

Alternative Corporate Income Tax (CIT) incentives for export enterprises¹ under Official Letter 2348/BTC-TCT dated 3 March 2009

Further to our Tax Alert in March 2009, may we take this opportunity to remind you again that the CIT incentives which were granted to those enterprises (including Export Processing Enterprises (EPEs) but those in the garment and textile business) based on their meeting certain export ratios will no longer apply from 2012. These enterprises should **choose and notify** the tax authorities of their selected CIT incentive option for 2012 onwards, in accordance with the guidance of OL 2348. Specifically, these enterprises may choose to determine and apply other available CIT incentive options for the remaining period of their projects corresponding to meeting other incentive conditions (i.e. other than export ratio condition) either pursuant to:

1. the provisions of tax law in force at the time the Investment License was issued; or
2. the provisions of tax law adjusted as a result of Vietnam's WTO commitments (i.e. the end of 2011).

Qualifying conditions

To qualify for the above-stated alternative CIT incentives, enterprises must still be within their previously granted export-based CIT incentive period.

Our assistance

We can assist in notifying the tax authorities of your selected CIT incentive option for 2012 onwards, and more importantly, in seeking for necessary official confirmation from the relevant licensing and/or tax authorities to affirm your selected CIT incentives.

¹Excluding those in the garment and textile business (for these enterprises, please see our Tax Alert issued in March 2009)

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