



**LEGAL, LABOR AND
TAX UPDATES
March 2020**

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A. NEW LEGAL INSTRUMENT

❖ GOVERNMENT

29/03/2020| RESOLUTION NO. 37/NQ-CP ON A NUMBER OF SPECIFIC REGIMES IN THE PREVENTION AND CONTROL OF COVID-19 PANDEMIC

Accordingly, allowances paid medical staff taking part or other participants in the prevention and control of Covid-19 as follows:

- VND 300,000/day, inclusive of such allowance paid during days-off or holidays, will be paid to:
 - + Persons in charge of epidemic surveillance, intelligence or verification;
 - + Persons directly providing medical examinations, diagnostic tests and medical treatments for patients at medical facilities.
- VND 200,000/day, including those allowances paid during days-off or holidays, will be paid to:
 - + Persons in charge of safe transport and handling of patients and clinical specimens; dead corpses; provision of laundry services for physicians and patients; collection of chemical bottles and containers; provision of security for isolated medical facilities.
 - + Persons in charge of sanitation, sterilization and decontamination of pathogenic agents existing in quarantine zones within medical facilities;
 - + Medical staff in charge of epidemic surveillance and medical monitoring at home-based medical quarantine zones and specialized medical establishments designated by competent regulatory authorities.
- VND 150,000 /day, including those allowances paid during days-off or holidays, will be paid to:
 - + Persons on duty at concentrated quarantine zones;
 - + Persons participating in enforcement of compulsory health quarantine;
 - + Interpreters, 115 medical emergency staff and paramedics.

(This Resolution shall take effect from 29 March 2020)

31/03/2020| DIRECTIVE NO. 16/CT-TTG ON IMPLEMENTATION OF URGENT MEASURES FOR PREVENTION AND CONTROL OF COVID-19 PANDEMIC

Accordingly, the implementation of nationwide quarantine **for 15 days from 12 AM of 01 April 2020.**

The principle of quarantine between:

- Families;
- Neighborhoods/villages;
- Communes;
- Districts;
- Provinces;

- Workers in factories shall keep a safety distance;
- Wear facemasks, and sanitize the workplace as prescribed.

The people are advised to stay at home and only go outside when strictly necessary such as buying food or medicines, providing emergency treatment, going to work at facilities that are allowed to maintain operation to provides essential goods or services, etc.

It is advised to should maintain a safety distance of 2 meters during communication; not form groups of more than 2 people outside office buildings, schools, hospitals and in public places.

(This Directive issued on 31 March 2020)

01/04/2020| DECISION 447/QĐ-TTG ON DECLARATION OF COVID-19 PANDEMIC

This decision includes the following:

- Name of the epidemic: COVID-19 (novel coronavirus acute respiratory disease).
- Occurrence time: January 23, 2020 *(date of first confirmed case of Covid-19 infection)*.
- Affected area: Nationwide *(previously at Decision 173 / QĐ-TTg of 01 February 2020, the locations and scale of outbreaks were identified in Khanh Hoa, Vinh Phuc and Thanh Hoa Province)*.
- Causes: severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2)
- Specialty: Group A infectious disease, pandemic
- Transmission: human to human through respiratory infection.

(This Decision shall take effect from 01 April 2020)

B. OFFICIAL INSTRUCTIONS

✚ OFFICIAL DISPATCH ON LABOR POLICY

18 February 2020| OFFICIAL DISPATCH NO. 288/BHXH-QLT ON HEALTH INSURANCE FOR FOREIGN EMPLOYEES

If **foreign employees** have been recruited at least 12 months before **coming to Vietnam to work as intracompany transferees as provided in clause 1 of Article 3 in the Decree No. 11/2016/ND-CP including** managers, managing directors, experts and technical staff members of a foreign enterprise already establishing its commercial presences within the territory of Vietnam, or as temporary intracompany transferees to a foreign enterprise's commercial presences within the territory of Vietnam, **they will be exempted from the health insurance (HI) contribution requirement.**

Reduction in HI participation period is allowed from 01 February 2020. If HI participants holding HI cards incur medical costs in February 2020, their HI participation periods will be reduced, starting to be counted from 01 March 2020.

17 March 2020| OFFICIAL DISPATCH NO. 860/BHXH-BT ON THE TEMPORARY SUSPENSION OF PAYMENT OF SOCIAL INSURANCE INTO THE RETIREMENT AND SURVIVORSHIP ALLOWANCE FOR OBJECTS AFFECTED BY COVID-19 PANDEMIC

The Vietnam Social Insurance (SI) giving a guidance on the temporary suspension of payment of social insurance for those affected by the Covid-19 pandemic **until the end of June or December 2020 and not including late payment interest** as prescribed as follows:

- Notifying enterprises in the industries of passenger transport, tourism, accommodation, restaurants, and other special industries cannot provide adequate employment due to difficulties caused by pandemics, ***in which the number of employees participating in social insurance suspending from work is up to 50% of the total number of employees present before suspending business activities, or be damaged of over 50% of the total value of assets caused by the pandemic (excluding the land value of properties).***
- Receiving and promptly settling ***applications for temporary suspension of contribution to the retirement and survivorship allowance until June 2020 upon receipt of the application of the enterprise without interest as prescribed.*** In case that ***by the end of June 2020, the Covid-19 pandemic has not been relieved,*** if enterprises have the requirement, they shall promptly coordinate with the Department of Labor, War Invalids and Social Affairs and the Department of Finance to report to the provincial People's Committee sending to SI so as to consider and resolve the temporary suspension of contribution to the retirement and survivorship allowance ***until December 2020.***
- During the time of suspension of payment to the retirement and survivorship allowance, **there is no specialized inspection of payment, or inspection of the observance of the law on SI, HI and unemployment insurance for enterprises affected by Covid-19 pandemic if enterprise shows no signs of violations;** as well as, enterprise has to fully and promptly pay sickness fund, maternity fund, labor accident and occupational disease fund, health insurance fund, and unemployment insurance fund to ensure employee benefits.

18 March 2020| OFFICIAL DISPATCH NO. 245/TLD REGARDING EXTENSION OF THE DEADLINE FOR PAYMENT OF UNION DUES FOR ENTERPRISES AFFLICTED WITH COVID-19 PANDEMIC

The Vietnam General Confederation of Labor has agreed to allow the production and business entities affected by Covid-19 **will be granted an extension of the deadline for payment of union dues for the first 6 months to 30 June 2020.**

Enterprises afflicted by Covid-19 are defined **as those enterprises whose employees participating in the social insurance program have to temporarily quit their**

work account for at least 50% of total personnel subject to the requirement for participation in the compulsory social insurance program.

If these enterprises continue to face difficulty because of failure to curb Covid-19 after the aforesaid deadline, then the deadline will be extended to 31 December 2020.

Confederations of Labor at cities and provinces; Trade Unions of central sectors; and Trade Unions of Incorporations within the remit of Confederations of Labor, have the burden of strictly complying with this direction and submitted review reports by the 10th day each month to Confederations of Labor.

25 March 2020 | OFFICIAL DISPATCH NO. 1064/LĐTBXH-QHLĐTL GIVING A GUIDANCE ON PAYMENT OF WAGES AND BENEFITS FOR EMPLOYEES DURING WORK SUSPENSION DUE TO COVID-19 PANDEMIC

Ministry of Labor, War Invalid and Social Affairs issued Official Dispatch No. 1064/LĐTBXH-QHLĐTL giving a guidance on payment of wages and benefits for employees during work suspension due to Covid-19 pandemic, in which:

- **Suspension pay** shall be determined in accordance with Article 98 of the Labor Code, with consideration taken of the causes of work suspension (*at the employer's or employee's fault or for an objective reason*).
- For **employees in the following cases, the suspension pay shall be provided in accordance with Clause 3 Article 98 of the Labor Code** (*the pay shall be agreed upon by both parties but must not be smaller than the region-based minimum wages*).
 - + Employees who are not allowed to return to work as requested by competent authorities;
 - + Employees who are suspended from work during quarantine as requested by competent authorities;
 - + Employees who are suspended from work because their employer is being quarantined or other employees in the same enterprise or department are being quarantined or not allowed to return to work;
- **Enterprises that cannot provide adequate employment due to supply shortage or market reduction may temporarily reassign the employees against their employment contracts in accordance with Article 31 of the Labor Code;**
 - + In case **an employer is not able to pay the suspended employees due to prolonged work suspension, they may reach an agreement on suspension of the employment contracts** in accordance with Article 32 of the Labor Code;
 - + **Employers that have to scale down shall implement regulations of Article 38 or Article 44 of the Labor Code.**

OFFICIAL DISPATCH ON TAXATION

03/03/2020 | OFFICIAL DISPATCH NO. 897/TCT-QLN ON EXTENSION OF TAX PAYMENT AND EXEMPTION OF LATE PAYMENT INTEREST FOR TAXPAYERS AFFECTED BY COVID-19 PANDEMIC

Taxpayers falling into the situations specified in point a of Clause 1 in the Circular No. 156/2013/TT-BTC (Consolidated document No. 14/VBHN-BTC dated 15 May 2017) are granted eligible for tax deferral.

“a) Property damage caused by natural disasters, conflagrations, or accidents that affects the business operation.

Property damage means damage to the taxpayer’s property that can be measured by money, such as: machinery, equipment, supplies, goods, buildings, cash, and valuable papers.

Accidents are the unexpected incidents due to external causes that affect the taxpayer’s business operation and not violations of law. Accidents include: road accidents, occupational accidents; having a fatal disease; having a contagious disease during the time and in the area affected by an epidemic as declared by a competent authorities; other force majeure events.”

In order to be eligible for tax deferral, taxpayers must prepare application packages for tax deferral for submission to supervisory tax authorities (composition of an application package prescribed in clause 3 of Article 31 in the Circular No. 156).

Additionally, General Department of Taxation directs grant of tax late payment interest exemption for mitigation of Covid-19’s impacts as follows:

- Taxpayers liable for late payment interest are entitled to exemption from tax late payment interest due to natural disasters, conflagration, **epidemics**, illnesses, fatal diseases or other force majeure events.

- In order to be eligible for exemption from tax late payment interest, taxpayers **must prepare application packages for tax late payment interest exemption for submission to supervisory tax authorities** (composition of an application package prescribed in clause 3 of Article 35 in the Circular No. 156).

Heads of tax authorities already issuing notices of tax late payment interest **are authorized to issue decisions on exemption from tax late payment interest to taxpayers.**

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