

**The National Assembly passed
Resolution No. 116/2020/QH 14
on Corporate Income Tax
reduction in 2020 for business
with its revenue of less than
VND 200 billion**



RSM Vietnam – Tax newsbrief



In accordance with this Resolution, business with its total revenue below VND 200 billion in the fiscal year 2020 are subjected to 30% reduction of Corporate Income Tax (“CIT”) in this fiscal year.

This Resolution is applied to all businesses (i.e. production, goods and services trading) having taxable income under the Law on CIT, including:

- Enterprises are established in accordance with Vietnam regulations
- Organizations are established under the Law on Cooperatives
- Non-business units are established in accordance with Vietnam regulations
- Other organizations, which are established in accordance with Vietnam regulations, generate incomes from production, goods and service trading

In addition, if the domestic economy still keeps experiencing the tough time at the end of the year 2020 or the early 2021, if necessary, the Standing Committee of the National Assembly will suggest the department, who has drafted the Resolution, to consider and submit the extension of the validity period of this Resolution to the National Assembly.

The Resolution will take effect after 45 days from the approval date (19 June 2020) and will be applied for the fiscal year of 2020.

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