

## **Tax debts can be paid gradually if they are guaranteed by credit institution**

**If a business of tax debt is enforced but it cannot afford to pay the debt at once and propose to pay gradually, the tax debt will be paid within a maximum of 12 months from the beginning date of enforcement period for implementation of tax administrative decision with a guarantee of the credit institution.**



It is guided by the General Department of Vietnam Customs before the request of Thien Hong Food Processing Joint Stock Company on the registration of import declarations during being enforced on tax debt payment.

According to the analysis of the General Department of Vietnam Customs, in Article 48 of Tax Management Law No. 78/2006/QH11 stipulates: "In the course of settlement of complaints or institution of lawsuits of taxpayers about tax amounts calculated or assessed by tax administration agencies, taxpayers shall fully pay these tax amounts, unless competent state agencies decide to temporarily suspend the execution of tax calculation or tax assessment decisions of tax administration agencies".

In addition, in Clause 2, Article 3 of Law No.106/2016/QH13 (amending and supplementing Clause 4, Article 92 of the Law on Tax Administration) stipulates: "Tax enforcement measures may be postponed if the taxpayer is permitted by the tax authority to pay the tax debt by installments for a period not exceeding 12 months from the beginning of the tax enforcement period. The payment of tax by instalments shall be considered according to the taxpayer's request, provided a credit institution offers a guarantee. The taxpayer shall pay late payment interest on the unpaid tax at 0.03% per day.

In Article 39 of Decree No. 83/2013/ ND-CP dated July 22, 2013 of the Government detailing the implementation of a number of articles of the Law on Tax Administration and the Law amending and supplementing a number of articles of the Law on Tax Administration stipulates: "The taxpayer is not able to pay the tax debts at once may pay them in installments over no more than 12 months from the effective day of the decision on **taxation** enforcement, provided that taxpayers has the tax debts guaranteed by a credit institution, and a commitment to pay tax debts and late payment interest to the state budget is made".

The conditions, dossier, competency, time of settlement and paying tax debt in installments are specified in Article 39 of Decree No.83/2013/ND-CP dated July 22, 2013, and Clause 3 Article 3 Decree 100/2016 / ND-CP dated July, 2016 of the Government and Article 134 of Circular 38/2015/TT-BTC dated March 25, 2015, of the Ministry of Finance. Based on the above provisions, in the course of settlement of complaints, the Company still has to fully pay tax and late payment (if any) as per regulations. If the Company of tax debt is enforced but cannot afford to pay the tax debts at once and propose to pay gradually, the tax debt will be paid within a maximum of 12 months from the beginning date of enforcement period for implementation of tax administrative decision with a guarantee of the credit institution.

