



# LEGAL UPDATES


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## 1. Extending deadlines for paying VAT, CIT, PIT and land rental in 2021

On 19 April 2021, foreseeing new infection wave of the Covid-19 Pandemic, the Government issues Decree No. 52/2021/ND-CP to extend the deadline for the payment of VAT, CIT, PIT and land rental for business individuals and organizations operating in certain business lines.

According to Article 2 of Decree No. 52/2021/ND-CP, the applicable entities include:

- a) organizations and business individuals operating in important business lines such as healthcare, warehousing transportation, drainage and wastewater treatment,...etc.;
- b) organizations and business individuals operating in vulnerable business lines affected severely by the pandemic such as tourism, movie screening, education,...etc.;
- c) small and micro businesses; and
- d) credit institutions, foreign bank branches implement solutions to support customers who are businesses, organizations and individuals affected by the Covid-19 epidemic in accordance with regulations of the State Bank of Vietnam.

These entities will have an extended deadline for VAT, CIT, PIT and land rental payment obligations in 2021 as follows<sup>1</sup>:

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<sup>1</sup> Article 3 of the Decree No. 52/2021/ND-CP.



## a) Regarding VAT (except for import VAT):

<b>Tax period</b>	<b>Extension period</b>
From March 2021 to June 2021	05 months
First quarter, second quarter of 2021	05 months
July 2021	04 months
August 2021	03 months

The extension period is counted from the end of the VAT payment deadline.

Enterprises and organizations eligible for the extension shall declare and submit the monthly and quarterly VAT declarations in accordance with current law, but do not have to pay the VAT at the moment. The deadline for paying VAT is extended as follows:

<b>Tax period</b>	<b>Extended deadline</b>
March 2021	20 September 2021
April 2021	20 October 2021
May 2021	20 November 2021
June 2021	20 December 2021
July 2021	20 December 2021
August 2021	20 December 2021



First quarter of 2021	30 September 2021
Second quarter of 2021	31 December 2021

- b) Regarding CIT: Extension of the tax payment deadline for the temporarily paid CIT amounts of the first quarter, second quarter of 2021 being 03 months from the end of the CIT payment deadline;
- c) Regarding VAT, PIT of business households and business individuals: Extend the the PIT payment deadline to 31 December 2021.
- d) Regarding land rental: Extend the land rental payment deadline by 06 months from 31 May 2021.

## 2. Changes on several provisions detailing construction contracts

Decree No. 50/2021/ND-CP amends and supplements several articles of Decree No. 37/2015/ND-CP date 22 April 2015 by the Government detailing construction contracts. Several notable changes include:

- a) adjustment on the definitions of several types of contracts.
- b) added compulsory contents to be discussed before entering into an EPC contract.
- c) regarding the advance amount for construction contract: For simple and small-scale contracts, the parties can consider and decide the implementation of the contract advancement to reduce unnecessary procedures.
- d) amended Article 36 on the principles of adjusting construction contracts:
  - (i) The adjustment of a construction contract now applies both during the period of contract performance and the extended period.
  - (ii) If the contract price of the project decided by the Prime Minister exceeds the approved contract package price or estimated cost, the guidelines for adjusting



the contract price must be approved by the Minister of the related ministry or the assigned Chairman/Chairwoman of the provincial People's Committee.

- e) the parties in the construction contract now have to decide on the unit price or principles and methods of determining the price of the work volume outside the scope of the contract before performing the contract.

### **3. Detailing of several articles of the Enterprise Law 2020**

With 35 Articles and 05 Chapters, Decree No. 47/2021/ND-CP dated 01 April 2021 details a number of Articles of the Enterprise Law 2020 regarding:

- a) Social enterprises;
- b) State-owned enterprises and group companies;
- c) Defense and security enterprises;
- d) Information disclosure of state-owned enterprises;
- e) National database on state-owned enterprises; and
- f) Responsibility of related organizations and handle violations.

Regarding social enterprises: Decree No. 47/2021/ND-CP replaces Decree No. 96/2015/ND-CP, which also detailed several Articles of the Enterprise Law 2020 regarding social enterprises. However, it has not yet addressed all the issues stipulated in Decree No. 96/2015/ND-CP. Specifically, Decree No. 47/2021/ND-CP has not stipulated on the publishing of social enterprises' commitment to pursue social/environmental targets, termination of commitment to pursue social/environmental targets, transparency of social enterprises' activities, monitoring social enterprises and the responsibilities of members and shareholders of social enterprises.



#### **4. Specific conditions and procedures for degrees issued by foreign education institutions to be recognized and used in Vietnam**

Article 4 of Circular No. 13/2021/TT-BGDĐT dated 15/04/2021 issued by the Ministry of Education stipulates the general conditions for such documents to be recognized being:

- a) the study or research duration of the degree programs are appropriate to the structural framework of Vietnam's national education system.
- b) the degree program has been accredited by an accrediting organization of the home country of the foreign educational institution as suitable for the mode of study;
- c) the foreign educational institution is permitted to provide training and award the degree by the competent education authority of its home country or has been accredited by an accrediting organization of its home country.

The person applying for the recognition then conduct the procedures as follows:

- a) provide information on the degree using the form in Appendix I of Circular No. 13/2021/TT-BGDĐT on the online public service portal of the Ministry of Education and Training or Department of Education and Training (hereinafter referred to as "the recognition authority").
- b) submit the following documents directly or by post to the recognition authority:
  - (i) copy of the degree or copy from the master degree register together with a notarized Vietnamese translation and copies of directly relevant degrees and certificates;
  - (ii) copy of the degree's appendix or transcript together with a notarized Vietnamese translation;
  - (iii) proof of overseas study (if any);



(iv) letter of authorization of verification of degree's information (if requested by the awarding institution).

Comparing to Decision No. 77/2007/QĐ-BGDDT and Circular No. 26/2013/TT-BGDDT stipulating procedures for recognizing diplomas granted to Vietnamese by foreign educational institutions, Circular No. 13/2021/TT-BGDDT has introduced several noteworthy changes as follows:

- a) the applicable subjects of Circular No. 13/2021/TT-BGDDT does not only include degrees of Vietnamese issued by foreign education institutions but include all degrees issued by foreign education institutions that meet the required conditions.
- b) the conditions for recognition is less strict: beforehand, a degree can only be recognized if it is issued by foreign educational institutions operating in Vietnam, general education institutions, professional secondary schools or college education institutions of foreign countries accredited by such countries or foreign educational institutions that are governed by Agreements on Equivalence of degrees or mutual recognition of diplomas or diploma-related treaties. Now, a degree can be recognized if it is issued by a foreign educational institution that is permitted to provide training and award the degree in its home country.
- c) the necessary documents to apply for the recognition of the degree are no longer required to be intact, not erased, not damaged by the elements of weather, climate or any other reason.
- d) the procedures for recognition of the degrees no longer differentiate between high-school level degrees and professional secondary, college, university, master's and doctoral degrees.
- e) the competent government agencies that have the authority to recognize the degrees have also been updated accordingly.



## **5. New documents and report forms for investment activities in Vietnam, outward investment from Vietnam and investment promotion**

Circular No. 03/2021/TT-BKHDT issues new forms replacing Circular No. 16/2015/TT-BKHDT on application forms for investment procedures and reporting forms on investment in Vietnam and Circular No. 03/2018/TT-BKHDT guiding and promulgating forms used in outward investment, alongside with providing forms of investment promotion.





**DOCUMENTS ISSUED IN APRIL 2021**

DATE OF ISSUE	NO.	NAME OF DOCUMENT	ISSUED BY	MAIN CONTENTS
01/04/2021	47/2021/ND-CP	Decree	Government	Detailing a number of articles of the Enterprise Law
01/04/2021	49/2021/ND-CP	Decree	Government	Amending and supplementing a number of articles of the Government's Decree No. 100/2015/ND-CP dated 20 October 2015 on social housing development and management
01/04/2021	50/2021/ND-CP	Decree	Government	Amending and supplementing a number of articles of the Government's Decree No. 37/2015/ND-CP dated 22 April 2015 detailing construction contracts
01/04/2021	51/2021/ND-CP	Decree	Government	On mineral management in national mineral reserve areas
19/04/2021	52/2021/ND-CP	Decree	Government	Extending the deadline for paying VAT, CIT, PIT and land rental in 2021
02/04/2021	03/2021/TT-NHNN	Circular	State Bank of Vietnam	Amending a number of articles of Circular no. 01/2020/TT-NHNN dated 13 March 2020 of the Governor of State Bank of Vietnam providing instructions for credit institutions



				and foreign branch banks on debt rescheduling, exemption or reduction of interest and fees, retention of debt category to assist borrowers affected by the Covid-19 pandemic
06/04/2021	06/2021/TT-BGTVT	Circular	Ministry of Transport	Promulgating the national technical regulation on emission level 5 for newly manufactured, assembled and imported cars
07/04/2021	25/2021/TT-BTC	Circular	Ministry of Finance	Regulating the rate, collection, payment, management and use of fees and charges in the field of exit, entry, transit and residence in Vietnam
09/04/2021	03/2021/TT-BKHDT	Circular	Ministry of Planning and Investment	Regulating document and report forms related to investment activities in Vietnam, investment from Vietnam to outside and investment promotion
15/04/2021	13/2021/TT-BGDDT	Circular	Ministry of Education	Regulating the conditions, order, procedures, authority for recognition of documents issued by foreign education institutions to be used in Vietnam



27/04/2021	28/2021/TT-BTC	Circular	Ministry of Finance	Issuing Vietnam's Valuation Standard No. 12
22/04/2021	18/2021/QD-TTg	Decision	Prime Minister	Regulating the forecasting, warning, communication of natural disasters and disaster risk levels

