

# LEGAL & TAX UPDATES

**RESOLUTION NO. 116/2020/QH14 ON DEDUCTION OF  
CORPORATE INCOME TAX PAYABLE IN 2020 FOR  
ENTERPRISES, COOPERATIVES, NON-BUSINESS  
UNITS AND OTHER ORGANIZATIONS**

# CONTENTS

The Resolution No. 116 was approved by the National Assembly on 19 June 2020 at the 9th session **on reducing 30% of corporate income tax amount payable in 2020** for businesses, cooperatives, non-business units and other organizations having total turnover no more than VND 200 billion.

This Resolution shall apply for enterprise income taxpayers being goods and service production and business organizations which have taxable incomes under the provisions of the Law on Enterprise Income Tax, including:

- Enterprises established according to Vietnamese Law;
- Organizations established according to the Law on Cooperatives;
- Non-business units established according to Vietnamese law;
- Other organizations established according to Vietnamese law and engaged in income-generating production and business activities.

The Resolution No. 116/2020/QH14 shall take effect after 45 days from the signing date

**and be applied for the tax period of 2020.**

# REMARKABLE ISSUES

- ❖ Criteria for tax reduction is that total revenue in 2020 shall not exceed VND 200 billion;
- ❖ Enterprises shall determine by themselves the tax amount to be reduced when paying temporarily their CIT on a quarterly basis and finalizing CIT in 2020;
- ❖ In case the fiscal year is different from the calendar year 2020, the criteria for determining the revenue scale subject to application and the method of calculating the deducted CIT are not specifically guided in the Resolution. Hence, the application of the Resolution to enterprises with fiscal years different from the calendar year needs detailed guidance from the Government.

## CONTACT INFORMATION

This document gives the general information on interested matters that is not considered as professional consultancy. For more information, please contact:



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