

## What does business do when having 90 day-overdue tax debts?

**VCN- In order not to be applied enforcement measures when having 90 day-overdue tax debts, the enterprise is allowed to choose 1 in 2 solutions to handle tax debts. The enterprise gradually pays tax debts within 12 months from the beginning of enforcement period and is suspended enforcement measures and Customs procedures in accordance with Clause 5, Article 46 of Decree No. 127/2013/ND-CP.**



This is the guidance of Vietnam Customs for Thien Phu Production Construction and Trading Co., Ltd on the company's request for the customs clearance when having 90 day-overdue tax debts.

According to Vietnam Customs, in order not to be enforced when having 90 day-overdue tax debts, the enterprise is allowed to choose 1 in 2 solutions to handle tax debts:

The first solution is that the enterprise gradually pays tax debts within 12 months from the beginning of enforcement period and must be guaranteed by a credit institution. In this period, the Company shall pay 0.03% of the tax arrears per day (under Clause 2, Article 3 of Law No. 106/2016/ QH13).

Application for gradual payment shall be sent to the Customs Branch where the enterprise owes tax. The specific conditions, application and processing time are stipulated in Article 39 of Decree No. 83/2013/ND-CP and Article 134 of Circular No. 38/2015/ TT-BTC.

The second solution is that the enterprise is suspended enforcement measures and Customs procedures in accordance with Clause 5, Article 46 of Decree No. 127/2013/ND-CP. The Company proposed to be suspended enforcement measures and Customs procedures, it has to send a document to Customs Department where Customs procedures are implemented and the letter of guarantee of the credit institution for a number of tax debts.

Customs Department will receive and examine the accuracy and sufficiency of the application and report and submit to Vietnam Customs for consideration and consultation of relevant units to submit to the Ministry of Finance for decision. The specific procedures and competence for handling are in accordance with Clause 2 Article 31 of Circular 155/2016/TT-BTC.

It is acknowledged that Thien Phu Production Construction and Trading Co., Ltd still has 90 day-overdue tax debts of over 3 billion VND at Sai Gon Seaport Customs Branch Zone III (Ho Chi Minh City Customs Department).

Source: customsnews.vn