GLOBAL VIETNAM LAWYERS

LEGAL NEWSLETTER

Issue No. 10 | October 2026

www.gvlawyers.com.vn

GLOBAL VIETNAM LAWYERS

MAIN CONTENTS

❖ LATEST LEGAL UPDATE

1. New rules on the recruitment and management of Vietnamese employees by foregn organizations and individuals.
2. New guidance on disputes over deposits.

❖ LEGAL GUIDANCE

1. VAT and invoicing requirements for services performed outside Vietnam.
2. Personal income tax on gifts.
3. Input VAT Credit for Contributed Assets.
4. Determining the VAT rate for imported goods sold domestically.

❖ GOOD READINGS FOR YOU

1. Proposal to abolish police acceptance inspections for fire safety before buildings open.
2. Ministry of Home Affairs announces 2027 Lunar New Year holiday schedule.

❖ NEWLY ISSUED LEGAL DOCUMENTS

LASTEST LEGAL UPDATE

1. New rules on the recruitment and management of Vietnamese employees by foreign organizations and individuals

On 25 September 2026, the Government issued Decree No. 371/2026/ND-CP **("Decree 371/2026")** on the recruitment and management of Vietnamese employees working for foreign organizations and individuals in Vietnam. It will take effect on 15 November 2026, replacing the relevant provisions of Decree No. 152/2020/ND-CP, as amended by Decree No. 70/2023/ND-CP **("Decree 152/2020").** The new Decree introduces several changes that foreign organizations and individuals should note when employing Vietnamese employees in Vietnam.

1.1 Narrower scope of application

Decree 371/2026 removes representative offices of foreign organizations in the fields of economics, trade, finance, banking, insurance, science and technology, culture, education, healthcare, and foreign legal consultancy from the special management regime. The recruitment and management of employees at these representative offices will instead be governed by the Labor Code and other relevant laws.

The definition of foreign individuals covered by the Decree has also been narrowed. It now covers only foreign individuals working for foreign organizations that employ Vietnamese employees.

1.2 Changes to the authority responsible for managing Vietnamese employees

Under Decree 152/2020, responsibility for managing Vietnamese employees working for foreign organizations and individuals in Vietnam was allocated through such arrangements as decentralization, authorization, assignment of tasks, or bidding by the Ministry of Foreign Affairs and competent provincial authorities. Decree 371/2026 replaces this arrangement with a system in which the relevant functions are carried out by agencies and organizations to which the Ministry of Foreign Affairs delegates authority, grants authorization, or assigns tasks.

This change may affect the bodies or agencies where recruitment notices are submitted, where notices of the execution or termination of employment contracts are filed, which receive periodic reports, or which provide recruitment and referral services.

1.3 Recruitment information must be made public

Under Article 6.1 of Decree 371/2026, foreign organizations and individuals recruiting Vietnamese employees must both (i) submit a written notice to the competent management authority specifying the positions and number of employees to be recruited, and (ii) publicly post the recruitment information on the National Employment Service Portal (https://www.vieclam.gov.vn), another lawful employment portal, or the organization's official website.

1.4 Employees must complete the program on dissemination of legal information within 6 months

Vietnamese employees must complete a program on the State's policies and laws

within six months after signing their labor contracts. On completion, they will receive a certificate, which must be added to their personnel management file.

1.5 Updated notification requirements after a labor contract is signed

Article 7 of Decree 371/2026 extends the deadline for foreign organizations and individuals to notify the competent authority of a Vietnamese employee's recruitment from 7 to 10 working days after the labor contract is signed. It also clarifies the respective responsibilities of the employer and employee for providing information and personnel records.

The employer must submit a written notice to the competent management authority stating the employee's full name, personal identification number, job position, and start date. The employee must submit their personnel records to the competent management authority, including a Personal Information Form and a copy of the signed labor contract.

1.6 Additional requirements when using labor outsourcing services

- *Foreign organizations and individuals* must notify the competent management authority that they are using labor outsourcing services ***within seven working days after the service begins***.

- *Labor outsourcing enterprises* must provide a list of outsourced employees ***within 10 working days after placing them***. They must also submit an annual report on their labor outsourcing activities to the competent management authority by ***15 December each year***.

2. New guidance on disputes over deposits

On 18 August 2026, the Council of Justices of the Supreme People's Court issued Resolution No. 03/2026/NQ-HDTP **("Resolution 03/2026"),** providing guidance on the application of certain legal provisions to disputes over deposits. The Resolution took effect on 15 October 2026. Its key points are as follows:

2.1 A deposit agreement may be separate or form part of the main contract

Under Article 2 of Resolution 03/2026, a deposit agreement is a civil transaction. It may be made as a separate agreement or included as a clause in the contract whose obligations the deposit secures. If specialized legislation requires the agreement to be in writing or to follow a particular form, the parties must meet that requirement.

2.2 An intended contract failing to meet the conditions for execution does not automatically invalidate the deposit agreement

Under Article 3 of Resolution 03/2026, a deposit agreement is not automatically invalid merely because the intended contract is not executed, cannot be performed, or may be invalidated. The deposit agreement may remain valid if it meets the Civil Code's requirements for a valid civil transaction, including requirements concerning the parties, their consent, the transaction's purpose and content, and its form.

This principle applies in two situations:

(1) The contents of the intended contract have not been fully settled or are unclear. For example, the parties may not have specified the area, dimensions, or transfer price of land use rights, preventing the contract from being executed or performed.

(2) The intended contract would be invalid if executed when the deposit is made. For example, the land may not yet be registered in the deposit recipient's name or may not meet the conditions for transfer. The parties may agree on a period for completing the procedures to obtain a Certificate of Land Use Rights. If that period expires before the deposit recipient obtains the certificate, the deposit agreement is not automatically invalid, provided it otherwise meets the statutory requirements for a valid civil transaction.

2.3 The deposit recipient's right to recover the asset

Under Article 4 of Resolution 03/2026, once the deposit arrangement is effective against third parties, the deposit recipient is generally entitled to recover the asset, even if it has since been sold, gifted, exchanged, or otherwise transferred to someone else.

If an asset secures more than one obligation, payment priority is determined by when each security arrangement became effective against third parties and by the applicable laws and regulations.

2.4 A wider range of assets may be used as deposits

Under Article 5 of Resolution 03/2026, deposits may consist of money, precious metals, precious stones, shares, bonds, or digital assets, provided the asset (i) is not prohibited or restricted from being traded, (ii) can be delivered to and held by the deposit recipient, and (iii) has a value that can be determined when the deposit is made.

2.5 Clarified consequences of breaching a deposit agreement

Article 6 of Resolution 03/2026 sets out the following principles on the consequences of breaching a deposit agreement:

- If no other agreement applies, the party at fault for the intended contract not being concluded, performed, or valid must forfeit the deposit.
- If the parties agree on a deposit penalty that exceeds the value of the contract, the penalty must not exceed the contract value as of the date of the first-instance trial.
- A party may claim both a deposit penalty and damages if the statutory requirements are met. However, for the same breach, the court will not award both a deposit penalty and a contractual penalty. It will consider the claim for a deposit penalty and reject the claim for a contractual penalty.
- The court may award interest on a deposit that must be returned, but not on the deposit penalty.

GLOBAL VIETNAM LAWYERS

2.6 Clarified jurisdiction over disputes

Under Article 7 of Resolution 03/2026, a dispute over a deposit agreement relating to real estate is not necessarily heard by the court where the property is located. As a general rule, jurisdiction is based on the defendant's place of residence or work, or the location of the defendant's head office, as applicable, unless the parties have made a valid agreement on jurisdiction.

If a dispute includes a claim to have a notarized document declared invalid, the competent court is determined according to the claims made in the lawsuit.

2.7 Limitation periods depend on the type of claim

Under Article 8 of Resolution 03/2026, different limitation periods apply to different claims arising from the same deposit transaction:

- Claims for a deposit penalty, damages, or other contractual remedies: ***three years.***
- Claims to have the deposit transaction declared invalid: the limitation period for invalid civil transactions applies, namely ***two years***.
- Claims for the return of the deposited asset: ***no limitation period applies.***

GLOBAL VIETNAM LAWYERS

1. VAT and invoicing requirements for services performed outside Vietnam

If a company provides a Vietnamese enterprise with support services for international transportation—such as cargo handling, customs clearance, loading and unloading, lifting and lowering, and packaging—and performs those services outside Vietnam, the services are outside the scope of the Law on Value-Added Tax if they are neither used for production or business activities nor consumed in Vietnam.

As a general rule, organizations and individuals that sell goods or provide services must issue invoices to their customers. Accordingly, if the company performs the services outside Vietnam, it must issue an invoice to the customer in accordance with Article 4.1 of Decree No. 254/2026/ND-CP.

The Tax Department responded to Viettel Logistics One Member Co., Ltd.'s inquiry in Official Letter No. 7634/CT-QLNT dated 14 October 2026.

2. Personal income tax on gifts

Cash and non-cash benefits that a company provides to employees—including gifts for holidays and public holidays—are subject to personal income tax. The company must withhold the tax and pay it on the employees' behalf in accordance with Article 50 of Decree No. 253/2026/ND-CP.

The Hung Yen Tax Office responded to Kyocera Co., Ltd.'s inquiry in Official Letter No. 19152/HYE-QLDN2 dated 23 October 2026.

3. Input VAT credit for contributed assets

If a company determines that an asset was contributed as capital in compliance with applicable regulations, it may credit the VAT shown on the purchase invoice for that asset, issued by the contributor, provided the conditions in Article 24.2 of Decree No. 181/2025/ND-CP are met.

If the company determines that the input VAT relates to an investment project, it must declare the VAT using Form No. 02/GTGT, issued with Circular No. 89/2026/TT-BTC.

The relevant forms issued with Circular No. 89/2026/TT-BTC explain how to complete each item in Form No. 02/GTGT on VAT declaration.

The Can Tho Tax Office responded to IDD Can Tho Co., Ltd.'s inquiry in Official Letter No. 8913/CTH-QLDN3 dated 5 October 2026.

4. Determining the VAT rate for imported goods sold domestically

If a company imports fava beans and resells them without processing them into another product, no VAT declaration or payment is required when the buyer is another enterprise, cooperative, or cooperative union, under Article 4.1(b) of Decree No. 181/2025/ND-CP, as supplemented by Decree No. 359/2025/ND-CP.

If the buyer is a household or individual engaged in production or business, or another organization or individual, the applicable VAT rate is 5% under Articles 4.1(b) and 19.3 of Decree No. 181/2025/ND-CP, as supplemented by Decree No. 359/2025/ND-CP.

The Hung Yen Tax Office responded to ABC Vietnam JSC's inquiry in Official Letter No. 18580/HYE-QLDN1 dated 13 October 2026.

GOOD READINGS FOR YOU

1. Proposal to abolish police acceptance inspections for fire safety before buildings open

In the draft Law on Fire Prevention, Firefighting, and Rescue, the Ministry of Public Security proposes removing the requirement for police acceptance inspections before a building can be put into use.

Under current regulations, buildings whose fire safety designs are subject to appraisal must complete two procedures: (i) appraisal of the fire safety design before construction, and (ii) inspection and acceptance of the completed works before use. The Ministry considers these procedures overlapping and proposes abolishing police-run acceptance inspections. Investors would instead carry out the inspections themselves, enter the relevant information in the fire prevention, firefighting, and rescue database, and connect to the fire alarm transmission system before operations begin.

According to the Ministry, the proposal would shorten the process for investors and help them begin commercial operations sooner. It would also reduce the time and resources required of state authorities.

The proposed regulations are expected to take effect on 1 March 2027. In preparation, investors and enterprises should ensure that construction complies with the approved fire safety designs, that all required information is entered in the national database, and that acceptance records are kept at the premises. During operation, the heads of the relevant establishments must continue to maintain the safety of technical systems and must not make unauthorized extensions or change the premises' intended use.

Source: VnExpress

2. Ministry of Home Affairs announces 2027 Lunar New Year holiday schedule

The Ministry of Home Affairs has announced the 2027 Lunar New Year and National Day holiday schedules for civil servants, public employees, and employees.

For the 2027 Lunar New Year, civil servants and public employees will have five days off under the statutory schedule: two days before the holiday and three days after it. Because two weekly rest days fall during the holiday, they will also receive two compensatory days off. This gives them seven consecutive days off, from Thursday, 4 February 2027 (the 28th day of the final lunar month of the Year of the Horse) to Wednesday, 10 February 2027 (the fifth day of the first lunar month of the Year of the Goat).

Employers may choose one of three holiday arrangements for their employees: (i) one day off before the Lunar New Year and four days from the first day of the holiday; (ii) two days before and three days from the first day; or (iii) three days before and two days from the first day.

Each option provides five days off, with the days allocated differently before and after the Tet holiday. Enterprises may choose the arrangement that best suits their operations. In addition to the five statutory Lunar New Year holidays, employees are entitled to compensatory leave when their weekly rest days fall on a public holiday or Lunar New Year holiday. The compensatory day must be the next working day, in accordance with applicable regulations.

The Ministry encourages enterprises to follow the same holiday schedule as civil servants and public employees. Enterprises must notify employees of their chosen arrangement at least 30 days in advance.

Source: CafeF

NEWLY ISSUED LEGAL DOCUMENTS

No.	Document title	Issuance date	Effect-ive date
GOVERNMENT			
1	Decree No. 393/2026/ND-CP on foreign employees working in Vietnam.	20 October 2026	5 December 2026
2	Decree No. 384/2026/ND-CP on the determination of Vietnamese origin of the goods manufactured and circulated domestically.	9 October 2026	1 January 2027
3	Decree No. 374/2026/ND-CP guiding procurement under the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), the EU–Vietnam Free Trade Agreement (EVFTA), and the UK–Vietnam Free Trade Agreement (UKVFTA).	30 September 2026	14 November 2026
4	Decree No. 372/2026/ND-CP on product and goods identification, authentication, and traceability activities.	29 September 2026	1 January 2027
5	Decree No. 371/2026/ND-CP detailing the recruitment and management of Vietnamese employees working for foreign organizations and individuals in Vietnam.	25 September 2026	15 November 2026
MINISTRY OF FINANCE			
1	Circular No. 152/2026/TT-BTC prescribing the rates, collection, payment, and management of fees and charges in the field of cybersecurity.	9 October 2026	9 October 2026
2	Circular No. 149/2026/TT-BTC amending and supplementing a number of provisions of the Circulars issued by the Minister of Finance governing fees and charges.	8 October 2026	23 November 2026
3	Circular No. 145/2026/TT-BTC regulating securities registration, depository, clearing, and settlement activities.	30 September 2026	16 November 2026
4	Circular No. 142/2026/TT-BTC amending and supplementing a number of provisions of the Circulars governing customs procedures for exported, imported, and transit goods sent through postal services of designated enterprises and international express delivery services.	29 September 2026	16 November 2026
COUNCIL OF JUSTICES OF THE SUPREME PEOPLE'S COURT			
1	Resolution No. 03/2026/NQ-HDTP providing guidance on the application of certain legal provisions in the resolution of disputes over deposits.	18 August 2026	5 October 2026
STATE BANK OF VIETNAM			
1	Circular No. 50/2026/TT-NHNN prescribing prudential limits and ratios applicable to the operations of commercial banks and foreign bank branches.	30 September 2026	1 December 2026

GLOBAL VIETNAM LAWYERS

2026

CONTACT US

info@gvlawyers.com.vn

Ho Chi Minh City Office
8th, Centec Tower,
72 – 74 Nguyen Thi Minh Khai Street,
Xuan Hoa Ward, Ho Chi Minh City,
Vietnam
Tel: +84 (28) 3622 3555

Hanoi Office
10th, CDC Building
25 Le Dai Hanh Street,
Hai Ba Trung Ward, Hanoi,
Vietnam
Tel: +84 (24) 3208 3555

The contents of the newsletter neither constitute legal advice nor necessarily reflect the opinions of our firm or any of our attorneys or consultants. The newsletter provides general information, which may or may not be complete or up to date at the time of reading. The content is not intended to be used as a substitute for specific legal advice or opinions. Please seek appropriate legal advice or other professional counselling for any specific issues you may have. We, GV Lawyers, expressly disclaim all liabilities relating to actions whether taken or untaken based on any or all contents of the newsletter.