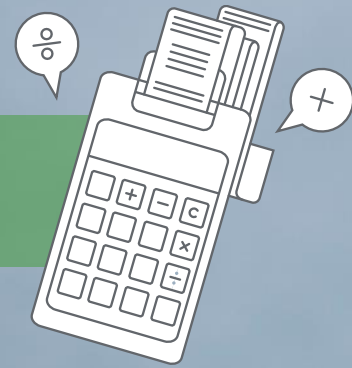


DECREE 49/2022/ND-CP



The Government issued Decree 49/2022/ND-CP ("Decree 49") on 29 July 2022 in order to amend Decree 209/2013/ND-CP regarding VAT.

1. Amending the provision on the deductible land price used to calculate VAT for real estate transfers

- It is determined that the compensation and site clearance costs are deductible in land price when the State allocates or leases land to a taxpayer to construct infrastructure and housing for sale. Therefore, the deductible expenses would be the costs which are approved by the competent authorities.
- For a business establishment receives land use rights (LURs) transferred from an individual or an organization, the infrastructure value is now excluded from the deductible land price

2. VAT payments for business activities or business households

Businesses or business households that do not use or just partly use an accounting system, invoices, and documents in accordance with the regulations are required to pay VAT using the deemed method outlined in Article 51 of the Tax Administration Law.

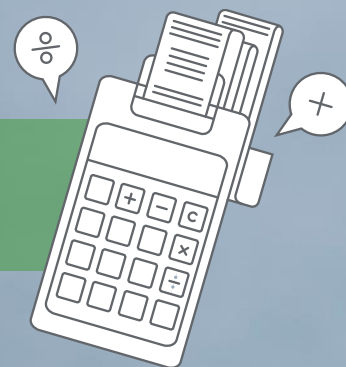
3. Amending the provision on VAT refund for investment projects

- The requirement that the construction period must last more than a year in order to receive an annual VAT refund, as stated in Decree 49, is no longer in effect. Additionally, Decree 49 includes instructions for new investment projects that have multiple investment phases or include investment items
- An investment project that conducts conditional business activities can still be eligible for a VAT refund during the investment period if the investment and governing laws do not require or have not yet required the investment project to obtain a license/confirmation/approval from the competent authorities to carry out the conditional businesses

This is a positive change that could speed up the process and help many taxpayers in conditional sectors who are struggling to receive the VAT refund.

Decree 49 will be implemented on 12 September 2022. The provision relating to VAT refund for investment projects of conditional business activities as regulated in Point 3, Article 1 of Decree 49, on the other hand, became effective on the effective date of Decree 100/2016. (i.e. 1 July 2016). The tax authorities will make the necessary adjustments to the VAT, penalties, and interest for late payments in cases where the VAT refund of the taxpayers of conditional businesses was recaptured in accordance with earlier regulations.

DECREE 49/2022/ND-CP



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