



GMS Flash Alert

Immigration Edition

2020-031 | February 14, 2020

Vietnam - Changes in Work Permit, Immigration Procedures

The *Amended Law on Immigration* for foreigners and the New Labor Code have been passed by the National Assembly of Vietnam and will take effect from 1 July 2020 and 1 January 2021 respectively.¹ The recent changes in the *Amended Law on Immigration* and the New Labor Code will affect the work and resident permit applications for foreign workers who come to work in Vietnam.

WHY THIS MATTERS

The number of foreign skilled workers coming to Vietnam has increased in recent years and is expected to increase considerably over the next few years. To enforce the management of foreign workers in Vietnam, a number of changes were introduced in the New Labour Code, which is expected to give the labour authorities more power to control and review the status of foreign workers employed by/at Vietnamese employers.

By contrast, the *Amended Law on Immigration* is expected to provide more convenience for foreign workers with valid work permits to apply for/transfer to resident permits in Vietnam.

These changes will require employers to review and update the current status of their foreign employees for work permit and immigration procedures and planning.

Changes in Labour Regulations Impacting Work Permit Applications

Work Permit Exemption Extended

A foreign national married to a Vietnamese citizen is now exempt from a work permit. Therefore, the immediate sponsor for visa/temporary resident cards for the foreign national could be changed from the Vietnam organisation to the Vietnamese husband/wife of the foreign national. Regulations to be issued in due course should give guidance on this matter.

Foreign national owners or shareholding members of limited liability companies and shareholders being members of the board of directors of joint stock companies with a certain threshold of capital contributions are entitled to a work permit exemption. The government will provide further guidance on the threshold requirements in due course.

Revision of Ability to Renew Work Permits

The term for a work permit is up to two years and under the new regulations can only be renewed once for a further two-year term.

KPMG NOTE

This is a significant change. To date there has been no restriction on the number of times a work permit can be renewed. As a result of this change, it is understood that the foreign national must make a fresh work permit application based on his or her current role and requirement.

The KPMG International member firm in Vietnam believes this change has been implemented to give the labour authority more power to review the ongoing foreign worker requirement and to determine approval of the application.

No further detail has been released as to the impact of this change. However, it could result in increased administrative burden and cost relating to the employment of foreign workers.

Please note this will also affect those foreign workers who have already renewed their work permits at least once.

Changes of Immigration Procedures

1. Changing Visa Types and Leaving Vietnam First

Currently if a visa needs to be changed to a different type/category, a foreign national needs to leave Vietnam and enter again under the new visa. This policy has been relaxed and a visa can be changed without the need to exit Vietnam in the following circumstances:

- i. Being an investor or a representative of a foreign organisation investing in Vietnam;
- ii. Being a parent, spouse, or child of the guarantor;
- iii. Being invited or guaranteed to enter Vietnam for employment and granted a work permit or work permit exemption;
- iv. Entering Vietnam under an e-visa and then being granted a work permit or work permit exemption.

KPMG NOTE

The change above provides for a more efficient immigration procedure and also saves time/cost for the foreign national/Vietnam sponsors.

2. Visa-Free Entry and Entry/Exit Dates

For foreign nationals coming from countries which Vietnam unilaterally granted visa-free entry, it is no longer required that the entry date must be at least 30 days from the previous exit.

3. Residence Term

The *Amended Law on Immigration* sets out a maximum residence term of 30 days for foreign tourists down from up to 90 days under their DL or tourist visa. However, foreign tourists may apply to extend their residency term if necessary and the relevant immigration authority will re-assess the immigration purpose of the tourist to determine whether approval to extend will be granted.

KPMG NOTE

This change has been introduced to allow more efficient administration of foreign tourists in Vietnam as the authorities are aware that some foreign tourists are breaching immigration regulations and working while on a tourist visa. This could have a significant impact on casual labour.

FOOTNOTE:

1 *Amended Law No. 51/2019/QH14* dated 25 November 2019 and Labour Code No. 45/2019/QH14 dated 20 November 2019.

* * * *

Contact us

For additional information or assistance, please contact your local GMS or People Services professional* or one of the following professionals with the KPMG International member firm in Vietnam:



Andrea Godfrey
Partner

Mob. +84 917 974 454

andragodfrey@kpmg.com.vn



Dang Duc Giang
Associate Director

Mob. +84 985 258 589

gddang@kpmg.com.vn

** Please note that KPMG LLP (U.S.) does not provide any immigration services. However, KPMG Law LLP in Canada can assist clients with U.S. immigration matters.*

The information contained in this newsletter was submitted by the KPMG International member firm in Vietnam.

© 2020 KPMG Limited, a Vietnamese limited liability company and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity. All rights reserved.

www.kpmg.com

kpmg.com/socialmedia



© 2020 KPMG LLP, a Delaware limited liability partnership and the U.S. member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity. All rights reserved. Printed in the U.S.A. NDPPS 530159

The KPMG name and logo are registered trademarks or trademarks of KPMG International.

The KPMG logo and name are trademarks of KPMG International. KPMG International is a Swiss cooperative that serves as a coordinating entity for a network of independent member firms. KPMG International provides no audit or other client services. Such services are provided solely by member firms in their respective geographic areas. KPMG International and its member firms are legally distinct and separate entities. They are not and nothing contained herein shall be construed to place these entities in the relationship of parents, subsidiaries, agents, partners, or joint venturers. No member firm has any authority (actual, apparent, implied or otherwise) to obligate or bind KPMG International or any member firm in any manner whatsoever. The information contained in herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

Flash Alert is a GMS publication of KPMG LLP's Washington National Tax practice. To view this publication or recent prior issues online, please click [here](#). To learn more about our GMS practice, please visit us on the Internet: click [here](#) or go to <http://www.kpmg.com>.