



# Tax Alert

## Tax and Legal

April 2020

### Enforcement of tax audit and tax inspection plan in 2020

With the continuing evolution of the Covid-19 outbreak, on the 4th March 2020 the Prime Minister issued Directive No. 11/CT-TTg proposing taxpayer concessions to offset the economic impact arising from this outbreak. Following this Directive, on 12 March 2020 the General Department ("GDT") issued Official Letter No. 1046/TCT-TTKT to all provincial tax departments on the implementation and enforcement of tax audit and tax inspections for the 2020 financial year.

At the same time, this Official Letter by the GDT outlines concessional measures for taxpayers engaged in businesses negatively impacted by the outbreak. Noteworthy points of this Official Letter are as follows:

- Tax inspections and tax audits to be carried out in accordance with the schedule as approved by the GDT, however with a focus on high-risk taxpayers;
- Temporarily suspend the inspection and audit of taxpayers engaged in business sectors vulnerable to the Covid-19 outbreak (e.g. hotel/restaurant/tourism/airport businesses, etc.). Accordingly, provincial tax departments may reschedule tax inspections and audits for impacted taxpayers;
- Shorten the fieldwork at the taxpayers' premises and allow taxpayers to submit relevant information / documents via email to enable the tax authorities to facilitate a remote tax inspection process;
- The tax authorities maintain a strict control over the procedures of tax audit and tax inspection as well as the data input after the tax audit / tax inspection for the purpose of analysing the risks of taxpayers.

**KPMG Observation:** These developments are welcome and will allow tax inspections and audits to proceed in a more flexible yet efficient manner in light of ongoing health risks. What is not known at this time is which taxpayers are considered 'high risk' for purposes of tax inspections and audits by the tax authorities in 2020.

Please contact KPMG should you need support during the tax audit or tax inspection process.

## Contact us

### KPMG Tax and Advisory Limited | KPMG Legal Limited

KPMG in Vietnam and Cambodia is one of the leading professional services firms, with over 1,700 staff working from our offices in Hanoi, Ho Chi Minh City, Da Nang and Phnom Penh. We work with our colleagues across Asia and around the world to provide a broad range of services.

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