

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

GIẤY PHÉP LAO ĐỘNG
WORK PERMIT

Số: 25000/SHCM
Nơi: **CAP LẠ**

1. Họ và tên:
Full name

2. Nam (M), Nữ (F):
Date of birth (DD-MM-YY) A943941

3. Ngày, tháng, năm sinh:
Date of birth (DD-MM-YY)

4. Quốc tịch hiện nay: Thái Lan Số hộ chiếu:
Current nationality Passport number

5. Trình độ chuyên môn (tay nghề): KN lĩnh vực dẫn lái
Professional qualification and skill level

6. Làm việc tại doanh nghiệp, tổ chức:
Working at enterprise, organization (employer)

7. Nơi làm việc: 111 Pasteur
Working place Quận 1

8. Vị trí công việc: Kỹ sư giám sát bậc 3
Job assignment

9. Thời hạn làm việc từ ngày 6 tháng 10 năm 2011 đến ngày 6 tháng 10 năm 2014
Period of work from To

Tp. Hồ Chí Minh ngày 26 tháng 9 năm 2011

GIÁM ĐỐC SỞ LAO ĐỘNG - THƯƠNG BINH VÀ XÃ HỘI - Tp. Hồ Chí Minh
DIRECTOR OF DEPARTMENT OF LABOUR, INVALIDS AND SOCIAL AFFAIRS

Ký, đóng dấu
Signature and stamp

LAO ĐỘNG
THƯƠNG BINH VÀ
XÃ HỘI
Lê Thanh Tâm

- ▶ 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



Administration sanctions - 95/2013-NDCP

- ▶ 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

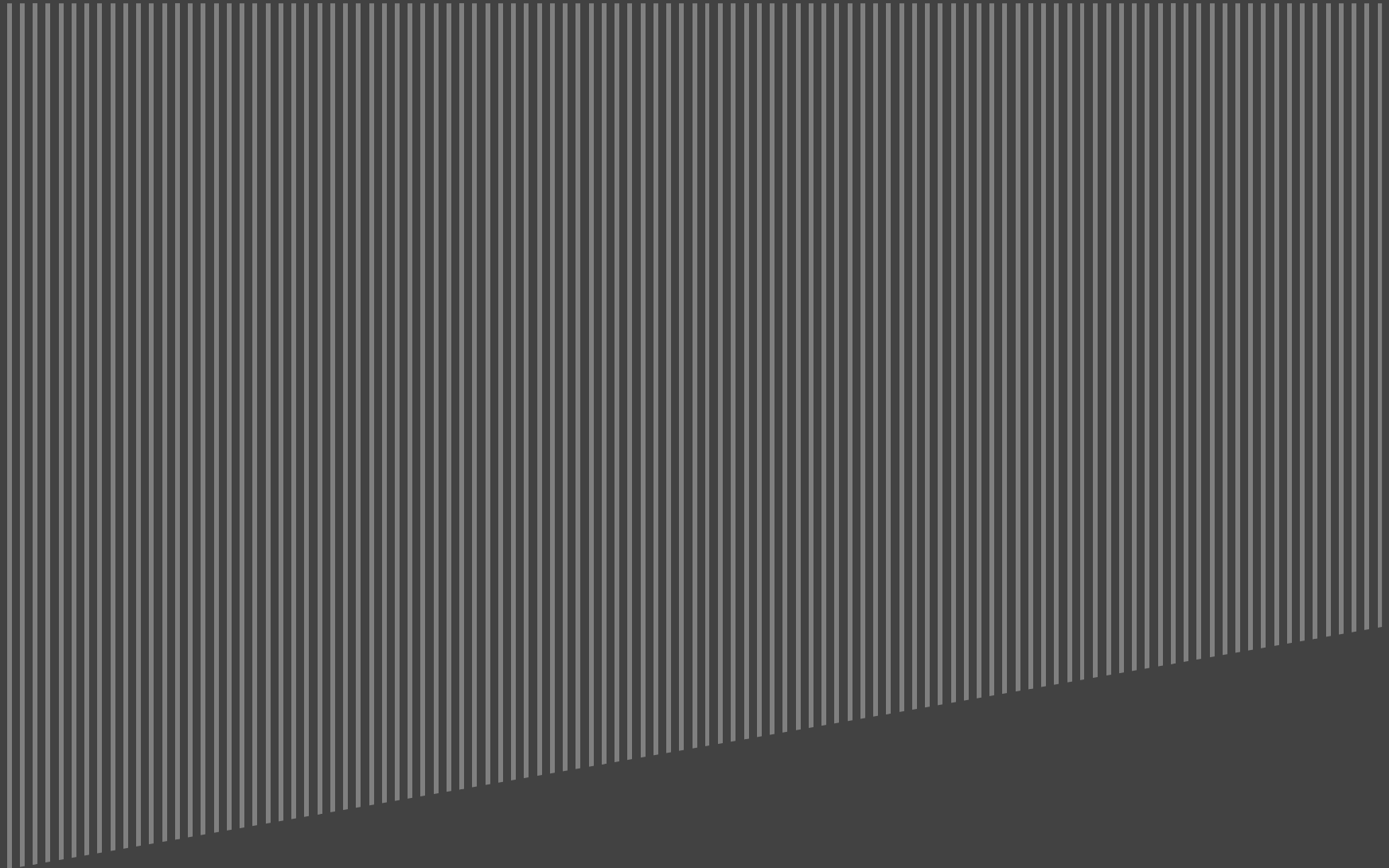


Tax risks for business travelers – What are they?

- ▶ 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



Q&A



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