**LEGAL UPDATES**

**VOL 34, JANUARY 2022**

**Dear Valued Clients and Partners,**

ADK Vietnam Lawyers would like to introduce to you the Legal Updates, Vol 34 of January 2022 with new legal provisions with notable contents as follows:

1. **The value-added tax rate is officially reduced from 10% to 8% in 2022**

On 11 January 2022, the National Assembly passed Resolution 43/2022/QH15 on fiscal and monetary policies to support the program of socio-economic recovery and development. One of the notable contents prescribed in this Resolution is to reduce the value-added tax rate by 2% in 2022, specifically as follows:

* For categories of goods and services that are applying the value-added tax rate of 10%, the tax rate will be reduced to 8%.
* Except for the following categories of goods and services will not be eligible for tax reduction as above-mentioned, including: telecommunications, information technology, financial activities, banking, securities, insurance, business trading in real estate, metals, prefabricated metal products, mining products (excluding coal mining), coke, refined petroleum, chemical products, goods and services applied with special consumption tax.

In addition, the Resolution also allows to include deductible expenses when determining the income subject to corporate income tax for support and sponsorship expenditures of enterprises and organizations for prevention and control activities against COVID-19 pandemic in Vietnam for the tax year 2022.

1. **New regulations toward procedures for registration fee deferment for houses and land of households and individuals**

Recently, the Government issued Decree 10/2022/ND-CP on 15 January 2022 regulating registration fees. The Decree will officially take effect on 01 March 2022, and replace Decree 140/2016/ND-CP, and Decree 20/2019/ND-CP.

In which, the procedure for registration fee deferment for houses and land of households and individuals is modified as follows:

* Previously, in accordance with the provisions under Decree 140/2016/ND-CP, households and individuals subject to deferment of house and land registration fees had to declare registration fees, and submit declaration dossiers of registration fee (enclosed with written evidences of their eligibility for registration fee deferment);
* Meanwhile, the new regulations in Decree 10/2022/ND-CP do not require written evidences of their eligibility for registration fee deferment as the previous provision mentioned above;

Furthermore, according to the new regulations, the house and land registration fee deferment shall comply with regulations on tax administration in general without specific guidance in this Decree as previously prescribed.

1. **Road map to limit the production and import of single-use plastic products, non-biodegradable plastic packaging, and products and goods containing microplastics**

Decree 08/2022/ND-CP detailing a number of articles of the Law on Environmental Protection, effective from 10 January 2022, has set out a roadmap to limit the production and import of single-use plastic products, non-biodegradable plastic packaging, and products and goods containing microplastics, specifically as follows:

1. **From 01 January 2026**

The non-biodegradable plastic bags with dimensions smaller than 50cm x 50cm and a film thickness of less than 50 μm will not be produced and imported, except for production for export or, production or import for packaging products and goods for sale to the market.

Organizations and individuals that manufacture and import single-use plastic products and non-biodegradable plastic packages must carry out the responsibility for recycling and handling in accordance with the provisions of this Decree.

It is required to gradually reduce the production and import of single-use plastic products, non-biodegradable plastic packaging, and products and goods containing microplastics.

1. **After 31 December 2030**

Ceasing the production and import of single-use plastic products (except for products certified with Vietnam's eco-label), non-biodegradable plastic packaging (including non-biodegradable plastic bags, and foam food containers), and products and goods containing microplastics, except for (i) the case of production for export, and (ii) the case of production and import of non-biodegradable plastic packaging to pack products and goods for sale to the market.

In addition, this Decree also set forth the responsibilities of the provincial-level People’s Committee as follows:

* Issuing regulations and organizing the implementation of plastic waste management activities;
* Ensuring that after 2025, the single-use plastic products, and non-biodegradable plastic packaging will not be circulated and used (including non-biodegradable plastic bags, foam food containers) at commercial centers, supermarkets, hotels, tourist resorts, except for products and goods with non-biodegradable plastic packaging.
* Organizing the inspection and examination of the production units of single-use plastic products and non-biodegradable plastic packaging in the locality.

We hope you found this brief legal update informative.

Kind regards.

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