Managing Business Immigration Risk in Vietnam

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Today’s discussions

► Inherent business immigration risk
► Legislation updates on Labor Code
► Associated risk in Immigration & PIT
► Q&A

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New Labor Code & Decree 102/2013

- New Labor Code effects from 1 May 2013
- Decree 102/2013 effects from 1 November 2013
- New scope of regulation
  - Provisions on issuance of work permit
  - Provisions on deportation of non-compliant foreigners
- Adding more applicable subjects, including technical workers
Significant changes in conditions & procedures

- Written pre-approval prior to hiring foreigners
- Removal of work permit exemption for foreigners working for less than three (03) months in Vietnam
- The maximum work permit term reduced to 24 months
- Re-application of work permit
Significant changes in conditions & procedures

- Procedure of work permit/work permit exemption applications
- Reporting requirements
- Revocation of work permit
- Deportation of foreigners working without work permit
Effective from 10 October 2013

Reaffirmation of strict regulations for non-compliance cases

- Deportation of foreigners from Vietnam
- Increase in administration sanction
- Suspension of enterprise operation for 1 to 3 months
Immigration risks for business travelers

- Is work permit required for short-term assignment?
- Is the business visa sufficient for business traveler?
- Typical non-compliant immigration cases
- Possibility of clear and specific regulations on business travelers?
Tax risks for business travelers - How are they known by tax authorities?

► Obtain list of business travelers and sponsoring entities from immigration authorities

► Review accounting records (expenses, employment costs) from the entities in Vietnam during tax audits
Tax risks for business travelers – What are they?

► Taxed on the 1st date of arrival ⇒ are you compliant?
► Stringent enforcement of tax compliance from Government under new PIT regulations
► Increased penalties for non-compliance from 1 July 2013
► The tax authorities now focus on this untapped revenue during tax audit activities
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