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The background of the page is an aerial night view of a city skyline. The sky is a mix of blue and grey, suggesting dusk or dawn. Several tall skyscrapers are illuminated with lights, their windows glowing. The buildings are reflected in the water of a river in the foreground. The overall scene is a vibrant, modern urban landscape.

**LEGAL UPDATES
AUGUST 2020**

TAX

Resolution No. 116/2020/QH14 dated 19 June 2020 on Reduction of Payable Corporate Income Tax in 2020 for Enterprises, Cooperatives, Professional Entities and Other Organizations (“Resolution 116”)

Effective date: 3 August 2020

This Resolution 116 shall apply to enterprises, cooperatives, professional entities and other organizations generating incomes from business operation (collectively, the “**Entities**”) which are subject to corporate income tax (“**CIT**”).

In particular, any Entity generating total revenue of or less than VND200 billion in the year of 2020 shall be entitled to a reduction of 30% of its payable CIT amount. For that purpose, the Entity shall have to, by itself, determine the CIT amount to be reduced when temporarily paying the quarterly CIT and when finalizing the CIT amounts for the year of 2020.

ENTERPRISES

Decree No. 81/2020/ND-CP dated 9 July 2020 on Amendments and Supplements to Decree No. 163/2018/ND-CP Regarding Issuance of Corporate Bonds (“Decree 81”)

Effective date: 1 September 2020

This Decree provides for amendments and supplements to the prevailing Decree No. 163/2018/ND-CP dated 4 December 2018 (“**Decree 163**”). Certain key points are highlighted as below:

1. This Decree supplements three additional conditions for issuance of corporate bonds as follows:
 - (i) The bonds issuer must have engaged a service provider of consulting on application files for bonds issuance, except where the issuer is licensed to provide such service in accordance with the laws;
 - (ii) The bonds issuer must ensure that at the time of issuance, the total outstanding balance of bonds issued through private placement (including the bonds proposed under the issuance) does not exceed five times of the owners’ equity as recorded in the latest quarterly financial statements approved by the competent corporate body; and
 - (iii) Each tranche of bonds issuance must be completed within 90 days from the date of disclosure of information on the issuance. The minimum interval between two tranches of bonds issuance is 6 months. Bonds issued in each tranche must all be subject to the same terms and conditions.

The conditions in items (ii) and (iii) above are not applicable where the bonds issuer is a credit institution.

2. The timeline for disclosure of required information prior to issuance is shortened. Specifically, the bonds issuer shall have only three business days prior to the proposed issuance date (instead of ten business days as before) to (i) disclose information on the bonds issuance to the investors who register to purchase the bonds and (ii) notify the Stock Exchange of those disclosed information.

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