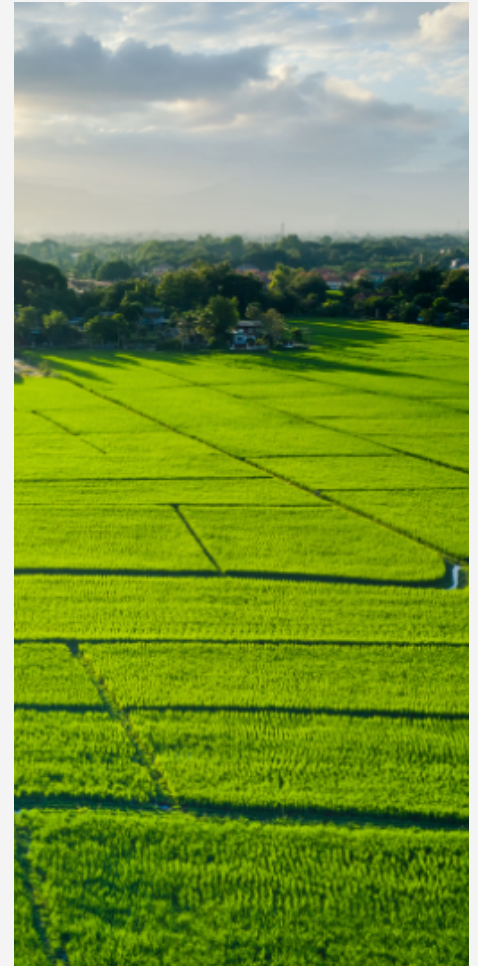


SIGNIFICANT ASPECTS OF THE POLICY ON REDUCTION OF LAND LEASE FEE FOR 2024

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On April 11, 2025, the Government promulgated Decree No. 87/2025/ND-CP stipulating the reduction of land lease fee for 2024 (**Decree 87**). Decree 87 was formulated with the objective of supporting enterprises and individuals in responding to impending difficulties and challenges amidst economic uncertainties and risks, while concurrently providing assistance to localities affected by Typhoon Yagi in 2024. This Decree encompasses several salient provisions that land users should take note of, as follows:

Firstly, Decree 87 applies to land users who are currently leasing land directly from the State under a Land Lease Decision, Land Lease Contract, or Certificate of Land Use Rights, Ownership of Assets Attached to Land issued by a competent state authority, which is effective in 2024 through annual land lease payment. Additionally, land users who have not completed land legal procedures in 2024 but have finalized these procedures at the time of submitting the

application for land lease fee reduction in accordance with Decree 87 (having a Land Lease Decision, Land Lease Contract, or Certificate of Land Use Rights, Ownership of Assets Attached to Land through annual land lease payment) shall still be eligible to be considered for land lease fee reduction for 2024 under Decree 87.

Secondly, Decree 87 permits land users to receive a **30% reduction of the land lease fee payable for 2024**. If a land user is currently (i) entitled to a reduction of land lease fee under relevant regulations and/or (ii) eligible for deduction of compensation and site clearance expenses in accordance with the law on land lease fee, the land lease fee reduction stipulated in Decree 87 shall be calculated based on the payable land lease fee (if any) after such reduction and/or deduction. However, it is important to note that the 30% reduction shall not apply to any outstanding land lease fees from the years preceding 2024 and any late

payment interest (if any).

Thirdly, Decree 87 stipulates the procedures for land users to request a reduction of land lease fee for 2024 as follows:

- Land users shall submit a Request for Reduction of Land Lease Fee for 2024 using the form provided in the Appendix issued together with Decree 87. In this form, the land users must fully declare the following information: name, tax identification number, address, and telephone number of the taxpayer; and details of the leased land for which the reduction is requested, including the address of the leased land plot, number and date of the Land Lease Decision, Land Lease Contract, or Certificate of Land Use Rights, Ownership of Assets Attached to Land.
- Land users shall submit the aforementioned Request for Reduction of Land Lease Fee for 2024 to the tax authority from April 11, 2024 to July 31, 2025. If the Request for Reduction of Land Lease Fee is submitted after July 31, 2025, the land lease fee reduction under Decree 87 shall not be applied.
- Regarding the method of submission, land users may submit the Request for Reduction of Land Lease Fee directly, via postal service, electronically, or through other means as prescribed by the law on tax administration. Based on the Request for Reduction of Land Lease Fee submitted by the land user and the Notice of Land Lease Fee Payment for 2024 of the land user (if any); the competent authority shall (i) determine the amount of land lease fee to be reduced and (ii) issue a Decision on Land Lease Fee Reduction within maximum 30 days from the date on which this authority receives the Request for Reduction of Land Lease Fee.

Fourthly, land users should take note of the following cases:

- If a land user has been granted a land lease fee reduction by a competent authority under Decree 87 but is subsequently found to be ineligible for such reduction in accordance with the provisions of this Decree, the land user shall be required to repay (i) the amount of land lease fee that has been reduced, and (ii) the late payment interest calculated on the reduced amount, in accordance with the law on tax administration.
- If a land user has already paid the land lease fee for 2024 and there is an overpayment, the overpaid amount may be deducted from the land lease fee for the next period or the following year. If there are no subsequent periods for land lease fee payments, the overpayment shall be (i) offset or (ii) refunded in accordance with the law on tax administration and other relevant legal regulations.

Decree 87 has stipulated a relatively broad scope of entities eligible for land lease fee reduction in 2024, while concurrently simplifying the dossier composition and permitting submission through various methods, thereby facilitating land users in requesting the land lease fee reduction and consequently contributing to supporting enterprises and individuals in promoting production and business activities. Enterprises, organizations, and individuals utilizing land should carefully examine the provisions of Decree 87 to accurately and fully carry out the procedures for requesting a reduction of the land lease fee in 2024. In the event that esteemed Clients and readers wish to gain a more comprehensive understanding of the regulations and seek advice on relevant financial obligations to the State authorities, NHQuang&Associates stands ready to provide the required clarification, support, and relevant legal counsel.