

**THE MINISTRY OF  
FINANCE**

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No. 65/2020/TT-BTC

**THE SOCIALIST REPUBLIC OF VIETNAM  
Independence - Freedom – Happiness**

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*Hanoi, July 09, 2020*

**CIRCULAR**

**AMENDMENTS TO THE CIRCULAR NO. 302/2016/TT-BTC DATED NOVEMBER 15,  
2016 OF THE MINISTER OF FINANCE ON GUIDELINES FOR LICENSE TAX**

*Pursuant to the Law on Fees and Charges No. 97/2015/QH13 dated November 25, 2015;*

*Pursuant to the Government's Decree No. 139/2016/ND-CP dated October 04, 2016 on license tax;*

*Pursuant to the Government's Decree No. 22/2020/ND-CP dated February 24, 2020 on license tax on amendments to the Government's Decree No. 139/2016/ND-CP dated October 04, 2016 on license tax;*

*Pursuant to the Government's Decree No. 87/2017/ND-CP dated July 26, 2017 defining the functions, tasks, powers and organizational structure of the Ministry of Finance;*

*At the request of the Director General of the General Department of Taxation;*

*The Minister of Finance hereby promulgates a Circular on amendments to the Circular No. 302/2016/TT-BTC dated November 15, 2016 of the Minister of Finance on guidelines for license tax.*

**Article 1. Amendments to the Circular No. 302/2016/TT-BTC dated November 15, 2016 of the Minister of Finance on guidelines for license tax**

1. Article 2 is amended as follows:

**“Article 2. License taxpayers**

License taxpayers are organizations, individuals, groups of individuals and households producing and trading goods and services as prescribed in Article 2 of the Government's Decree No. 139/2016/ND-CP dated October 04, 2016, except for the cases specified in Article 3 of the Government's Decree No. 139/2016/ND-CP dated October 04, 2016 and Clause 1 Article 1 of the Government's Decree No. 22/2020/ND-CP dated February 24, 2020.”

2. The introductory paragraph of Article 3 is amended as follows and Clause 3 is added to Article 3 as follows:

“Cases of exemption from license tax are specified in Article 3 of the Government's Decree No. 139/2016/ND-CP dated October 04, 2016 and Clause 1 Article 1 of the Government's Decree No. 22/2020/ND-CP dated February 24, 2020. Cases of exemption from specified in Clauses 1 and 2 Article 3 of the Decree No. 139/2016/ND-CP and Clause 1 Article 1 of the Decree No. 22/2020/ND-CP shall be determined as follows:”

“3. Exemption from license tax under Clause 1 Article 1 of the Government's Decree No. 22/2020/ND-CP dated February 24, 2020:

a) Cooperatives, cooperative unions (including their branches, representative offices and business locations) operating in the field of agriculture in accordance with regulations of law on agricultural cooperatives.

Cooperatives, cooperative unions (including their branches, representative offices and business locations) must be established and operate in accordance with the Law on Cooperatives; agricultural operations involved shall be determined as prescribed in Article 3 of the Circular No. 09/2017/TT-BNNPTNT dated April 17, 2017 of the Minister of Agriculture and Rural Development, consisting of cooperatives and cooperative unions engaged in business operations in multiple fields, including agricultural field.

b) People's credit funds; branches, representative offices and business locations of cooperatives, cooperative unions and of sole proprietorships operating in mountainous regions. Mountainous regions are determined according to regulations of the Committee for Ethnic Affairs.

c) Exemption of license tax for the first year from the date of establishment or official commencement of production/business (from January 01 to December 31) shall be granted to:

- New organizations (issued with new TINs/enterprise ID numbers).
- Household, individuals or groups of individuals that have commenced their production/business for the first time.
- During the exemption period, if an organization, household, individual or group of individuals establishes a new branch, representative office or business location, the new branch, representative office or business location shall be also exempted from the license tax for the same exemption period granted to that organization, household, individual or group of individuals.

If the new organization, household, individual or group of individuals commenced their production/business for the first time before February 25, 2020 and establishes a branch, representative office or business location on February 25, 2020 onwards (if any), such organization, household, individual, group of individual, branch, representative office or business location shall pay license tax as prescribed in the Government's Decree No. 139/2016/ND-CP dated October 04, 2016.

d) Small- and medium-sized enterprises (SMEs) converted from household businesses (as prescribed in Article 16 of the Law on Assistance for Small- and Medium-Sized Enterprises) shall be exempted from the license tax within 03 years from the date of issuance of the first enterprise registration certificate.

- During the exemption period, if a SME establishes a branch, representative office or business location, such branch, representative office or business location shall be also exempted from the license tax for the same exemption period granted to that SME. If the SME's branch, representative office or business location (issued with the branch, representative office or business location registration certificate) is established on February 25, 2020 onwards (the effective date of the Government's Decree No. 22/2020/ND-CP), the period of exemption granted to the branch, representative office or business location begins from the date such branch, representative office or business location is issued with the certificate of branch, representative office or business location registration to the end of the period for which the SME is exempted from the license tax.

- The branch, representative office or business location of a SME (that is eligible to be exempted from the license tax as prescribed in Article 16 of the Law on Assistance for Small- And Medium-Sized Enterprises) established before the effective date of the Government's Decree No. 22/2020/ND-CP shall be exempted from the license tax for the period commencing from the effective date of the Government's Decree No. 22/2020/ND-CP to the end of the period for which that SME is exempted from the license tax.

- SMEs converted from household businesses before the effective date of the Government's Decree No. 22/2020/ND-CP shall be exempted from the license tax according to Article 16 and Article 35 of the Law on Assistance for Small- and Medium-Sized Enterprises.

dd) Public general education schools and public pre-schools”.

3. Clause 2 of Article 4 is amended as follows:

“2. The license tax rates applicable to individuals, groups of individuals and households producing and trading goods and services are as follows:

a) Individuals, groups of individuals and households having an annual turnover of over VND 500 million: VND 1,000,000 (one million)/year;

b) Individuals, groups of individuals and households having an annual turnover of over VND 300 million to VND 500 million: VND 500,000 (five hundred thousand)/year;

c) Individuals, groups of individuals and households having an annual turnover of over VND 100 million to VND 300 million: VND 300,000 (three hundred thousand)/year.

The turnover serving as the basis for determining license tax rates applicable to individuals, groups of individuals, households and business locations newly launched by households is as follows:

- The turnover serving as the basis for determining license tax rates applicable to individuals, groups of individuals and households (except for individuals leasing out property) is the total assessable turnover in the preceding year of the production/business activities (excluding property leasing activities) of business locations according to the Circular No. 92/2015/TT-BTC dated June 15, 2015 of the Minister of Finance.

For individuals, groups of individuals and households that have dissolved or suspended their production/business, then resume their business and fail to determine the turnover of the preceding year, the turnover serving as the basis for determining license tax rates is the turnover of the taxable year of the business establishment of the same scale and business line in the same area as prescribed in the Circular No. 92/2015/TT-BTC dated June 15, 2015 of the Minister of Finance.

- The turnover serving as a basis for determining license tax rates applicable to individuals leasing out property is the total assessable turnover under the property lease contracts in the taxable year. If an individual has concluded multiple contracts to lease out property in one location, the turnover serving as the basis for determining license tax rates applicable such location is the total turnover obtained from the property lease contracts in the taxable year. If the individual leases his/her property in multiple locations, the turnover serving as a basis for determining license tax rates applicable to each location is total turnover obtained from property lease contracts of locations in the taxable year, including the case where multiple property lease contracts are concluded in one location.

If a property lease contract lasts for multiple years, license tax shall be paid annually corresponding to number of years in which an individual, group of individuals or household declares and pays value added tax or person income tax. If the individual, group of individuals or household declares, pays and makes lump-sum payment of value-added tax or personal income tax under the property lease contract which lasts for multiple years, such individual, group of individuals or household shall pay the license tax for one year.

- The individuals, groups of individuals, households, business and production locations (that are not entitled to license tax exemption) that commence their production/business for the first 6 months of the year shall pay license tax for the whole year, or pay 50% of the license tax payable for the whole year if commencing their production/business in the last 6 months of the year.”

4. Clause 3 of Article 4 is amended as follows:

“3. Any organization, branch, representative office or business location (that is not entitled to license tax exemption in the first year of establishment or do not commence its production/business) established and granted the tax registration certificate, TINs and enterprise ID number within the first 6 months of the year and within the last 6 months of the year shall pay license tax for the whole year and pay 50% of the license tax payable for the whole year respectively.

At the end of the period of exemption from the license tax (from the fourth year from the date of establishment), a SME converted from a household business (including its branches,

representative offices and/or business locations) shall pay the license tax as follows: If its exemption period ends in the first 6 months of a year, it must pay the license tax for the whole year, if its exemption period ends in the last 6 months of a year, it must pay 50% the license tax payable for the whole year.

An operating license taxpayer that has notified its/his/her supervisory tax authority in writing of its suspension of production/business in a calendar year (from January 01 to December 31) is not required to pay the license tax for that year of production/business suspension if the taxpayer has sent a written notification of production/business suspension to its/his/her supervisory tax authority before the prescribed deadline for paying the license tax (January 30 annually) and has made no payment of the license tax for the planned year of suspension. The taxpayer must pay the license tax for the whole year in case of failure to meet the abovementioned conditions for production/business suspension.”

5. Article 5 is amended as follows:

**“Article 5. Declaration and payment of license tax**

The declaration and payment of license tax shall be made as prescribed in the Government's Decree No. 139/2016/ND-CP dated October 04, 2016 and the Government's Decree No. 22/2020/ND-CP dated February 24, 2020.”

**Article 2. Effect**

1. This Circular comes into force from August 23, 2020.
2. During the implementation of this Circular, if any relevant document referred to in this Circular is amended or replaced, the amending or replacing document shall prevail.
3. Difficulties that arise during the implementation of this Circular should be reported to the Ministry of Finance for consideration and resolution./.

**PP. THE MINISTER  
THE DEPUTY MINISTER**

**Tran Xuan Ha**