

NATIONAL ASSEMBLY

SOCIALIST REPUBLIC OF VIETNAM  
Independence - Freedom - Happiness

No. 09-2003-QH11

# LAW ON CORPORATE INCOME TAX

In order to contribute to the promotion of business and production activities and to mobilize part of the income for the State Budget; in order to ensure reasonable and fair contribution by all organizations and individuals engaged in production and trading of goods and services and earning income;

Pursuant to the 1992 Constitution of the Socialist Republic of Vietnam as amended by Resolution 51-2001-QH10 of Legislature X of the National Assembly at its 10th session on 25 December 2001;

This Law provides for corporate income tax.

## CHAPTER I

### General Provisions

#### **Article 1** *Payers of corporate income tax*

Organizations and individuals producing and trading goods and services (hereinafter collectively referred to as *business establishments*) and earning income shall, subject to the exceptions provided for in article 2 of this Law, be liable to pay corporate income tax.

#### **Article 2** *Subjects not liable to pay corporate income tax*

Family households, individuals, co-operatives and agricultural production co-operatives earning income from products of cultivation, husbandry and aquaculture shall not be liable to pay corporate income tax, with the exception of family households and individual farmers producing substantial products and earning high levels of income as provided for by the Government.

**Article 3** *Interpretation of terms*

In this Law, the following terms shall be construed as follows:

1. *Organizations producing and trading goods and services* comprise State owned enterprises, limited liability companies, shareholding companies, partnerships, enterprises with foreign owned capital and foreign parties to business co-operation contracts under the *Law on Foreign Investment in Vietnam*; foreign companies and foreign organizations conducting business activities in Vietnam beyond the scope of the *Law on Foreign Investment in Vietnam*; private enterprises; co-operatives; co-operation teams; economic organizations belonging to political organizations, socio-political organizations, social organizations, socio-professional organizations and units of the people's armed forces; and administrative bodies and professional entities engaged in production and trading of goods and services;
2. *Individuals producing and trading goods and services* include individual households and business groups, family households and individuals conducting agricultural production; business individuals; freelancers; individuals leasing out assets; and foreigners conducting business and having income sourced in Vietnam;
3. *Resident establishments of foreign companies in Vietnam* means the business establishments through which foreign companies conduct part or all of their business activities in Vietnam and earn income, including:
  - (a) Operational branches, offices, plants, workshops, means of transportation, mines, petroleum or gas fields, or any location in Vietnam where natural resources are exploited;
  - (b) Construction sites; and construction, installation and assembly works;
  - (c) Establishments providing services, including consultancy services provided through employees or others;
  - (d) Agents of foreign companies;
  - (dd) Representatives in Vietnam in cases where they are representatives with authority to sign contracts in the name of foreign companies or where they are representatives without authority to sign contracts in the name of foreign companies but regularly deliver goods or provide services in Vietnam.

Where a treaty on avoidance of double taxation to which the Socialist Republic of Vietnam is a signatory contains different provisions relating to resident establishments, such treaty shall prevail.

**Article 4** *Obligations and responsibilities for implementation of corporate income tax*

1. Business establishments shall be obliged to pay tax in full and in a timely manner in accordance with law.
2. Tax offices shall, within the scope of their respective duties and powers, be responsible for strictly implementing the provisions of this Law.
3. State bodies, political organizations, socio-political organizations, social organizations, socio-professional organizations and units of the people's armed forces shall, within the scope of their respective functions, duties and powers, supervise and co-ordinate with tax offices in the implementation of the provisions of this Law.
4. Vietnamese citizens shall be responsible for assisting tax offices and tax officers in the implementation of the provisions of this Law.

## CHAPTER II

### **Bases for Tax Calculation and Tax Rates**

**Article 5** *Bases for tax calculation*

The bases for tax calculation are taxable income and tax rates.

**Article 6** *Taxable income*

Taxable income shall comprise income earned from production and trading in goods and services and other income, including income earned from production, business and service activities conducted overseas.

**Article 7** *Determination of taxable income*

1. Taxable income earned from production and from trading in goods and services shall equal turnover less reasonable expenses related to taxable income.
2. Other taxable income shall include income in the form of the difference between the sale and purchase prices of securities, ownership rights with respect to and right to use assets; income from assignment of land use rights and from assignment of land lease rights; profits made from assignments, leases and liquidation of assets; deposits, loans, sales of foreign currency; the balance of contingency assets at the end of the year; income in the form of recovery of bad debts which had been written off; income in the form of accounts payable which are unclaimed; income

from previous years which was unaccounted for and which has been discovered; and other income.

The Government shall provide detailed regulations on the method for determining taxable income in respect of income from assignment of land use rights and from assignment of land lease rights and the levels of income in accordance with a progressive tax scale but not more than thirty (30) per cent of the remaining income from the assignment of land use rights or assignment of land lease rights after corporate income tax has been paid.

Where a treaty on avoidance of double taxation to which the Socialist Republic of Vietnam is a signatory contains different provisions relating to the method of determining taxable income of resident establishments, such treaty shall prevail.

#### **Article 8**     *Turnover*

Turnover used to calculate taxable income shall equal total sales revenue, processing fees, and fees for provision of services, including price subsidies, additional charges and overtime charges to which the business establishment is entitled; where turnover is generated in foreign currency, it must be converted into Vietnamese dong at the foreign exchange rate as published by the State Bank of Vietnam at the time when the turnover in foreign currency is generated.

#### **Article 9**     *Expenses*

1. Reasonable expenses which are deductible for the purpose of calculation of taxable income shall comprise:

- (a) Expenses being depreciation of fixed assets used for production and business activities. The level of depreciation shall be based on the value of the fixed assets and the period over which they are depreciated. Production establishments and establishments trading in goods and services which achieve high economic efficiency shall be entitled to conduct accelerated depreciation at a maximum rate not to exceed twice the level of depreciation pursuant to the regime in order to renew quickly equipment and technology.

The Ministry of Finance shall provide regulations on criteria for fixed assets and the levels of depreciation referred to in this clause.

- (b) Costs of raw materials, materials, fuel, power and goods actually used for production or trading in goods and services and relating to the turnover and taxable income of the relevant period, calculated on the basis of reasonable consumption levels and actual ex-work prices;

- (c) Salaries, wages, allowances made in accordance with the *Labour Code*, and costs of mid-shift meals, except for salary and wages of owners of private enterprises and heads of individual households and income of founders of companies who are not directly involved in the management of production and business;
- (d) Expenses for scientific and technological research; innovations and initiatives, health care; training employees in accordance with applicable regulations; funding education;
- (dd) Costs of hired services, including electricity, water, telephones; repair of fixed assets, rent paid for leases of fixed assets; auditing, legal services; design, determination and protection of trademarks; insurance of assets; charges for using technical data, patents and technology licences not forming part of the fixed assets; technical services and other hired services;
- (e) Payments made to female employees in accordance with law; expenses for occupational safety protection or costs of uniforms; expenses for maintenance of security of business establishments; travelling expenses; contributions which business establishments employing labour must make to social insurance and medical insurance funds; trade union expenses; expenses for assisting activities of the Party and mass organizations in business establishments; payments made to cover management expenses of superior levels and funds of associations in accordance with applicable regulations;
- (g) Payment of interest on loans for production or trading in goods and services borrowed from banks, other credit institutions and financial organizations at actual interest rates; payment of interest on loans borrowed from other lenders at actual interest rates at the time of signing loan contracts, but the maximum not to exceed one and a half (1.5) times the lending interest rate of commercial banks at the time of the loan;
- (h) Contingency provisions in accordance with law;
- (i) Retrenchment benefits paid to employees;
- (k) Expenses relating to sales of goods and services;
- (l) Expenses for advertisement, marketing and promotion directly related to production and trading in goods and services, and other expenses, the total of which may not exceed ten (10) per cent of total expenses; in the case of commercial trading activities, total expenses for the purpose of calculating this limit shall not include the purchase price of goods sold;

- (m) Taxes, fees, charges and land rent payable related to production and trading in goods and services shall be considered as reasonable expenses;
  - (n) Business operational expenses allocated by foreign companies to their resident establishments in Vietnam in accordance with regulations of the Government;
  - (o) Expenses for the purchase of goods and services by non-business organizations and individuals without invoices in accordance with regulations of the Government.
2. The following shall not be considered to be reasonable expenses:
- (a) Amounts advanced for expenses but, in fact, not expended;
  - (b) Expenses incurred without source documents or with unlawful source documents;
  - (c) Fines and expenses unrelated to turnover used for calculation of tax and taxable income;
  - (d) Expenses paid from other sources of capital.
3. Reasonable expenses stipulated in clause 1 of this article shall be recorded in books of account in Vietnamese dong; where expenses are incurred in foreign currency, they must be converted into Vietnamese dong at the foreign exchange rate published by the State Bank of Vietnam at the time when the foreign currency is expended.

**Article 10** *Tax rates*

1. The rate of corporate income tax applicable to business establishments shall be twenty eight (28) per cent.
2. The rate of corporate income tax applicable to business establishments conducting prospecting, exploration and exploitation of petroleum and gas and other rare and precious natural resources shall be from twenty eight (28) per cent to fifty (50) per cent, depending on each specific project and business establishment.

The Government shall provide detailed regulations for this article.

## CHAPTER III

### **Declaration, Payment and Finalization of Tax**

#### **Article 11** *Responsibilities of business establishments*

Business establishments shall have the following responsibilities:

1. To comply strictly with the regime for accounting, receipts and source documents in accordance with law;
2. To declare fully turnover, expenses and income strictly in accordance with the regime stipulated by the Ministry of Finance;
3. To pay tax and fines into the State Budget in full and in a timely manner in accordance with notices of tax offices;
4. To provide data, books of account, accounting statements, receipts and source documents relating to calculation of income tax as required by tax offices;
5. To purchase, sell or exchange goods and services and to conduct cost accounting in accordance with market prices.

#### **Article 12** *Tax declaration*

1. Annually, business establishments shall, on the basis of the results from production and trading in goods and services of the previous year and the potential for the following year, make a self-declaration of turnover, expenses, taxable income and amount of tax payable for the whole year and divided into each quarter in accordance with the forms issued by the tax office and they shall submit such forms to the tax office directly managing them no later than the twenty fifth day of January. If there are major changes to the production and business situation during the year, business establishments must report to the tax office directly in charge for adjustment of the amount of tax provisionally payable for the whole year and for each quarter. If the tax office checks and discovers that the tax declaration of any business establishment is inappropriate, it shall have the right to determine the amount of tax provisionally payable for the whole year and for each quarter.
2. In the case of business establishments which do not implement the regime for accounting, receipts and source documents, the amount of tax payable every month shall be determined on the basis of a fixed turnover and the rate of taxable income appropriate to each line of industry and business as determined by the authorized tax office.

**Article 13** *Tax payment*

1. Business establishments shall pay into the State Budget in full the amounts of tax provisionally payable every quarter in accordance with their self-declarations or the amount of tax determined by the tax office. The time-limit for tax payment for each quarter shall be no later than the last day of the quarter.

The Government shall provide regulations on the procedures for tax payment, ensuring simplicity and convenience, raising the sense of responsibility before the law of business establishments, and increasing the work of the tax office in conducting inspections and dealing with breaches, ensuring tight and effective administration of tax collection.

2. Business establishments stipulated in article 12.2 of this Law must pay tax into the State Budget on a monthly basis in accordance with the notice of the tax office. The time-limit for tax payment for each month stated in the notice shall be no later than the twenty fifth day of the following month.
3. Business establishments trading in lots must declare and pay tax in respect of each lot of goods to the local tax office where the goods are purchased prior to the goods being taken away.
4. In the case of foreign business organizations and individuals having no resident establishments in Vietnam but having income sourced in Vietnam, the organizations and individuals paying such income shall be responsible for withholding tax from total payments at the rate stipulated by the Ministry of Finance and for paying it into the State Budget at the same time as payment is made to the foreign organizations and individuals.

**Article 14** *Tax finalization*

1. Business establishments shall finalize tax with the tax office on an annual basis. The tax finalization statement must contain the following items correctly and completely:
  - (a) Turnover;
  - (b) Reasonable expenses;
  - (c) Taxable income;
  - (d) Amount of income tax payable;
  - (dd) Amounts of income tax provisionally paid during the year;

- (e) Amounts of income tax paid overseas in respect of income received from overseas;
  - (g) Any excessive amount or shortfall of income tax.
2. A year for the purpose of tax finalization shall be a Gregorian year. Where a business establishment is permitted to apply a financial year other than the Gregorian year, tax finalization shall be conducted in accordance with such financial year. Within ninety (90) days from the last day of the Gregorian year or other financial year, a business establishment must submit its tax finalization statement to the tax office and must pay any outstanding amount of tax into the State Budget within ten (10) days from the date of submission of its finalization statement; any excessive amounts shall be credited against the tax liability for the following period.

In cases of conversion of the form of enterprise, merger, consolidation, division, demerger, dissolution or bankruptcy, the business establishment must finalize tax with the tax office and submit a tax finalization statement within forty five (45) days from the date of issuance of the decision on conversion of the form of enterprise, merger, consolidation, division, demerger, dissolution or bankruptcy.

The Ministry of Finance shall provide guidelines for the finalization of corporate income tax provided for in this article.

**Article 15** *Duties, powers and responsibilities of tax offices*

Tax offices shall have the following duties, powers and responsibilities:

1. To guide business establishments to declare correctly and pay tax in accordance with this Law;
2. To issue notices to business establishments on late declaration and late payment of tax and to issue penalty decisions; where a business establishment fails to pay in full the amount of tax and fines stated in a notice, to have the right to take action as provided for in article 23.4 of this Law in order to recover tax and fines in full. Where the business establishment still fails to pay in full the tax and fines after such action has been taken, the tax office shall forward the relevant file to the competent State body for resolution in accordance with law;
3. To examine and inspect the declaration, payment and finalization of tax by business establishments in order to ensure strict compliance with law. Where unreasonable sale prices, purchase prices, business expenses or other items are discovered, the tax office may re-determine such amounts in order to recover fully the correct amount of corporate income tax;
4. To impose administrative tax penalties and to resolve tax complaints;

5. To demand business establishments to provide books of account, receipts, source documents and other files relating to calculation and payment of tax; to demand banks, other credit institutions and relevant organizations and individuals to provide data relating to calculation and payment of tax;
6. To maintain and use data and documents provided by business establishments and others in accordance with applicable regulations.

**Article 16** *Authority to determine taxable income*

1. The tax office shall determine taxable income for the purpose of calculation of the amounts of tax payable by business establishments in the following cases:
  - (a) Failure to maintain, or to maintain adequately, books of account, receipts and source documents as required by the regulations;
  - (b) Failure to declare, or to declare accurately, the basis for tax calculation or failure to substantiate the contents of the declaration forms as required by the tax office;
  - (c) Refusal to provide books of account, receipts, source documents and other necessary data relating to calculation of corporate income tax;
  - (d) Discovery of business activities conducted without business registration.
2. The tax office shall determine taxable income based on the data investigated regarding the status of production and trading in goods and services of the business establishment, or based on the taxable income of other business establishments of similar size operating in the same line of business. Where a business establishment is not satisfied with its taxable income as so determined, it may lodge a complaint to the directly superior tax office in accordance with the provisions of law; and pending resolution of the complaint, the business establishment must still pay the amount of tax as so determined.

## CHAPTER IV

**Exemption from and Reduction of Corporate Income Tax**

**Article 17** *Tax exemption and reduction for investment projects which establish a business establishment, for co-operatives, and for business establishments which relocate*

1. Tax rates of twenty (20) per cent, fifteen (15) per cent and ten (10) per cent shall apply to investment projects which establish a new business establishment in an industry, sector or area in which investment is encouraged and to co-operatives.
2. Investment projects which establish a new business establishment in an industry, sector or area in which investment is encouraged and business establishments which relocate in accordance with master planning or which re-locate to an area in which investment is encouraged shall be exempted from tax for a maximum of four years from the time when taxable income arises and shall be granted a fifty (50) per cent reduction of income tax payable for a maximum period of nine subsequent years.

The Government shall provide detailed regulations on the industries, sectors and areas in which investment is encouraged; on tax rates and the duration of their applicability for each industry, sector and area in which investment is encouraged, and on the levels and duration of the tax exemptions and reductions provided for in this article.

**Article 18** *Tax exemption and reduction for business establishments investing in construction of new production lines, expansion of scale, renewal of technology, improvement of ecological environment or increase of production capacity*

Business establishments investing in the construction of new production lines, expansion of scale, renewal of technology, improvement of the ecological environment or increase of production capacity shall be exempted from corporate income tax in respect of any increase in income arising from the new investment for a maximum of four years and shall be granted a fifty (50) per cent reduction of income tax payable for a maximum of seven subsequent years.

The Government shall provide regulations on the method for determining increase in income arising from new investment and on the duration of tax exemption and reduction applicable to each case provided for in this article.

**Article 19** *Tax exemption and reduction for other cases*

1. Corporate income tax shall be exempted in respect of the following income of business establishments:
  - (a) Income earned from performance of contracts for scientific research and technological development, from products during their period of test production, and from products made from new technology applied for the first time in Vietnam;
  - (b) Income earned from performance of technical service contracts directly serving agricultural production;
  - (c) Income earned from production and from trading of goods and services by business establishments specially reserved for employees being disabled people;
  - (d) Income earned from vocational training specially reserved for disabled people, for children living in particularly difficult conditions and for persons involved in social evils;
  - (dd) Income of co-operatives and individual households involved in production and trading of goods and services earning low income as stipulated by the Government.
2. Investors shall be granted exemption from corporate income tax for capital contribution in the form of patents, technical knowhow, technological processes and technical services; and shall be granted a reduction of corporate income tax in respect of income earned from activities of assignment of the value of their capital portion to Vietnamese enterprises in accordance with regulations of the Government.
3. Reductions of corporate income tax shall be granted to business establishments conducting production, construction and transportation activities which employ a large number of female employees in accordance with regulations of the Government.
4. Reductions of corporate income tax shall be granted to business establishments which employ large numbers of employees and employees being ethnic minority people in accordance with regulations of the Government; and corporate income tax shall be exempted in respect of income earned from vocational training specially for ethnic minority people.

**Article 20** *Carry-forward of losses*

Business establishments which suffer losses after tax finalization with the tax office shall be entitled to carry forward those losses to the following year and such losses shall be deductible from taxable income. Losses shall be carried forward for a maximum period of five years.

**Article 21** *Procedures to effect tax exemptions and reductions and to carry forward losses*

Tax exemptions, tax reductions and carry-forward of losses as provided for in articles 17, 18, 19 and 20 of this Law shall only be applicable to business establishments which have implemented the regime for accounting, receipts and source documents and which have paid tax as declared, except for individual family households engaged in producing and trading goods and services which earn a low income. Business establishments shall self-determine their conditions for entitlement to tax incentives and their levels of tax exemption, tax reduction and carry-forward of losses and shall register them with the tax office and implement them when conducting tax finalization.

Tax offices shall conduct the task of checking the conditions for entitlement to tax incentives and determine the tax amount for which the business establishment shall be granted exemption or reduction and the amount of losses carried forward which may be deducted from taxable income.

Any business establishment which incorrectly determines its conditions for entitlement to tax incentives, the amount of its tax exemption or reduction and the amount of losses carried forward which it may deduct from taxable income shall be subject to an administrative penalty for a tax offence.

## CHAPTER IV

### **Dealing with Breaches and Rewards**

**Article 22** *Rewards*

Tax offices and tax officers successfully fulfilling their assigned tasks, organizations and individuals with achievements in implementing the provisions of this Law, and business establishments properly performing their tax obligations shall be rewarded.

The Government shall provide detailed regulations on rewards.

**Article 23** *Dealing with tax offences by taxpayers*

Taxpayers in breach of the provisions of this Law shall be dealt with as follows:

1. Where they fail to comply strictly with the provisions of the regime for accounting, receipts and source documents and for declaration, payment and finalization of tax in accordance with articles 11, 12, 13, 14 and 21 of this Law, they shall, depending on the nature and seriousness of the breach, be subject to an administrative penalty for a tax offence.
2. Where tax or fines are paid after the time-limit stipulated or specified in a decision on dealing with tax, they shall be liable to pay, in addition to the full amount of tax and fines, one tenth of one (0.1) per cent of the late amount for each day of delay.
3. Where they declare falsely or evade tax, they shall be liable to pay, in addition to the full amount of tax stipulated in this Law, a fine equal to between one and five times the amount of tax evaded, depending on the nature and seriousness of the breach. Where taxpayers evade large amounts of tax, commit tax offences after being subject to an administrative penalty for a tax offence, or commit other serious breaches, they shall be prosecuted for criminal liability in accordance with law.
4. Where taxpayers fail to pay tax or fines in accordance with a notice or decision dealing with tax, the following measures may be applied:
  - (a) Appropriation of deposits of a business establishment at banks, other credit institutions or treasuries for the purpose of payment of tax or fines.

Banks, other credit institutions and treasuries shall be responsible for appropriation of funds from deposit accounts of business establishments for the purpose of payment of tax and fines into the State Budget pursuant to a decision dealing with tax of a tax office or other competent body prior to collection of the debt.
  - (b) Seizure of goods or material evidence in question in order to recover the full amount of tax or fines payable.
  - (c) Seizure of assets in accordance with law in order to ensure full recovery of any outstanding amount of tax and fines.

**Article 24** *Authority of tax offices to deal with tax offences*

1. The head of a tax office directly managing tax collection shall have the right to take action in respect of the offences by taxpayers stipulated in clauses 1 and 2, and to impose fines of from one to five times the amount of tax evaded as stipulated in clause 3 of article 23 of this Law.

2. The director of a Taxation Department or tax office directly managing tax collection shall have the right to apply the measures stipulated in clause 4 of article 23 of this Law and shall, in the case of offences referred to in clause 3 of article 23 of this Law, forward files to the competent body for resolution in accordance with law.

**Article 25** *Dealing with offences committed by tax officers and other individuals*

1. Tax officers and other individuals who abuse their position and power to use or possess illegally tax or fines shall be liable to refund to the State the full amount of tax or fines illegally used or possessed and shall, depending on the nature and seriousness of the breach, be subject to disciplinary action or criminal prosecution in accordance with law.
2. Tax officers and other individuals who are irresponsible or who take wrongful action thereby causing damage to taxpayers shall be liable to pay compensation in accordance with law and shall, depending on the nature and seriousness of the breach, be subject to disciplinary action or criminal prosecution in accordance with law.
3. Tax officers and other individuals who abuse their position and power to assist or protect persons breaching the provisions of this Law or who commit other breaches of this Law shall, depending on the nature and seriousness of the breach, be subject to disciplinary action or criminal prosecution in accordance with law.
4. Persons who obstruct, or counsel others to obstruct, the implementation of this Law shall, depending on the nature and seriousness of the breach, be subject to administrative penalty or criminal prosecution in accordance with law.

## CHAPTER VI

### Complaints and Limitation Periods

**Article 26** *Rights and obligations of taxpayers with respect to tax complaints*

1. Taxpayers shall be entitled to lodge complaints against tax officers or tax offices incorrectly implementing the provisions of this Law.

Complaints shall be lodged at the tax office directly in charge within thirty (30) days from the date of receipt of the notice or decision dealing with tax of the tax officer or tax office.

Pending resolution of complaints, taxpayers must still comply with the notice or decision dealing with tax of the tax office.

2. Where a complainant is not satisfied with the resolution of the complaint by the tax office or where the complaint is not resolved after the time-limit stipulated in the law on complaints and denunciations, the complainant may complain to the superior tax office or institute court proceedings in accordance with law.

**Article 27** *Responsibilities and powers of tax offices with respect to resolution of tax complaints*

1. Tax offices must resolve tax complaints within the time-limits stipulated in the law on complaints and denunciations.
2. Tax offices receiving complaints may require the complainant to provide data and files relating to the complaint. If the complainant refuses to provide such data or files, the tax office may refuse to resolve the complaint.
3. Tax offices must refund to business establishments any amount of tax or fines wrongfully collected within fifteen (15) days from the date of receipt of a decision dealing with the issue from the superior tax office or the authorized body in accordance with law.
4. Where a false declaration, tax evasion or tax error is discovered or concluded, tax offices shall be responsible for recovering taxes or fines or for refunding taxes in respect of five years prior to the date of discovery of the false declaration, tax evasion or tax error. Where a business establishment does not register, declare and pay tax, taxes and fines may be recovered retrospectively from the date when the business establishment commenced its operations.
5. Heads of superior level tax offices shall be responsible for resolving tax complaints of taxpayers against tax offices at lower levels. The decision of the Minister of Finance on resolution of a tax complaint shall be final.

## CHAPTER VII

### Organization of Implementation

**Article 28**

The Government shall direct the organization of implementation of this Law throughout the whole country.

**Article 29**

The Minister of Finance shall be responsible for organizing and inspecting implementation of this Law throughout the whole country.

**Article 30**

People's committees at all levels shall, within the scope of their respective duties and powers, direct implementation of and inspect compliance with this Law in their respective localities.

**CHAPTER VIII****Implementing Provisions****Article 31**

1. This Law shall be of full force and effect as of 1 January 2004.
2. The *Law on Corporate Income Tax* dated 10 May 1997 shall no longer be effective as from the date of effectiveness of this Law.

The provisions on refund of corporate income tax paid in respect of reinvested profits and the provisions on tax on profits transferred abroad in articles 42 and 43 respectively of the *Law on Foreign Investment in Vietnam* are hereby repealed.

The provisions on tax on assignment of land use rights applicable to business establishments in the *Law on Tax on Transfer of Land Use Rights* are hereby repealed. Income from the assignment of land use rights by business establishments shall be subject to corporate income tax pursuant to the provisions of this Law. Personal income from the assignment of land use rights by non-business individuals shall be subject to personal income pursuant to the provisions of law.

Any prior provisions on corporate income tax which are inconsistent with this Law are hereby repealed.

3. Enterprises with foreign owned capital and foreign parties to business co-operation contracts to which investment licences have been issued, and domestic enterprises to which certificates of investment incentives have been issued, shall continue to be entitled to the preferential taxation treatment stipulated in the investment licences and certificates of investment incentives. If the provisions in an investment licence or certificate of investment incentives stipulate lower preferential tax treatment than that stipulated in this Law, the incentive rate stipulated in this Law shall apply for the remaining incentive period.

**Article 32**

The Government shall make detailed provisions for implementation of this Law.

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*This Law was passed by Legislature XI of the National Assembly of the Socialist Republic of Vietnam at its 3rd session on 17 June 2003.*

Chairman of the National Assembly

NGUYEN VAN AN