

Mobility: Immigration alert

June 2021



Vietnam

Changes to the immigration rules designed to restrict the entry of foreigners into Vietnam, and manage the spread of COVID-19

Executive summary

Vietnam recently implemented changes to their immigration rules that make it more challenging for non-Vietnamese nationals to work in Vietnam. The changes include heightened eligibility criteria for work permit applicants, a reduction in the number of extensions available for work permit holders, and a more stringent and uniform application of eligibility criteria relating to the work permit exemption for intra-company transferees. The changes also place an onus on Vietnamese companies to ensure that foreigners they sponsor for entry to the country abide by local COVID-19 health and safety rules. These changes were originally introduced by the Vietnamese Government in December 2020 and went into effect in mid-February 2021.

Changes to work permit eligibility and renewal criteria

As part of the changes that recently went into effect, foreigners applying to obtain a work permit as "a foreign expert" must now submit documents (e.g., university degree) proving that their educational qualifications are directly relevant to the role and duties they are seeking to carry out in Vietnam. Previously, the Vietnamese labor authorities would accept any educational documents as proof of the foreigner's expertise, including educational documents that were not directly relevant to the foreigner's proposed role

in Vietnam. This change has a direct impact on foreign professionals who completed a course of studies in one area, and now work in an unrelated field (e.g., foreigners who changed careers).

The Vietnamese authorities also announced that work permits - which are typically issued for an initial period of up to two years - may now only be extended one time, for an additional two-year period (for a total of up to four years). Previously, there was no cap on the number of extensions available to work permit holders. Foreigners who are seeking to remain in Vietnam for more than four years must now apply for a new work permit after completing four years in Vietnam.

Stricter, more uniform application of rules governing the work permit exemption for intra-company transferees

The current rules in Vietnam concerning this work permit exemption state that applicants must have worked for a related overseas (non-Vietnamese) entity for at least 12 months consecutively leading up to the proposed transfer to Vietnam. While this standard was already being applied to applicants seeking to work in Ho Chi Minh City, it is now being applied to applicants seeking to work anywhere in Vietnam. Previously, the authorities were accepting certain applications from foreigners seeking to work in locations other than Ho Chi Minh City, even if the foreign applicants had not worked for a related overseas entity for the full 12-month period immediately preceding the filing of their application to obtain this exemption.

Heightened responsibilities for Vietnamese sponsoring entities

As part of the new changes, Vietnamese entities that sponsor the entry of non-Vietnamese citizens into the country are now responsible for ensuring that they and the foreigners they sponsor abide strictly by all local health and safety rules relating to COVID-19. The Vietnamese Government has announced plans to increase the number of labor and worksite inspections it conducts, to ensure that foreigners and their sponsors are in strict compliance with local health rules. Failure to abide by the rules may result in fines on the sponsoring entity, restrictions on their ability to sponsor the entry of foreigners in the future, and - in serious cases of noncompliance - criminal prosecution and the temporary suspension of their ability to do business in Vietnam. Previously, Vietnamese sponsoring entities were only required to assume the costs relating to quarantine by foreign travelers into Vietnam; they were not being held liable for violations of local health rules by foreigners.

Next steps

EY will continue to monitor these developments. Should you have any questions, we encourage you to contact one of our immigration professionals.

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EYG no. 004783-21Gbl

2101-3682263
ED None

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