



Global Tax Update

Vietnam

Deloitte Tohmatsu Tax Co.

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New Decree on Region-based Minimum Wage Level

Update on Minimum Wage Levels

The Government has recently issued Decree No. 122/2015/ND-CP (“Decree 122”) dated 14 November 2015 replacing Decree No. 103/2014/ND-CP dated 11 November 2014 to stipulate the updated region-based minimum wage levels for all types of enterprises. Accordingly:

- The level of VND 3,500,000/month will be applied to enterprises operating in localities of region I;
- The level of VND 3,100,000/month will be applied to enterprises operating in localities of region II;
- The level of VND 2,700,000/month will be applied to enterprises operating in localities of region III;
- The level of VND 2,400,000/month will be applied to enterprises operating in localities of region IV.

In which:

Region I:

covering urban and suburban districts of Hanoi, Hai Phong, Ho Chi Minh city; Bien Hoa city and some rural districts of Dong Nai; Thu Dau Mot city and some towns, rural districts of Binh Duong province; and Vung Tau city of Ba Ria – Vung Tau province;

Region II:

covering the remaining rural districts of Hanoi, Hai Phong; Hai Duong city of Hai Duong province; Hung Yen city and some rural districts of Hung Yen province; etc.;

Region III:

covering remaining provincial cities (except those of region I, II); Chi Linh town and some rural districts of Hai Duong province; rural districts of Vinh Phuc province; etc.;

Region IV:

covering the remaining localities.

(Note: The detailed list of localities to apply region-based minimum wage levels is provided in Appendices attached with this Decree).

Decree 122 shall be effective from 01 January 2016. Accordingly, the region-based minimum wage levels in this Decree shall be applied from 01 January 2016.

For your ease of reference, below is our quick comparison of region-based minimum wage levels pursuant to Decree 122 and the prevailing guidance pursuant to Decree No. 103/2014/ND-CP:

Region	Region-based minimum wage level from 01 January, 2016 (VND/month)	Current region-based minimum wage level (VND/month)
I	3,500,000	3,100,000
II	3,100,000	2,750,000
III	2,700,000	2,400,000
IV	2,400,000	2,150,000

In case the enterprises have any concerns of the above, please feel free to contact us.

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Contacts

Deloitte Vietnam Co., Ltd.

Thomas McClelland, Tax Leader tmcclelland@deloitte.com

Bui Ngoc Tuan, Tax Partner tbui@deloitte.com

Bui Tuan Minh, Tax Partner mbui@deloitte.com

Phan Vu Hoang, Tax Partner hoangphan@deloitte.com

Dion Thai Phuong, Tax Partner dthai@deloitte.com

Issued by

Deloitte Tohmatsu Tax Co.

Tokyo Office

Shin-Tokyo Building 5F, 3-3-1 Marunouchi, Chiyoda-ku, Tokyo 100-8305, Japan

T e l: +81 3 6213 3800

email: tax.cs@tohmatu.co.jp

Corporate Info.: www.deloitte.com/jp/en/tax

Tax Services: www.deloitte.com/jp/tax/s/en

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