**TAX INCENTIVES FOR BUSINESSES IN EDUCATION**

**Question: Our company is currently operating in the field of skills training services. As far as we know, enterprises engaged in socialized education and training shall enjoy a preferential corporate tax rate of 10% during their operation period. Therefore, we are concern whether our company is entitled to the income tax rate of 10% under this regulation?**

**Legal Grounds:**

* Circular 78/2014/TT-BTC dated 18 June 2014;
* Circular 96/2015/TT-BTC dated 22 June 2015;
* Decision 1466/QĐ-TTg dated 10 October 2008;
* Decision 693/QĐ-TTg dated 06 May 2013;
* Decision 1470/QĐ-TTg dated 22 July 2016.

Pursuant to Article 19.3.a of the Circular 78/2014/TT-BTC, as amended and supplemented by Article 11.3 of the Circular 96/2015/TT-BTC:

The preferential corporate tax rate of 10% during the operation period shall apply to the enterprise's incomes from socialization activities in the fields of education - training, vocational training, healthcare, culture, sports, environment and judicial expertise (collectively referred to as the field of socialization). In addition, the List of types, criteria for scale and standards of enterprises engaged in socialized fields is promulgated by the Prime Minister.

As a consequence, enterprises must satisfy sufficiently the type, criteria for scale and standards of socialization as prescribed by the Prime Minister in order to enjoy this preferential tax rate.

Nevertheless, in comparison with the main business lines of the Company (operating in the field of skills training services) with the List of enterprises engaged in socialized fields towards education enjoying the tax rate of 10% promulgated by the Prime Minister under Decision 1466, as amended and supplemented by Decision 693 and Decision 1470, we have found that your Company fails to meet the type, criteria for scale, as well as standards as prescribed. Therefore, your Company shall not be entitled to the corporate income tax rate of 10% pursuant to the provision mentioned herein.