



# **TAX ALERT AND LAW**

## **November - 2023**

## **This update highlights the following matters:**

1. Decree 70 on foreign workers working in Vietnam
2. Decision on reducing land rental fees for the year 2023
3. The Ministry of Finance proposes to reducing environmental protection tax on gasoline and oil by 50% in 2024.

# 1. Decree 70 on foreign workers working in Vietnam

Effective 18 September 2023, the Government issued **Decree No. 70/2023/NĐ-CP** (decree No. 70) to amend **Decree No. 152/2020/NĐ-CP**, which regulates **the employment of foreign workers in Vietnam** and recruiting, managing Vietnamese workers working for foreign organizations and individuals in Vietnam. Decree No. 70 has many changes compared to Decree No. 152/2020/NĐ-CP.

# 1. Decree 70 on foreign workers working in Vietnam

## Employer requirements

The following changes went to effect on 18 September 2023

- Employers must **submit a report explain the need for employing foreign workers** to the Ministry of Labor, War Invalids and Social Affairs or the Department of Labor, War Invalids and Social Affairs (the Department of Labor) **at least 15 days** (Previously, at least 30 days before the expected employment date of foreign workers) before the foreign workers start working.
- Employers that hire foreign nationals and assign them to **work at branches in other provinces and cities** must provide details of work locations in their application for a Work Permit. Dossier requesting a Work Permit for this case must be submitted to the Ministry of Labor. In addition, every time an individual **starts working at a new branch**, the enterprise **must notify** the Ministry of Labor and the local Department of Labor via the Government's Electronic Information Portal **within three days** from the date the employee foreign workers start working.
- The Management Boards of Industrial zones or Economic zones will **no longer process applications for** new issuance, extension or revocation of Work Permits as well as confirmation that foreign workers are not eligible for Work Permits. or receive reports explaining the need to use foreign workers. Employers must submit **all types of documents** for Work Permits or confirmation of exemption from Work Permits and explanatory reports **to the Ministry of Labor or local Department of Labor**.
- Employers can submit a certified copy of the foreign nationals's passport instead of notarized copies (which were required previously).
- Companies that change names but preserve the same enterprise number and seek to re-issue work permits to employees under the new name are no longer required to submit a new request for hiring foreign nationals..

# 1. Decree 70 on foreign workers working in Vietnam

Effective **1 January 2024**, employers will be required to advertise vacancies for Vietnamese nationals **on the Electronic Information Portal** of the Ministry of Labor, Invalids and Social Affairs or the Electronic Information Portal of the Employment Service Center for **at least 15 days prior to submitting a request for hiring a foreign employee.**



# 1. Decree 70 on foreign workers working in Vietnam

## Work Permit Requirements

The following changes went to effect on 18 September 2023

### ➤ Experts and Technical Work Permits:

- Foreign workers who want to get a Work Permit for a **specialist position** must provide a **university degree or higher or equivalent**, but the training major is not required to be directly related to the job title in Vietnam. Foreign workers must have **at least three years of experience relevant to their position** in Vietnam.
- Foreign workers who want to get a Work Permit for a **technical position** must provide a **training certificate for at least one year**, but the training specialty is not required to be directly related to the job title in Vietnam. Foreign workers must have **at least three years of experience relevant to their position** in Vietnam.
- Foreign worker **has a Work Permit** that is an expert or technical worker and **has had it extended once** but wishes to continue working in the same position and title, the application for a new Work Permit must be submitted. There is no need to re-provide qualifications, training certificates, or proof of experience.
- Foreign workers who want to get a Work Permit for an expert or technical position can use the issued Vietnamese Work Permit to prove their work experience. Previously, the Vietnamese Work Permit was not accepted to prove experience, instead foreign workers had to provide a certificate of work experience abroad.

# 1. Decree 70 on foreign workers working in Vietnam

## Work Permit Requirements

The following changes went to effect on 18 September 2023

- **Managers and Executive Director Work Permits:** Previously, the law did not specify documentary requirements for individuals who sought to apply for these work permits. The new decree specifies that employers that seek to sponsor applicants for these work permits must provide the documents below:
  - The sponsoring company's charter
  - The sponsoring company's registration certificate, establishment certificate or establishment decision
  - A resolution or appointment decision from the sponsoring company to hire the applicant.
- **Foreign nationals married to Vietnamese citizens:** Foreign nationals who are married to Vietnamese citizens is no longer required to submit a request for hiring a foreign employee. However, the employer must apply an application of work permit exemption to the Ministry of Labor, Invalids and Social Affairs or Department of Labor, Invalids and Social Affairs instead of submitting a report for work permit exemption, as previously.

## 2. Decision on reducing land rental fees for the year 2023

On 3 October 2023, the Prime Minister issued Decision No. 25/2023/QĐ-TTg on reducing land rental fees for the year 2023. (**Effective from 20 November 2023**)



## 2. Decision on reducing land rental fees for the year 2023

### Subjects eligible for land rental fee reduction in 2023

- These include organizations, units, businesses, households, and individuals who are **directly leased land** by the State under Decisions, Contracts, or Certificates of land use rights, ownership of houses and other assets attached to the land of authorized state agencies **in the form of annual land rental fees** (lessees).
- In addition, this also applies to cases where the lessees are not eligible for exemption or reduction of land rental fees, expired exemption or reduction of land rental fees, and cases where the lessees are currently enjoying land rental fee reduction according to the provisions of land laws (Land Law and detailed regulations) and other related laws

### The amount of land rental fee reduction

**A 30%** reduction of the land rental fees payable (arising revenue) for the year 2023 is applied to the lessees; no reduction is implemented on the outstanding land rental fees from previous years and late payment fees (if any)

## 2. Decision on reducing land rental fees for the year 2023

### Documents for land rental fee reduction

- A request for land rental fee reduction for the year 2023 by the lessees according to the provided template in the Appendix accompanying this Decision
- The land lease decision or land lease contract or certificate of land use rights, ownership of houses and other assets attached to the land issued by the competent state agency (copy).

The lessees shall submit a set of documents requesting land rental fee reduction (by one of the following methods: Directly, online, by post) to the tax authority managing land rental fees, the Management Board of Economic Zones, the Management Board of High-tech Zones, and other relevant agencies as stipulated by tax management laws from the effective date of this Decision **until 31 March 2024**.

The land rental fee reduction stipulated in this Decision shall not apply to cases where the lessees **submit documents after 31 March 2024**.

### **3. The Ministry of Finance proposes to reducing environmental protection tax on gasoline and oil by 50% in 2024**

On October 13, 2023, the Ministry of Finance issued Official Dispatch 11275/BTC-CST to ministries, branches, People's Committees of provinces and cities and the Vietnam Federation of Commerce and Industry to collect comments on the Resolution project on tax rates. Environmental protection for gasoline, oil, and grease.

Accordingly, the Ministry of Finance submits to the Government to submit to the National Assembly Standing Committee to promulgate a Resolution on environmental protection tax rates for gasoline, oil, and lubricants to apply in 2024 as the tax rate specified in the Resolution [30/2022/UBTVQH15](#) .

### 3. The Ministry of Finance proposes to reducing environmental protection tax on gasoline and oil by 50% in 2024

As follows:

- Gasoline, except ethanol is 2.000 VND/liter;
  - Flight fuel is 1.000 VND/liter;
  - Diesel oil, fuel oil, lubricant, grease is 1.000 VND/liter;
  - Fuel is 600 VNĐ/liter; grease is 1.000 VND/kg
  
- From 1 January 2025, environmental protection tax rates on gasoline, oil, and lubricants will comply with [Resolution 579/2018/UBTVQH14](#) of the UBTVQH as follows:
  - Gasoline, except ethanol, is 4.000 VND/liter;
  - Flight fuel is 3.000 VND/liter;
  - Diesel oil, fuel oil, lubricant oil is 2.000 VND/liter;
  - Kerosene is 1.000 VND/liter; grease is 2.000 VND/kg

To ensure continuity and timeliness, the Ministry of Finance proposes that **the Resolution take effect from 1 January 2024.**

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#### Positive impact of the draft


- Continuing to implement the environmental protection tax on gasoline, oil, and lubricants as prescribed in Resolution [30/2022/UBTVQH15](#) in 2024 will contribute to stabilizing domestic retail prices of gasoline and oil, thereby contributing to controlling inflation and stabilizing the macroeconomy.
- Contribute to supporting people and businesses in a difficult economic context.
- Ensure compliance with principles for adjusting environmental protection tax rates.

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