

LEGAL UPDATES (June 08th, 2020)

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

- *The changes in personal income tax exemptions;*
- *New regulations on compulsory social insurance contributions to the occupational accident and disease insurance fund; and*
- *Ministry of Public Security's warns of phishing.*

1. The changes in personal income tax exemptions

On June 02nd, 2020, the Standing Committee of The National Assembly promulgated Resolution No. 954/2020/UBTVQH14 to change the personal income tax exemptions, which takes effect on July 01st, 2020. According to this Resolution, the personal income tax exemptions shall be changed as follows:

- Personal exemption: 11 million VND/month (132 million VND/year);
- Exemption for each dependent: 4,4 million VND/dependent/month.

Taxpayers who have paid tax and applied the exemptions specified in the previous regulations, may recalculate the personal income tax payable by applying the exemptions specified in this Resolution when preparing the 2020's annual personal income tax declaration.

The new exemptions are applied from the tax period of 2020.

2. New regulations on compulsory social insurance contributions to the occupational accident and disease insurance fund

On May 27th, 2020, the Government promulgated Decree No. 58/2020/NĐ-CP on compulsory social insurance contributions to the occupational accident and disease insurance fund.

Accordingly, the employers contribute monthly to the occupational accident and disease insurance fund for employees equal to 0.5% of the salary fund used as a basis for payment of social insurance. In case the enterprises operate in industries with high risks of occupational accidents and occupational diseases, the contribution is 0.3% of the salary fund used as a basis for payment of social insurance when the following conditions are met.

- Within 03 years up to the time of proposing not to be sanctioned for administrative violations in the form of fines, not to be examined for criminal responsibility for acts of violating the legislation on occupational safety and sanitation and social insurance
- To make periodic reports on occupational accidents and occupational safety and sanitation reports accurately, entirely and on time within 03 years preceding the proposed year

- The rate of occupational accidents of the year preceding the proposed year must be reduced by 15% or more compared to the average occupational accident frequency of 03 years preceding the proposed year; or not to cause occupational accidents from 03 years preceding the proposed year.

Decree No. 58/2020/ND-CP comes into effect from July 15th, 2020.

3. Ministry of Public Security warns of phishing

On June 4th, 2020, the Ministry of Public Security Portal posted a warning notice about new tricks to defraud the sellers' property. The fraudster pretends to be a buyer and suggests transferring money in advance to the seller through Western Union, then the fraudster sends the victim a link that looks like the official Western Union website to receive the payment. After the victim completes the bank account information on the fake website, the fraudster also simultaneously transfers money from the victim's account.

Ministry of Public Security warns: Online sellers who have never transacted via international money transfer systems, should be wary of this fraud. **It is recommended to verify the information carefully when making remittance.** Only conduct transactions on official and public websites of financial institutions or banks. Never give OTP codes to others. Limiting the publicity of date of birth, citizen identification number, telephone number, bank account number on cyberspace. For public accounts used for online transactions, it is necessary to limit the excess amount of money to avoid property appropriation.

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

Contributor(s):**Mr. LE TIEN DAT****Managing Partner****M** (+84) 939 107 387 | **E** dat.le@apolatlegal.com**Mr. DAO TRUNG THONG****Associate****M** (+84) 77 716 4449 | **E** thong.dao@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.

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

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.

SINGAPORE (Affiliated office)

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