

LEGAL UPDATES (17th August 2020)

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

- Vietnam General Confederation of Labour to issue Official dispatch No. 771/TLĐ on exemption from paying union fees
- The new Decision 22/2020/TTg of the Prime Minister on reducing land rent of 2020 for subjects influenced by Covid -19

(I) Vietnam General Confederation of Labour to issue Official dispatch No. 771/TLĐ on exemption from union fees

On July 29th, 2020, the Vietnam General Confederation of Labour issued Official dispatch No. 771/TLĐ on exempt obligations to pay union fees for several qualified subjects impacted by Covid-19 pandemic, which takes effect on July 29th, 2020.

In particular, for union members whose income is lower than the base salary, during the period of receiving this income, do not have to pay the union fee.

Regarding the duration of such exemption, following the current situation, Vietnam has been effectively preventing epidemics, with incredible epidemic control and international recognition. Therefore, it is reasonable to believe that the epidemic will be under controlled at the end of 2020. Meanwhile, enterprises will have a relatively long time to remedy the influence of Covid-19. As the result, the General Confederation of Labour provides that the duration of such exemptions will last to the end of December 31st, 2020.

(II) The new Decision 22/2020/TTg on reducing land rent of 2020 for subjects influenced by Covid-19

On August 10th, 2020, Prime Minister signed and promulgated Decision 22/2020/TTg on reducing land rent of 2020 for subjects influenced by Covid-19.

In particular, according to this decision, subjects (including enterprise, organizations, households and individuals) that (a) are directly leasing land from the State under decisions or contracts of a competent state agency in the form of annual rent payment and (b) have to stop production and business for 15 days or more due to the influence of Covid - 19 will enjoy a 15% reduction of the land rent of this year, except for those who still owe land rent before 2020 and late payment interest.

For enterprises that conduct many production and business activities, they are also considered one of the beneficiaries of this support if only one of the production and business activity implemented in the land or parcel of land being directly leased by the State.

Regarding procedures to be benefited from this support, leasees need to submit a application dossier to request the reduction of land rent (by electronically or another regulatory method) for tax authorities, management of economic zones, hi – tech zones or other agencies as prescribed by law from August 10th, 2020 to December 31st,2020. The dossier will be considered within 20 days. After that, if a subject is eligible to enjoy supports, tax authorities, Management of Economic zones or Hi – tech zones, etc. will determine the amount of rent to be reduced and promulgate a decision to reduce land rent according to the provisions of the law on collection of land rent.

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. TRAN CHAU HOAI HAN****Associate****LL.M. (Bangor, UK)****M** (+84) 988 787 285 | **E** han.tran@apolatlegal.com

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Contacts:**HO CHI MINH CITY (Head office)**

5th Floor, IMM Building
99-101 Nguyen Dinh Chieu, District 3
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