



TAX ALERT

Decree No. 11/2024/ND-CP providing the detail of new tax incentives schemes for innovative startup enterprises in the Ho Chi Minh City according to the Resolution No. 98/2023/QH15

February 2024



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Following our Tax Alert on Resolution No. 98/2023/QH15 (“**Resolution 98**”) issued by the National Assembly on 24 June 2023, the Government has issued Decree No. 11/2024/ND-CP (“**Decree 11**”), which takes effect from 02 February 2024, detailing the mechanisms and policies for specific development of the Ho Chi Minh City (“**HCMC**”).

According to Chapter III, Decree 11 provides detailed guidance on specific tax incentives policy for innovative startup enterprises in HCMC as follows:

- ✓ **Corporate income tax (CIT) exemption for a period of 5 years** from the time of generating taxable income derived from innovative startup activities.
- ✓ **Personal income tax (PIT) and CIT exemption** for individuals and organizations having income from fully or partially transfer of capital in, the right of capital contribution to innovative startup enterprises in the HCMC, except for income from transfer of stocks, bonds, fund certificates and other securities according to regulations.
- ✓ In case of selling the entity in the form of transferring capital along with real estate, the CIT (or PIT) would be declared and paid according to the regulations on the real estate transfer activities.
- ✓ Separately determination and recording the income eligible for tax exemption if there are various income arising from difference business activities according to CIT regulations.

The HCMC People's Council will promptly issue detailed regulations for implementation including specifying the prioritized sectors, criteria, conditions, and innovative startup activities for applicable entities, as well as the levels of support to be provided in the upcoming time.

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Deloitte's recommendation

Investors are advised to carefully consider and prepare for the application of tax incentive policies for innovative startups in priority sectors of HCMC under Resolution 98 and the Decree 11 as above mentioned. Deloitte Vietnam would be closely followed up and updated to you on further guidance for implementing the mechanisms in the following Tax Alert.



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