



# Global Tax Update

Vietnam

Deloitte Tohmatsu Tax Co.

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## New Decree on Work Permit for the foreigners

The Government of Vietnam has recently issued Decree 11/2016/ND-CP dated 3 February 2016 replacing Decree 102/2013/ND-CP and Point a, Article 4 of Resolution 47/NQ-CP on the management of foreigners working in Vietnam. Decree 11/2016/ND-CP will take effect from 1 April 2016.

Some notable changes concerning Work Permit for foreigners working in Vietnam are summarized below for your reference:

### (1) Work Permit exemption cases are expanded, for instance:

- A threshold of less than 30 days per stay introduced for foreigners working in Vietnam as expert, manager, operation director or technical laborer. However the cumulative number of days of all stays must not exceed 90 days per annum.
- Students of overseas schools performing internship at companies in Vietnam.
- Foreign teachers assigned to Vietnamese schools under certification of Ministry of Education and Training.

Work permit exemption applications and pre-approvals are regulated not required for certain specific cases.

### (2) New guidance on Work Permit applications

- Conditions to qualify as an expert include both proper academic certification and minimum 3 years of working experience relevant to the position applied for. Manager/Director positions are clearly defined with reference to the Law on Enterprise (Article 4, Point 18), i.e. manager/director at company level, e.g. company owner, members of Board of Members, members of Board of Directors, etc.. Accordingly, these new definitions may have an impact on upcoming applications for initial Work Permit, or renewed Work Permit during the transition period.
- Validity of health check certificate is increased to 12 month period, compared to only 6 month validity as currently applicable.
- Only local non-criminal record issued by Vietnam authority is required if the applicant already resided in Vietnam. It is not clear at what test of residing in Vietnam would be applied for not submitting the overseas non-criminal record.

- Initial Work Permit approval time is shortened to 7 working days from 10 working days.
- Timing for Work Permit renewal application is increased to no later than 45 days from expiry, compared to only maximum 15 days as previously provided.
- Location for Work Permit application submission is guided to be at the provincial Department of Labor, Invalids and Social Affairs where the applicant intends to work.

**(3) Clearer procedures on Work Permit de-registration**

- Clear procedures and responsibilities between the employer and the provincial Department of Labor, Invalids and Social Affairs are guided in term of Work Permit de-registration or withdrawal.

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