



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

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A. NEW LEGAL INSTRUMENT

❖ NATIONAL ASSEMBLY

13/11/2020| Law No. 67/2020 / QH14 amending and supplementing some articles of the Law on handling of administrative violations

Some noteworthy issues

The amended and supplemented Law on handling of administrative violations was approved by the National Assembly on 13 November 2020 with numerous new pivotal points as follows:

1. On the principle of handling "administrative violations many times", the amended and supplemented Law on handling of Administrative Violations has specified that one person performs many acts of administrative violation or administrative violations many times, he shall be sanctioned for each act of violation. For administrative violations many times, aggravating circumstances are applied prescribed by the Government.
2. Increasing and supplementing the maximum fine for many sectors such as road traffic; prevention of social evils; cipher, management and protection of national borders; education; protection on the interests of consumers; newspapers; real estate business; beliefs, foreign affairs; printing, network information security; intellectual property, etc.
3. Supplement some titles with sanctioning competence such as the General Director of the General Department of Civil Judgment Execution, the Head of the International Airport Border Gate Police, the Battalion Commander of the Mobile Police Battalion, the Water Corps Chief, the Chief of the Division of the Department of Cyber Security and High-Tech Crime Prevention and Control, the Head of the Division of the Department of Fire Prevention, Fighting and Rescue, and Team Leader of the Task Force on Drug and Crime Prevention of the Border Guards, etc.

(The Law shall take effect on 01 January 2022)

❖ GOVERNMENT

14/12/2020| Decree No. 145/2020/NĐ-CP on elaboration of some articles of the labor code on working conditions and labor relations

Scope

This Decree elaborates the following Articles of the Labor Code on working conditions and labor relations:

- Labor management;
- Employment contracts;
- Outsourcing;
- Dialogue in the workplace and implementation of internal workplace democracy regulations;
- Salaries;
- Working time, rest periods;
- Labor regulations and material responsibility;
- Female employees and gender equality;

- Domestic workers;
- Settlement of labor disputes;

Regulated entities

1. Workers, trainees and apprentices mentioned in Clause 1 Article 2 of the Labor Code.
2. Employers mentioned in Clause 2 Article 2 of the Labor Code.
3. Other organizations and individuals relevant to the implementation of this Decree.

(The Decree shall take effect on 01 February 2021)

18/12/2020| Decree No. 148/2020/NĐ-CP on amending and supplementing a number of decrees detailing the implementation of the Land Law

Decree No. 148 on amending and supplementing some decrees detailing the implementation of the Land Law has a number of new points as follows:

1. Supplement some services in the land domain as follows:
 - Providing information and data on land, information on the market of land use rights, and other land-related information;
 - Receiving dossiers and notifying results of land-related administrative procedures upon the request of time and locations of the service requesters;
 - Other services in accordance with their functions and tasks.
2. Guiding on land allocation and land lease in case of land use levy exemption.
3. Amending regulations on procedures for granting certificates of land use rights to transferees in housing development projects.
4. Amending regulations on procedures for revoking red books issued in contravention of regulations.

(The Decree shall take effect on 08 February 2021)

❖ MINISTRY OF FINANCE

03/12/2020| Circular No. 105/2020/TT-BTC providing guidance on tax registration

This Circular includes 4 chapters and 25 articles, detailing the subjects who shall directly make tax registration at tax offices as specified at Point b, Clause 1, Article 30 of the Law on Tax Administration; the structure of tax identification numbers; the dossiers, procedures and Forms for tax registration (including first-time registration; grant of tax registration certificates, notification of tax identification numbers; notification of tax registration information modification; notification of business suspension; invalidation of tax identification numbers; restoration of tax identification numbers; tax registration in case of reorganization of enterprises or organizations) as specified at Point c, Clause 2, Article 30 and Articles 31, 34, 36, 37, 38, 39, 40 of the Law on Tax Administration.

(The Circular shall take effect on 17 January 2021)

B. OFFICIAL INSTRUCTIONS

OFFICIAL DISPATCH ON TAXATION

26/11/2020 | Official Dispatch No. 5032/TCT-CS on expenditures on quarantining foreign experts serving prevention and control of Covid-19

- Determination of deductible expense when calculating taxable income:

+ The costs of quarantining foreign experts at hotels may be included in deductible expenses if the employment contract between the enterprise and the employee specifies that the cost of the employee's accommodation will be paid by the enterprise and there are adequate supporting documents and invoices as per regulations.

+ The costs of testing foreign experts for Covid-19 will be considered direct expenditures on employees' welfare and may be included in deductible expenses if they are conformable with Point 2.30 Clause 2 Article 6 of Circular No. 78/2014/TT-BTC dated 18/6/2014 of the Ministry of Finance (amended by Article 4 of Circular No. 96/2015/TT-BTC dated 22/6/2015 of the Ministry of Finance) and there are adequate supporting documents and invoices as per regulations.

- Determination of income subject to personal income tax

In case foreign employees have the Covid-19 quarantine costs paid by their employer upon their entry into Vietnam, these payments will be their benefits and thus may be included in their PITable income.

3/12/2020 | Official Letter No. 5142 / TCT-DNNCN dated 3 December 2020 on PIT for individual households contributing capital by the value of land use right to plant rubber trees

If a household or individual contributes capital by the value of land use right for Lai Chau Rubber Joint Stock Company (Company) to implement a rubber tree planting project, the income earned when dividing the product with the corresponding area will belong to income from capital investment.

The income of households and individuals directly participating as rubber planters paid by the Company is determined as income from salaries and wages.

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