



FEBRUARY 2023

# LEGAL UPDATE

REDUCTION OF LAND RENTAL  
AND WATER SURFACE RENTAL OF 2022



On 31 January 2023, Decision No. 01/2023/QĐ-TTg (**Decision**) was issued to provide relief to subjects affected by Covid-19. This decision entails a reduction of land rental and water surface rental for the year 2022. Those in need must submit their request before 31 March 2023.

The main points of the Decision are outlined in this legal update.

### 1. Scope

This Decision applies to tenants (enterprises, households, organisations, and individuals) leasing land or water surface directly from the State provided certain requirements are met. These tenants make an annual rental payment and may be exempt or qualify for reduced rental. Supporting documents such as decision, contract or certificate of land use rights, ownership of houses and other land-attached assets are required.

### 2. Rental Reduction

Tenants are entitled to a 30% reduction of the payable land/water surface rental of 2022. This reduction does not apply to any prior year's outstanding land or water surface rental or the interest accrued from late payments.

If tenants are eligible for a reduction or deduction of their land or water surface rental from either the

advances for compensation and ground clearance under current regulations, the 30% reduction under this Decision shall be applied after the above reduction or deduction is made.

### 3. Procedures

Tenants shall submit an application and a copy of the Supporting Documents to the relevant tax authority or other relevant competent authorities **by 31 March 2023**. Applications submitted after this time will not be accepted.

Within 30 days of receiving a complete and valid application, the competent authority shall determine the reduced amount of land and water surface rental and issue a decision on the reduction of land or water surface rental.

However, if State management authorities discover that tenants are not entitled to a reduction, Tenants must pay the reduced amount of land or water surface rental and the late payment interest to the State budget.

If tenants have paid the total land and water surface rental for 2022, and the State determines and decides to reduce the rental under this Decision, the said reduced amount will be deducted from the rental for the following period or year. If there is no following period, the reduced amount shall be set off against other payment obligations or refunded to tenants.

For more information, please contact:

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