



30% deduction for CIT payable on income earned in 2020 to be granted to various taxpayers

This is the highlight of the National Assembly's Resolution No. 116/2020/QH14, granting the reduction in the CIT payable on income earned in 2020 to enterprises, cooperatives, public service units and other entities.

According to this document, the National Assembly resolves that any taxpaying enterprise reporting total revenue of VND 200 billion or less may be entitled to a 30% reduction in their 2020-accrued CIT amount payable.

This Resolution is applied to CIT payers that are product or service production and trading entities generating taxable income under the provisions of the Law on Corporate Income Tax, including:

- Enterprises are established under Vietnamese laws;
- Organizations are established under the Law on Cooperatives;
- Public service units are established under Vietnamese laws;
- Other entities established under Vietnamese laws are performing production or business activities generating income.

The Resolution No. 116/2020/QH14 is taking effect on August 3, 2020, and applying from the tax year 2020.

10 new regulations regarding labor contracts in effect from January 1, 2021 that workers and employees need to know

New regulations of the 2019 Labor Code regarding labor contracts that workers and employees need to know to protect and maintain their own legitimate rights and benefits.

1. Increasing the identification of labor relations in practice

Additional regulation: Any contract will be considered a labor contract, irrespective of its name, if it fully has all of the three following signs:

- Work is performed on a basis of agreement or arrangement;
- Wages or salaries are paid;



- A party is put under the management, administration and supervision of the other party.

This provision is necessary to address the dodging of legislative regulations, prevent employers from using other names to avoid their obligations pertaining to wages or salaries and their responsibility to get pay proportion of insurance contributions for the benefit of their workers or employees.

2. Contract form

Labor contracts made by electronic means in data message form are accepted.

Labor contracts concluded via electronic devices in data message form under laws on electronic transactions have the same value as those concluded in written form.

3. Types of labor contract

From January 1, 2021, labor contracts can take one of the following forms:

- Indefinite-term labor contracts.

- Fixed-term labor contracts under which both contracting parties can determine the contractual duration and expiry date provided that the term is not longer than 36 months from the effective date of the labor contract.

This means that, compared to current regulations of the 2012 Labor Code, seasonal or work-specific labor contracts will no longer exist.

4. Exemption from the probation requirement for any labor contract of which the term is less than 1 month

According to existing regulations, only employees signing seasonal labor contracts are exempted from the probation requirement by default. From 2021, the probation requirement for any labor contract of which the term is less than 1 month will not be applied.

5. Additional regulations on the probationary duration

Additional regulations prescribe that each probation lasts for the maximum duration of 180 days with regard to employees hired to hold corporate administration positions as provided in the Law on Enterprises, or the Law on Management and Use of State Capital Investments in Enterprises.

6. Additional cases of temporary deferral of labor contracts



There are more 4 cases in which employees are entitled to deferral of their labor contracts, including:

- Employees are called up for military or militia or self-defence service;
- Employee are appointed as managers of single-member limited liability companies of which charter capital is wholly owned by the State.
- Employees are authorized to implement rights and responsibilities of representatives of owners of state capital invested in enterprises.
- Employees are authorized to implement rights and responsibilities on behalf of their employing enterprises with respect to their shares of capital invested in other enterprises.

7. Employees may unilaterally terminate their contracts without cause

- In the 2012 Labor Code, if any employee entering into a fixed-term labor contract wishes to unilaterally terminate his/her labor contract, he/she must give causes as provided in clause 1 of Article 37 in the 2012 Labor Code and meet requirements concerning prior notice period.
- In the 2019 Labor Code, any employee may unilaterally terminate an labor contract without cause provided that he/she meets requirements concerning prior notice period as prescribed in clause 1 of Article 35 (except in cases where prior notice is not required).

8. Additional regulations on cases where employees have the right to unilaterally terminate labor contracts without prior notice

The 2019 Labor Code prescribes special cases where employees are not required to give prior notice, including:

- They have not held agreed-upon job positions or work at predetermined addresses; are not assured of agreed working conditions, unless otherwise prescribed in Article 29 in this Code;
- They have not been paid wages or salaries in full or have been paid late, unless otherwise prescribed in clause 4 of Article 97 in this Code;
- They are maltreated, hit, or are victims of insulting words or acts or other acts affecting their health, dignity and self-respect; are victims of labor coercion;
- They suffer from sexual harassment at workplace;
- Pregnant female employees have to stop working as provided in Article 156 of this Code;



- They are at retirement age as provided in Article 169 in this Labor Code, unless otherwise agreed upon between contracting parties;
- Employers provide false information in breach of clause 1 of Article 16 in this Labor Code, affecting implementation of labor contracts.

9. 02 cases where employers have the right to unilaterally terminate labor contracts without prior notice

Employers have the right to unilaterally terminate labor contracts without prior notice in the following cases:

- Employees have not arrived at workplace within 15 days after the expiration date of deferral of labor contracts.
- Employees deliberately leave work without sound causes for at least 5 consecutive days.

10. Reasonable regulations on the time of resolution and responsibilities of both contracting parties upon termination of labor contracts

- In the 2012 Labor Code, within the duration of 07 working days from the date of termination of labor contract, both parties must fully pay amounts related to rights and benefits of each party; in special cases, such duration may be extended, but restricted to 30 days.

- In the 2019 Labor Code, within the duration of 14 working days from the date of termination of labor contract, both parties must fully pay amounts related to rights and benefits of each party, except the following cases where such duration may be extended, but restricted to 30 days:

- + Employers are not individuals who terminate labor contracts;
- + Employers change organizational structure, technology or make changes due to economic causes;
- + Splitting, division, amalgamation or merger; sale, rental or transformation of the corporate type; transfer of rights to own or use assets of enterprises or cooperatives, occur;
- + Labor contracts are terminated due to natural disaster, conflagration, hostility or dangerous epidemic.

New regulations on corporate stamps are set out in 2020 Law on Enterprises

2020 Law on Enterprises was passed by the XIVth National Assembly on June 17, 2020 and is about to officially take effect from January 1, 2021.



The Law sets forth regulations on corporate stamps as follows:

- Corporate stamps comprise those that may be engraved by stamp carving service businesses or those that exist in the form of digital signatures prescribed in the law on electronic transactions.
- Enterprises may, on their own initiative, decide on the type of their corporate stamp, the quantity of their corporate stamps and information shown on stamps of their own, their branches, representative offices and other affiliates.
- Handling and custody or storage of corporate stamps must conform to regulations included in charters of enterprises holding corporate stamps or rules adopted by enterprises holding corporate stamps themselves, their branches, representative offices and other affiliates.

Enterprises must use their corporate stamps in transactions as required by law.

This means that, in comparison with regulations on corporate stamps enshrined in 2014 Law on Enterprises, the newly-adopted Law invalidates the regulation: “Before use of corporate stamps, enterprises are obligated to inform business registries of sample corporate stamps so that they are publicly posted on the National Corporate Registration Portal”.



ABOUT US

Established in 2011, Song Bao Debt Collection Services Company Limited is an experienced company in the field of debt collection in Vietnam. Song Bao is proud to represent you to troubleshoot and recover your overdue debts at the lowest cost and the fastest time based on the policy NO DEBT RECOVERY – NO FEE COMMISSION.

Therefore, SB Debt Collection is: Best Solution – Best Success. From the very first day of its establishment, SB Debt Collection has been incessantly striving to improve its organization and service quality. Oriented management: SB Debt Collection selects the oriented management according to the results and the projects; as such “Management by objectives and Implementation of measures to handle debt in accordance with the laws” is our management approach.

With a dynamic staff, and experienced leaders and prestige contributors, all members of SB Debt Collection are sticking together to activities for the company’s benefits. We are committed to bringing you the best service, at the most competitive price.



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