

LEGAL UPDATES

May 2020

Amendments to unemployment allowance

On May 29, 2020, the Government issued Decree No. 61/2020/ND-CP stipulating the unemployment allowance. Accordingly, This Decree amends the following provisions of Decree No. 28/2015/ND-CP on unemployment insurance and allowance:

1. Clause 2 of Article 3 about conditions for enterprises facing difficulties that leads to 30% reduction in labor force to receive the State's financial support for occupational training;
2. Clause 2 and 3 of Article 12 about participation time of unemployment insurance. According to these amendments, the period of unemployment insurance premium payment that is late certified by the social insurance organizations (if any) after the benefits have been offered shall be reserved.
3. Clause 2 of Article 16 about the application for unemployment allowance. Accordingly, copies of the accompanied documents can be submitted under the comparison with the original ones, instead of the authenticated copies. However, the management positions of the enterprise such as Director, Chairman, etc. shall receive unemployment allowance only when the business is bankrupted or dissolved, or when the dismissal decision is presented.
4. Adding Clause 4 to Article 17, stipulating that if the unemployed do not want to receive the allowance after submitting the application, they must submit a request for benefit refusal (!). This request must be promptly submitted within 15 days since the date of submission of the application.
5. Regarding health insurance (HI), it is not obligatory to return the HI card after it expires, the card shall be automatically invalid instead.

This Decree takes effect from July 15, 2020.

Goods imported for export production (EP) by outsourcing must be registered with the Customs to be considered for refund of import duty on raw materials

Official Letter No. 3150/TCHQ-TXNK dated May 15, 2020 of the General Department of Vietnam Customs refers to the handling of duty on goods imported for EP by outsourcing

In the case of Khanh Viet Corporation regarding consideration for duty exemption on goods imported for EP by outsourcing due to Damrey storm in 2017, the General Department of Vietnam Customs states that goods imported for EP by outsourcing without notifying the Customs fail to meet the regulations at Article 12 of Decree No. 134/2016/ND-CP. Accordingly, the imported materials for outsourcing shall not be considered for import duty exemption.

Increasing the rate of deduction based on family circumstances up to 11 million dong per month

Resolution No. 954/2020/UBTVQH14 dated June 02, 2020 of the Standing Committee of the National Assembly stipulates adjustment of the deduction based on family circumstances of personal income tax (PIT).

The National Assembly of Vietnam has officially increased the rate of personal deduction for a taxpayer from VND 9 million/month to VND 11 million/month. The deduction for each dependant of a taxpayer has also been increased from VND 3.6 million/month to VND 4.4 million/month.



Although the Resolution takes effect from July 01, 2020, the tax of the months counting from the beginning of 2020 shall be re-determined by the new applicable rates of deduction upon the PIT finalization for the whole year 2020.

It means that as from July 2020, PIT shall be calculated by using the deduction for a taxpayer of VND 11 million/month and the deduction for each dependant of a taxpayer of VND 4.4 million/month. The new rates of deduction have not been applied to the current income of June. By the end of the year, PIT of the whole year shall be finalized according to the new rates of deduction.

Whether used molds are subject to restrictions on import or not

Official Letter No. 1287/BKHCHN-DTG dated May 07, 2020 of the Ministry of Science and Technology provides guidelines on implementation of Decision No. 18/2019/QD-TTg.

Clause 1, Article 1 of Decision No. 18/2019/QD-TTg provides the regulations on useful life and quality inspection applied to used machinery, equipment and technological lines with HS codes under Chapter 84 and Chapter 85.

However, the machinery or equipment complied with this Decision must be only: "... a complete structure comprised of parts, groups of parts, and components that are interconnected to operate to serve the intended purposes" (Clause 1, Article 3 of Decision No. 18/2019/QD-TTg).

Therefore, according to the clarification of the Ministry of Science and Technology, the pressing molds and molds (HS code 8480.7190) under Chapter 84 but described as complete steel blocks, capable of being assembled together, incapable of self-operating and moving shall not be considered as machinery and equipment belonging to the scope of adjustment of Decision No. 18/2019/QD-TTg.



Deadline for submission of certificate of origin (C/O) is up to 180 days during the epidemic

Circular No. 47/2020/TT-BTC dated May 27, 2020 of the Ministry of Finance stipulates the time for submission of certificate of origin and forms thereof with regard to imports applicable in the context of the acute respiratory epidemic caused by Coronavirus (COVID-19).

This Circular regulates a number of accepted forms of C/O, including scanned/photocopied C/O provided that C/O issuer country announces the use of these forms.

Deadline for C/O submission is increased to 180 days (only 30 days under current regulation).

This Circular takes effect from January 23, 2020 (as at the time the Prime Minister declared the nationwide Covid-19 epidemic by Decision No. 137/QD-TTg).

Accordingly, submission of C/O regarding customs declarations registered from January 23, 2020 shall be permitted to delay within 180 days.

This Circular is valid until the Ministry of Finance announces its expiry based on situation of Covid-19 pandemic in the world.



List of 80 countries whose citizens are allowed to enter Vietnam by electronic visa (E-visa)

Resolution No. 79/NQ-CP dated May 25, 2020 of the Government on the list of countries whose citizens are eligible for issuance of E-visa; list of international border gates that allow the entry and exit of E-visa holders.

This Resolution announces the list of 80 countries whose citizens are eligible to enter Vietnam by E-visa. However, it is limited to 08 aviation border gates (Noi Bai, Tan Son Nhat, Cam Ranh, Da Nang, Cat Bi, Can Tho, Phu Quoc, Phu Bai), 16 roadway border gates and 13 seaway border gates.

South Korea, the United States, Russia, the United Kingdom, France, Japan, Australia and China are also included in this list.

This Resolution takes effect from July 01, 2020.

According to Clause 10, Article 1 of Law No. 51/2019/QH14, the Government shall decide the list of countries whose citizens are eligible for issuance of E-visa; list of international border gates that allow the entry and exit of E-visa holders.

E-visa shall have the "EV" sign. Foreigners may personally apply for E-visa; or foreign enterprises, branches, and representative offices in Vietnam in need of inviting/guaranteeing foreigners to enter Vietnam may make the application. Foreigners personally applying for E-visa perform as follows:

1. Fulfill required information to apply for E-visa; upload portrait photo and passport data page image on E-visa page of National web portal on immigration.
2. Pay application fee to the account specified on E-visa page of National web portal on immigration after receiving registration code from the immigration authorities.

NOTICE:

"The purpose of this news is to provide the clients with further information. Although we have focused much on the ensure of accuracy, the information that is given on this news is not absolutely thorough and the clients would better consult professional opinions before application."