

LEGAL UPDATE (July 2021)

In this issue, we would like to bring to your attention to the following:

- Conditions for enterprises to get loan to pay furlough wages and loan for production recovery;
- The rate of payment of compulsory social insurance to the fund of occupational accidents and diseases is 0% until 30th June, 2022.

1. **Conditions for enterprises to get loans to pay furlough wages and loan for production recovery**

Resolution 68/NQ-CP stipulating a number of policies to support employees and employers facing difficulties due to the Covid-19 pandemic takes effect on 1st July, 2021.

Accordingly, employers are entitled to receive a loan to pay the furlough and the production recovery wages, specifically:

- **Loan to pay furlough wages:** Employers are entitled to borrow a loan from Vietnam Bank for Social Policies at the interest rate of 0% and not required to furnish a loan security to pay furlough wages to employees who have participated in compulsory social insurance and have been put on furlough for 15 consecutive days or more as prescribed in Clause 3, Article 99 of the Labor Code, from May 1st, 2021 to the end of March 31st, 2022. To receive the benefit, employers must have no bad debt at any credit institution and foreign bank branch at the time of applying for a loan. The maximum loan amount is equal to the regional minimum wage for the number of employees according to the actual payment period of furlough wages but not exceeding 03 months. The loan term is less than 12 months.
- **Loan to pay wages for production recovery:** Employers are entitled to borrow a loan from Vietnam Bank for Social Policies at the interest rate of 0% and is not required to furnish a loan security to pay wages to the employees who have worked under employment contracts and have contributed to compulsory social insurance if it resumes the business after suspending operations at the request of the competent authority to prevent and control the COVID-19 pandemic, from May 1st, 2021 to the end of March 31st, 2022 and its line of business is in the field of transportation, aviation, tourism, accommodation services, sending Vietnamese workers to work abroad under a contract from May 1st, 2021 to the end of March 31st, 2021. To receive the benefit, employers must have no bad debt at any credit institution and foreign bank branch at the time of applying for a loan. The maximum loan amount is equal to the regional minimum wage for the number of employees under employment contracts according

to the actual payment period of wages but not exceeding 03 months. The loan term is less than 12 months.

2. The rate of payment of compulsory social insurance to the fund of occupational accidents and diseases is 0% until June 30th, 2022

Also according to the content of Resolution No. 68/NQ-CP, employers are entitled to a premium rate of 0% of the salary fund as the basis for paying social insurance premiums to the Insurance Fund for Occupational Accidents and Diseases for 12 months (from July 1st, 2021 to June 30th, 2022) for employees eligible for occupational accident and disease insurance (except for officials, public employees, people in the people's armed forces, employees in the agencies of the Party, the State, administrative agencies, public sector entities on the payroll of the state budget). Employers will provide the monetary support obtained from the reduction in premiums to the Insurance fund for occupational accidents and diseases for their employees in order to combat the COVID-19 pandemic.

We hope this Weekly Newsletter would bring you useful information.

Best regards.

Contributor(s):**Mr. DINH QUANG LONG****Director cum Managing Partner****M** (+84) 919 963 977 | **E** long.dinh@apolatlegal.com**Mr. DAO TRUNG THONG****Associate****M** (+84) 777 164 449 | **E** thong.dao@apolatlegal.com**Ms. DINH HO NHI HA****Paralegal****M** (+84) 39 4022 516 | **E** ha.dinh@apolatlegal.com

Disclaimer: All materials have been prepared for general information purposes only. The information is not intended as, and should not be taken as, legal advice. Do not act or refrain from acting based upon information provided herein without first consulting our lawyers about your particular factual and legal circumstances. Apolat Legal can accept no responsibility for loss occasioned to any person acting or refraining from action as a result of any material in this publication. On any specific matter, reference should be made to the appropriate adviser.

ABOUT US,

Apolat Legal is a professional law firm with its offices in Ho Chi Minh city and Ha Noi city. The firm's lawyer team specializes in almost all legal practice areas in Vietnam including Enterprise and Investment; Labor and Employment; Intellectual Property; Dispute Resolution; Real Estate and Construction; Information and Communication; Natural Resources and Environment; Transport; Industry and Trade; Education and Training; Finance and Banking; Agriculture; Legal Document Translation; Legal Training.

Our reputation and the quality of its services are reflected by our clients. We are serving nearly 1,000 clients both local and multi-national companies.

We are also honored to receive numerous recognitions and/or articles posted by world-leading and local organizations and publications including: The Law Association for Asia and the Pacific (LawAsia, 1966), The Legal500, IP Link, IP Coster, Lexology, Global Trade Review (GTR), The Saigon Times, etc.

Contacts:

HO CHI MINH CITY (Head office)

5th Floor, IMM Building
99-101 Nguyen Dinh Chieu, District 3
Ho Chi Minh City, Vietnam

THE BRANCH IN HA NOI CITY

Room A8, 29th Floor, East Tower, Lotte Center
54 Lieu Giai, Cong Vi Ward, Ba Dinh District
Hanoi City, Vietnam

Tel: +84-28-3899 8683

Email: info@apolatlegal.com

Website: www.apolatlegal.com

SINGAPORE (Affiliated office)

#26-10, SBF Center,
160 Robinson Road
Singapore 068914

Tel: +84-93-2014 986

Email: info@apolatlegal.com

Website: www.apolatlegal.com

Scan QR code:

