November 17, 2026

NOTABLE LEGISLATIVE UPDATES IN VIETNAM IN OCTOBER 2026

In October 2026, Vietnam introduced new regulations on foreign workers, corporate income tax relief, and beneficial ownership declarations.

I. NEW FOREIGN WORKER LEGAL FRAMEWORK

On October 20, 2026, the Government issued Decree 393/2026/ND-CP ("**Decree 393**"), effective December 5, 2026, which replaces Decree 219/2025/ND-CP on foreign workers in Vietnam. The key changes are as follows:

A. Narrower ICT Eligibility, Longer Exemption Term

Intra-corporate transfer ("**ICT**") is now limited to managers, executive directors, and experts, each of whom must have been employed by the offshore parent company for at least twelve (12) consecutive months before the transfer. Technical workers are no longer eligible for ICT.[1] As a transitional measure, work permits ("**WPs**") and WP exemptions issued before December 5, 2026 to technical workers under ICT remain valid until expiry thereof and may be re-issued or extended if the holders meet the expert criterion of having at least five (5) years of relevant experience (as discussed in Section C below).[2]

ICT transferees working in any of the eleven (11) service sectors covered by Vietnam's World Trade Organization (WTO) commitments continue to be exempt from the WP requirement, and the maximum term of this WP exemption is extended from two (2) years to three (3) years. By contrast, the maximum term of a WP itself remains unchanged at two (2) years.[3]

B. Clearer Short-Term Work Regime

Decree 393 clarifies the criteria for short-term work for foreign employees that are exempt from a WP and simply require the employer to notify the competent authority at least three (3) working days in advance. However, the short-term work exemption does not apply where a foreign worker is directly employed by a Vietnamese employer under an employment arrangement (i.e., where the Vietnamese employer recruits, manages and pays wages to the worker). In such cases, a WP is required regardless of whether the period of employment is 90 days or less.[4] In addition, short-term work remains capped at ninety (90) days per year, but this cap for each foreign worker is calculated cumulatively across all employers.

1 Article 3.1 of Decree 393.
2 Articles 35.1 and 35.3 of Decree 393.
3 Article 11.3 of Decree 393.
4 Articles 3.5 and 8.13(a) of Decree 393.

C. Broader Expert and Executive Director Criteria

Foreign workers may now qualify as experts through six (6) routes, up from two (2). Previously, a foreign worker could qualify as an expert only by either (i) holding a university degree and having two (2) years of work experience or (ii) holding a university degree and having one (1) year of work experience in finance, science and technology, innovation, digital transformation or a priority sector.[5]

Decree 393 retains route (i) and revises route (ii) to require a university degree with distinction from a global top-500 university plus one (1) year of work experience. It also adds four (4) new routes: (a) a university degree in a strategic technology field, with no work experience required; (b) recognized expertise in culture, the arts, or sports; (c) recognized expertise in academia (i.e., teaching and research); and (d) five (5) years of work experience, with no degree required.[6]

For foreign executive directors who head and directly manage a field of an agency, organization, or enterprise, the minimum relevant work experience requirement is reduced from three (3) years to two (2) years.[7]

D. Expanded WP Exemptions and Simpler Work Location Changes

The WP exemptions have been expanded to cover holders of special visa-exemption cards in specially incentivized fields, strategic technology experts, and individuals recruited under national AI programs.[8]

In addition, a change of work location with the same employer now requires only three (3) working days' prior notice to the competent authorities, rather than re-issuance of the WP or WP exemption.[9]

E. Reinstated Reporting

Decree 219/2025/ND-CP had previously eliminated the semiannual and annual reporting obligations relating to the employment of foreign workers.[10] However, Decree 393 reinstated these obligations (due by June 5 and December 5, respectively) and introduces an ad hoc reporting obligation upon any change in such employment.[11]

II. CORPORATE INCOME TAX REDUCTION FOR SMALL-REVENUE ENTERPRISES

On October 29, 2026, the Government issued Decree 398/2026/ND-CP ("**Decree 398**"), which took effect on the same date and provides guidance on Resolution 43/2026/QH16 dated August 24, 2026 on corporate income tax reductions. The key points are summarized below.

5 Article 3.3 of Decree 219/2025/ND-CP.
6 Article 4.3 of Decree 393.
7 Article 4.2(b) of Decree 393.
8 Article 8 of Decree 393.
9 Articles 10.5 and 23.5 of Decree 393.
10 Article 6.1 of Decree 152/2020/ND-CP.
11 Article 37.6(dd) and Annex IV of Decree 393.

Decree 398 grants a 30% reduction in the corporate income tax ("**CIT**") payable for the 2026 and 2027 tax periods to enterprises and organizations established under Vietnamese law, including foreign-invested enterprises, that have annual revenue of up to VND 10 billion.[12]

Enterprises formed through a division or separation after August 24, 2026 are ineligible if the combined annual revenue of the resulting enterprises exceeds VND 10 billion.[13] Enterprises must self-assess their eligibility when making quarterly provisional CIT payments; if their actual revenue exceeds the threshold, they must pay the resulting shortfall together with late-payment interest.[14]

III. NATIONWIDE ENFORCEMENT OF BENEFICIAL OWNERSHIP DECLARATIONS

On October 7, 2026, the Ministry of Finance ("**MOF**") issued Official Letter 3164/DNTN-GS, directing provincial authorities to inspect enterprises that have been established, or have registered changes, since July 1, 2025 without providing beneficial owner ("**BO**") information. Subsequently, on October 16, 2026, the MOF issued Official Letter 16558/BTC-DNTN, directing provincial authorities to inform enterprises established before July 1, 2025 of the BO declaration requirements, urge their compliance, and report the results to the MOF by December 15, 2026.

Although the MOF has not set a BO filing deadline, many provincial Departments of Finance ("**DOFs**") have imposed their own deadlines, including October 31, 2026 (e.g., Lam Dong[15] and Quang Ninh[16]); November 20, 2026 (e.g., Ninh Binh[17] and Khanh Hoa[18]); November 30, 2026 (e.g., Da Nang[19] and Thanh Hoa[20]); December 10, 2026 (Hai Phong[21]); December 12, 2026 (Ho Chi Minh City[22]); and December 31, 2026 (Hanoi[23]). In addition, the Dong Nai[24] DOF requires enterprises to submit a written compliance report in this respect by December 15, 2026.

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For any inquiry or questions regarding the content of this newsletter, please contact us.

12 Articles 3 and 4 of Decree 398.
13 Articles 3.1 and 3.3(c) of Decree 398.
14 Article 3.4 of Decree 398.
15 Official Letter 11920/STC-DKKD dated October 22, 2026 of Lam Dong DOF.
16 Official Letter 11059/STC-QLDN dated October 12, 2026 of Quang Ninh DOF.
17 Official Letter 12960/STC-DN dated October 21, 2026 of Ninh Binh DOF.
18 Official Letter 15768/STC-QLDN dated October 20, 2026 of Khanh Hoa DOF.
19 Official Letter 14848/STC-DN&DKKKD dated October 20, 2026 of Da Nang DOF.
20 Official Letter 15092/TB-STC dated October 22, 2026 of Thanh Hoa DOF.
21 Official Letter 1397/CV-DKKD&QLDN dated October 22, 2026 of Hai Phong DOF.
22 Official Letter 32452/STC-DKKD dated October 30, 2026 of Ho Chi Minh City DOF.
23 Official Letter 18409/STC-DKDN dated October 23, 2026 of Hanoi DOF.
24 Official Letter 9985/STC-DKKD dated October 21, 2026 of Dong Nai DOF.

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