



ACCOUNTING FREQUENTLY ASKED QUESTIONS

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ACCOUNTING FREQUENTLY ASKED QUESTIONS (cont.)

Questions	Answer	Reference
1. Is it compulsory to have an accountant for representative offices of foreign enterprises operating in Vietnam?	<p>Pursuant to subsection a of Section 2 and Subsection b Section 3 Part II of Joint Circular 13/2005/TTLT-BTC-BLDTBXH The provisions are as follows:</p> <p><i>"II. APPOINTING A PERSON TO ACT AS CHIEF ACCOUNTANT, PERSON IN CHARGE OF ACCOUNTING, HIRING A PERSON TO ACT AS CHIEF ACCOUNTANT</i></p> <p><i>[...] 2. Arrange a chief accountant</i></p> <p><i>Accounting units must appoint chief accountants, including:</i></p> <p><i>a) The accounting units specified at Points 1, 2, 3, 4, 5 and 7 of Part I of this Circular; [...]</i></p> <p><i>3. Arrange accountants</i></p> <p><i>Units and organizations are assigned people to be in charge of accounting, including:</i></p> <p><i>[...] b) Business organizations specified at Points 6 and 8, Part I of this Circular are not required to appoint chief accountants but must appoint people to be in charge of accounting. The person assigned to be in charge of accounting in this case is not limited in time to be in charge of accounting. [...]"</i></p> <p>Thus, representative offices of foreign enterprises operating in Vietnam are not required to appoint chief accountants but must appoint people to do so in charge of accounting.</p> <p>The person assigned to be in charge of accounting in this case is not limited in time to be in charge of accounting.</p>	<p>Pursuant to Article 2 of Decree No. 129/2004/ND-CP dated May 31, 2004.</p> <p>Pursuant to Part II of Joint Circular 13/2005/TTLT-BTC-BLDTBXH.</p>



ACCOUNTING FREQUENTLY ASKED QUESTIONS (cont.)

Questions	Answer	Reference
2. How much is an administrative penalty for an employee's delayed payment of health insurance?	<p>Companies that are late in paying health insurance premiums are fined according to Clause 2 of Article 80 Decree 117/2020/ND-CP as follows:</p> <p>Violation of regulations on health insurance premiums</p> <p>...</p> <p><i>2. To impose a fine for the act of failing to pay health insurance for the entire number of employees compulsory to participate in the employer's health insurance, paying health insurance premiums not enough people compulsory to participate in the employer's health insurance, delay in paying health insurance, evasion of health insurance premiums at one of the following levels:</i></p> <p><i>a) From VND 1,000,000 to VND 3,000,000, when violating less than 10 employees;</i></p> <p><i>b) From VND 3,000,000 to VND 5,000,000, when violating from 10 to less than 50 employees;</i></p> <p><i>c) From VND 5,000,000 to VND 10,000,000, when violating from 50 to less than 100 employees;</i></p> <p><i>d) From VND 10,000,000 to VND 20,000,000, when violating from 100 to less than 500 employees;</i></p> <p><i>dd) From VND 20,000,000 to VND 30,000,000, when violating from 500 to less than 1,000 employees;</i></p> <p><i>e) From VND 30,000,000 to VND 40,000,000, when violating 1,000 or more employees.</i></p> <p>...</p> <p>In Clause 5 of Article 4 Decree 117/2020/ND-CP then the above fine is a fine imposed on the individual. For the same administrative violation, the fine for the organization is equal to 02 times the fine for the individual.</p>	Pursuant to Clause 2, Article 80 and Clause 5, Article 4, Decree 117/2020/ND-CP

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Questions

Answer

Reference

3. What is the social insurance contribution rate of enterprises in 2024?

Pursuant to Articles 85 and 86 Law on Social Insurance 2014 and Article 4 Decree 58/2020/ND-CP, Decision 595/QĐ-BHXH in 2017 stated the rate of social insurance contributions of enterprises in 2024 as follows:

On the basis of the employee's salary, the compulsory social insurance contribution rate is 32%, of which the employee pays 10.5% of the salary, the employer pays 21.5% of the monthly salary fund for social insurance contributions, specifically:

Người sử dụng lao động					Người lao động				
BHXH			BHTN	BHYT	BHXH			BHTN	BHYT
HT	ÔĐ-TS	TNLD-BNN			HT	ÔĐ - TS	TNLD-BNN		
14%	3%	0.5%	1%	3%	8%	-	-	1%	1.5%
21.5%					10.5%				
Tổng cộng 32%									

Thus, enterprises must pay 21.5% of the monthly salary fund for social insurance contributions.

4. What income does not count social insurance contributions?

Incomes **excluding social insurance contributions**:

- Bonus as stipulated in Article 104 Labor Code 2019.
- Initiative Bonus
- Mid-shift meal money
- Subsidies for gas, telephone, transportation, housing, childcare, child support
- Support when an employee has a relative who dies, an employee whose relatives are married, an employee's birthday
- Subsidies for employees facing difficult circumstances when suffering from labor accidents or occupational diseases
- Other grants and grants.

Accordingly, the above-mentioned amounts must be written into separate items in the labor contract.

Pursuant to the provisions of Clause 26 Article 1 Circular 06/2021/TT-BLĐTBXH (amending Clause 2, Clause 3 of Article 30 Circular 59/2015/TT-BLĐTBXH) mentions the income excluding social insurance contributions



ACCOUNTING FREQUENTLY ASKED QUESTIONS (cont.)

Questions	Answer	Reference
5. Will the maximum monthly salary for social insurance contributions increase by more than 36 million VND/month when reforming wages?	<p>Pursuant to Clause 3 of Article 89 Law on Social Insurance 2014 There are regulations on the monthly salary contribution Social insurance Required are as follows:</p> <p>Monthly salary for compulsory social insurance contributions</p> <p>...</p> <p><i>3. In case the monthly salary specified in Clauses 1 and 2 of this Article is more than 20 times the base salary, the monthly salary paid for social insurance premiums is equal to 20 times the base salary.</i></p> <p>Accordingly, currently, the monthly salary is paid Social insurance a maximum of 20 times the base salary. Specifically, the base salary is currently determined according to Decree 24/2023/ND-CP is 1.8 million VND/month. Therefore, the maximum monthly salary for social insurance contributions is currently 36 million VND/month.</p> <p>Regarding wage reform, according to the Resolution on the 2024 state budget estimate passed by the National Assembly on November 10, 2023, the wage reform policy will be implemented from July 1, 2024.</p> <p>Accordingly, if the wage reform increases the salary, the monthly salary for the participant's compulsory social insurance contribution Social insurance will also increase. However, according to Resolution 27, the base salary will be abolished, so the level of 36 million VND/month based on the base salary may no longer be appropriate. The monthly salary contribution Social insurance Whether the maximum will increase by more than 36 million VND from 01/7/2024 or not, there is still no official answer. Therefore, it is necessary to wait for further official announcements.</p>	Pursuant to Clause 3, Article 89 of the 2014 Law on Social Insurance