

## LEGAL UPDATE (13.01.2020)

*In this issue, we would like to bring to your attention a brief overview of the recent legal news concerning the following:*

- *Submitting the report on the status of labor uses in 2019;*
- *Reporting on occupational health and safety;*
- *Paying licensing fees of 2020;*
- *Finalizing the annual Personal Income Tax and Enterprise Income Tax.*

### **1. Submitting the report on the status of labor uses in 2019**

According to Article 8 of Decree No. 03/2014/NĐ-CP, the employers must report on changes of labor uses to the Labor, War Invalids and Social Affairs Division or Department of Labor, War Invalids and Social Affairs (for employers operating in industrial parks) of the locality where the enterprise locate its head office, branches or representative offices. The labor sub-lease enterprise must report on the number of sub-leased laborers to the Labor, War Invalids, and Social Affairs Department, where their head office, branches, and representative office are located, biannually and annually. The specific reporting time is clarified to be before May 25th and November 25th each year in Circular No. 23/2014/TT-BLĐTBXH of Ministry of Labor, War Invalids, and Social Affairs.

In the case the labor sub-lease enterprises fail to submit the report to the competent local labor authority, the employers shall be liable to a fine from 1.000.000 VND to 3.000.000 VND (Paragraph 2 Article 9 of Decree No. 95/2013/NĐ-CP, amended by Paragraph 8 Article 1 Decree No. 88/2015).

In case the employers using foreign laborers do not report or fail to sufficiently, duly report to the competent labor authority shall be liable to a fine from 1.000.000 VND to 2.000.000VND (Paragraph 2 Article 22 of Decree No. 95/2013/NĐ-CP, amended by Paragraph 8 Article 1 Decree No. 88/2015).

In case the foreign employers using Vietnamese laborers without reporting to the competent labor authority shall be liable to a fine from 1.000.000 VND to 3.000.000VND.

### **2. Reporting on occupational health and safety**

According to Paragraph 2 Article 10 of Circular No. 07/2016/TT-BLĐTBXH, the Employers must submit an annual report on occupational health and safety to the Department of Labor, War Invalids and Social Affairs, and Department of Health (submit directly or by post or via email/ fax) by January 10th of 2020.

Employers who do not submit the annual report on occupational health and safety shall be liable to a fine of from 2.000.000 VND to 5.000.000 VND (Point d Paragraph 1 Article 16 of Decree no. 95/2013/NĐ-CP).

### 3. Paying licensing fees of 2020

According to Paragraph 4 Article 5 of Decree No. 139/2016/NĐ-CP, the prescribed time limit for payment of licensing fees is no later than January 30th of 2020.

The enterprise fails to submit the licensing fees on time shall be liable to a penalty of 0.03% on the deferred licensing fees for each late day (Paragraph 3 Article 3 of Circular 13/2016/TT-BTC), namely:

**Late payment amount = deferred licensing fee x 0.03% x The date of late payment**

**Of Note:** The date of late tax payment (including public holidays and statutory days off as prescribed by law) shall be counted from the following date of the expiry date of the tax payment term.

### 4. Finalizing the annual Personal Income Tax and Enterprise Income Tax

According to Paragraph 1 Article 21 of Circular No. 92/2015/TT-BTC, the enterprise pays wages/salaries to the employees must finalize the personal income tax of employees. Besides, the enterprise must also finalize enterprise income tax according to Paragraph 4 of Article 12 of Circular 156/2013 / TT-BTC.

The annual finalized declarations must be submitted within 90 days from the end of the calendar year or tax year. (Point dd Paragraph 3 Article 10 of Circular No. 156/2013/TT-BTC).

We hope this short Letter of legal updates would bring you useful information.

Best regards.

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### Contacts:

#### **HO CHI MINH CITY (Head office)**

5th Floor, GIC Buidling  
36A Nguyen Gia Tri, Binh Thanh District  
Ho Chi Minh City, Vietnam  
Tel: +84-28-3899 8683  
info@apolatlegal.com  
www.apolatlegal.com

#### **SINGAPORE (Affiliated office)**

#26-10, SBF Center,  
160 Robinson Road  
Singapore 068914  
Tel: +84-93-2014 986  
info@apolatlegal.com  
www.apolatlegal.com