

LEGAL UPDATE (November 1st, 2021)

In this issue, we would like to bring to your attention to the following:

- Tax exemption and reduction policies have been released to support businesses and people affected by the Covid-19 pandemic.
- Several amendments and supplements to the management of gold business activities.

1. Tax exemption and reduction policies have been released to support businesses and people affected by the Covid-19 pandemic

On October 27th, 2021, the Government issued Decree No. 92/2021/ND-CP guiding the implementation of Resolution No. 406/NQ-UBTVQH15 of the National Assembly Standing Committee promulgating several solutions to support businesses and people affected by the Covid-19 pandemic. Accordingly, Decree No. 92/2021/ND-CP provides guidance on 04 groups of tax exemption and reduction solutions, including:

- (i) reduction of corporate income tax payable in 2021 for businesses and organizations whose revenue is not more than VND 200 billion with a decrease in revenue in 2021 compared to 2019;
- (ii) tax exemption (personal income tax, value-added tax and other taxes) in the third and fourth quarters of 2021 for households and individuals with production and business activities in district-level locations affected by the COVID-19 pandemic in 2021;
- (iii) reduction of value-added tax rates for groups of goods and services in several industries;
- (iv) exemption of late payment interest arising in the years 2020, 2021 for businesses and organizations that incur losses in 2020.

Governed subjects by this Decree include:

- Organization involved in production and business activities of goods and services subject to taxable income (hereinafter referred to as enterprises) as prescribed in Article 1 of Resolution 406/NQ-UBTVQH15, including:
 - + Enterprises established in accordance with the law of Vietnam;
 - + Organizations established under the Law on Cooperative;

- + Non-business units established in accordance with Vietnamese law;
- + Other organizations established in accordance with Vietnamese law involved in production and business activities with income.
- Households and individuals engaged in business activities refer to resident individuals who are involved in all industries, forms of tax declaration and payment, engaged in production and business activities in the district-level, town-level, province-level, and municipality-level locations affected by the Covid-19 pandemic in 2021.

The Decree is of full force and effect concurrently with the effective date of Resolution No. 406/NQ-UBTVQH15. Therefore, Decree No. 92/2021/ND-CP came into effect on October 19th, 2021.

2. Several amendments and supplements to the management of gold business activities

On September 30th, 2021, the State Bank of Vietnam issued Circular No. 15/2021/TT-NHNN amending and supplementing several articles of Circular No. 16/2012/TT-NHNN ratified by the Governor of the State Bank of Vietnam on May 25th, 2012 guiding several articles of Decree 24/2012/ND-CP dated April 03rd, 2012 by the Government on the management of gold business activities. Accordingly, the Circular supplements regulations on the sequences and procedures for licensing the import of raw gold for foreign-invested enterprises to produce gold jewelry and fine arts under the national-one-stop-shop mechanism. Specifically, in case a foreign-invested enterprise wishes to import raw gold for the production of gold jewelry and fine art, and applies for a license under the national single-window system (MCQG), it shall submit a dossier as prescribed in Article 12 of Circular 16/2012/TT-NHNN to the MCQG portal to be granted a license to import raw gold as follows:

- When there is a need to import raw gold for the production of gold jewelry and fine art, the enterprise shall make and send 01 dossier to the State Bank of Vietnam, which is comprised of:
 - + An application for a license to import raw gold (under the form sample in Appendix 5 to Circular 16/2012/TT-NHNN);
 - + Investment Registration Certificates;
 - + Report on the implementation of export, import and consumption of gold products in the Vietnamese market within 12 preceding months of the reporting time, enclosed with the import and export customs declarations and monitoring sheet certified by the Customs Authority (under the form sample in Appendix 8 of Circular No. 16/2012);

- + The business and production plan of the enterprise; documents, dossiers proving the production capacity of the enterprise;
- + Contracts for processing gold jewelry and fine art with foreign countries.
- Within 15 working days from the date of receipt of complete and valid dossiers, the State Bank of Vietnam shall consider granting or refusing to grant (specify reasons) the license to import raw gold for enterprises.

The Circular No. 15/2021/TT-NHNN will be of full force and effect as of November 20th, 2021.

We hope this Monthly Newsletter would bring you useful information.

Best regards.

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