NewsBrief

Favourable development on tax incentives for supportive industries



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At a glance...

In the view of the tax authorities, projects manufacturing prioritised supporting industry products which were set up before 2015 are not eligible for the very favourable CIT incentives applicable to supportive industries.

In an effort to ensure equality for all projects manufacturing prioritised supporting industry products, the Government has released Decree 57/2021 (effective on 4 June 2021), which amends and supplements Decree 218/2013 (amended by Decree 12/2015) on CIT incentives for such companies.





Below are some notable points:

- Decree 57 provides that projects manufacturing prioritised supporting industry products (including new investment projects and investment expansion projects), which started operating before 2015, and which meet the relevant conditions under Law 71/2014 and have been granted with a certificate of incentives for supporting industrial manufacturing are now entitled to CIT incentives. Accordingly:
 - Projects which have hitherto not been entitled to CIT incentives can now be entitled to the CIT incentives for supportive industries from the tax year in which they obtained said certificate.
 - Projects which have used up all of their CIT incentives claimed under other incentive regimes can now claim the CIT incentives for supportive industries for the remaining period from the tax year in which they obtained said certificate.
 - Projects which are still claiming CIT incentives under other incentive regimes can now claim the CIT incentives for supportive industries for the remaining period from the tax year in which they obtained said certificate.
- The abovementioned "remaining period" is the total CIT incentive period (i.e. both preferential rate and tax holiday period) under the incentives for supportive industries less the CIT incentive period that projects were enjoying under other regimes.
- This is a really positive change and will create very substantial tax saving opportunities for certain companies, so it will be worth reviewing your existing incentives regime and assessing whether you have a chance to claim additional CIT incentives under this supportive industries regime.

Contact us

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