

NEWSLETTER

APRIL 2025



LAC DUY & ASSOCIATES



**WHAT SHOULD
BUSINESSES DO
WHEN
RESTRUCTURING
AND
DOWNSIZING
THEIR
WORKFORCE**

**SUMMARY OF THE MAIN
POINTS IN DECREE NO.
82/2025/ND-CP DATED
02/04/2025 ON THE
EXTENSION OF THE
DEADLINE FOR PAYMENT OF
VALUE-ADDED TAX,
CORPORATE INCOME TAX,
PERSONAL INCOME TAX AND
LAND RENT IN 2025**



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Dear Clients,

Lac Duy & Associates would like to send you the legal newsletter of April 2025 with some notable updates and articles as follows:

- What should businesses do when restructuring and downsizing their workforce
- Summary of the main points in Decree No. 82/2025/NĐ-CP dated 02/04/2025 on the extension of the deadline for payment of value-added tax, corporate income tax, personal income tax and land rent in 2025
- Legal documents in 04/2025



WHAT SHOULD BUSINESSES DO WHEN RESTRUCTURING AND DOWNSIZING THEIR WORKFORCE



In the face of a volatile economic context, many businesses are facing serious challenges affecting business activities. Faced with this situation, many businesses have "restructured" their apparatus to streamline the working process and minimize the number of personnel, thereby saving salary costs and improving the balance with revenue. Within the framework of this article, Lac Duy & Associates will provide guidance for businesses on reducing personnel during the "restructuring" process, while ensuring full compliance with current legal regulations.

1. Legal basis

Pursuant to the provisions of Point a, Clause 1, Article 42 of the Labour Code 2019:

"Article 42. Obligations of employers in case of changes in structure, technology or for economic reasons

1. The following cases are considered to be changes in structure and technology:

a) Change of organizational structure or reorganization of labour; [...]"

However, according to the current law, there is no specific definition of "***Change of organizational structure or reorganization of labour***" so that there can be a specific basis to verify that a business is really changing its organizational structure, reorganize labour or

not. However, we can refer to the provisions in Clause 3, Article 11 on "*Cases considered to be changes in structure or technology*" in Decree No. 39/2003/ND-CP "*Detailing and guiding the implementation of a number of articles of the Labour Code on Employment*" as follows: "*Article 11. The following cases are considered as structural or technological changes as prescribed in Clause 1, Article 17 of the Labour Code:*

[...]

3. *Changing the organizational structure: merging and dissolving some parts of the unit*".

Accordingly, a business that is changing its organizational structure or reorganizing labour can be understood as that business is in fact carrying out "restructuring" activities, here it is merging or dissolving one or several parts of that business.

2. Legal Procedure Steps:

In fact, the restructuring largely takes place in the context that the business is facing certain difficulties in terms of finance and business situation. Therefore, one of the options that businesses aim to reduce business operating costs is to cut personnel.

Therefore, to avoid legal risks, businesses need to clearly understand that the reason used by businesses to terminate labour contracts with

employees is due to "restructuring" and the "restructuring" must actually take place and the "restructuring" process must also meet all conditions or regulations of current laws. Since then, the "restructuring" has been carried out legally and led to the termination of the labour contract with the employee is also legal.

STEP 1:

This is the first and mandatory step in case a business wants to carry out "restructuring" activities, that is: The owner of the company must **issue a decision to change the organizational structure and reorganize labour** for the business, accordingly, the decision must clearly show the reason leading to the change in the structure and reorganization of labour (for example, because the financial situation and business activities of the business are not effective).

The reason why this is considered an important step is because in case of a dispute with the employee, the existence of a legal document that is "the decision to change the organizational structure, reorganize the labour" will strengthen the view of the business on the "restructuring" arising from the actual operation of the business, not a pretense for purpose the purpose of terminating the labour contract with the employee.

STEP 2:

The legal representative of the business (or the legally authorized person) shall organize the implementation of the owner's decision on change of organizational structure and reorganization of labour.

For step 2, the implementation must be carried out cautiously, recorded in official documents and published legally so that these can be considered as evidence to protect the business in case of disputes with employees

STEP 3:



The business shall draft and promulgate the labour use plan ("**Labour Plan**") according to the provisions of Clause 3, Article 42 and Article 44 of the Labour Code 2019:

"Article 42. Obligations of employers in case of changes in structure, technology or for economic reasons

3. In case of structural or technological changes that affect the employment of many employees, the employer must formulate and implement the labour use plan as prescribed in Article 44 of this Code; in case of having a new workplace, priority will be given to retraining employees to continue to use them".

"Article 44. Labour use plan

1. The labour use plan must contain the following principal contents:

- a) The number and list of employees who continue to be employed, employees who are retrained for further use, and employees who are transferred to work part-time;*
- b) The number and list of retired employees;*
- c) The number and list of employees whose labour contracts must be terminated;*
- d) Rights and obligations of the employer, employees and related parties in the implementation of the labour use plan;*
- dd) Measures and financial sources to ensure the implementation of the plan.*

2. When formulating the labour use plan, the employer must exchange opinions with the grassroots employee representative organization for the locality where the grassroots employee representative organization is located. The labour use plan must be publicly notified to the employee within 15 days from the date of approval."

Based on the above regulations, draw out the main information that businesses need to know



and note in the process of reducing personnel for reasons of restructuring in general and in the process of developing and promulgating the Labour License in particular, specifically as follows:

Firstly, when the "restructuring" affects 02 (two) or more employees, the business must develop and implement the Labour Plan.

Secondly, the main contents of the Labour Plan include:

- The number and list of employees continue to be used, employees are retrained to continue to use, employees are transferred to work part-time;
- Number and list of retired employees;
- The number and list of employees who must terminate the labour contract;
- Rights and obligations of businesses, employees and related parties in the implementation of the SE; and
- Measures and financial sources to ensure the implementation of the plan.

Thirdly, during the development of Labour Plan, the employer must consult with the grassroots-level employee representative organization (if such an organization exists at

the workplace) through dialogue at the workplace, as stipulated in Point c, Clause 2, Article 63 of the Labour Code 2019 and specifically guided in Article 41 of Decree No. 145/2020, as follows:

"Article 41. Organize a dialogue when there is an incident

1. For cases, the employer must consult and exchange opinions with the grassroots employee representative organization on the regulation on assessment of the level of work completion as prescribed at Point a, Clause 1, Article 36; dismissal of employees as prescribed in Article 42; labour plan as prescribed in Article 44; wage scales, payrolls and labour norms as prescribed in Article 93; regulations on bonuses as prescribed in Article 104 and internal labour regulations as prescribed in Article 118 of the Labour Code shall be implemented as follows:

a) The employer shall send a document enclosed with the contents to be consulted and exchanged opinions to the representative members participating in the dialogue of the employee;

b) The representative members participating in the dialogue of the employee shall organize the collection of opinions of the employees represented by them and summarize them in writing of each employee representative organization at the grassroots and the representative group of the employee for sending to the employer; in case the content of the dialogue is related to the rights and interests of

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female employees, it is necessary to ensure that their opinions are collected;

c) Based on the opinions of the employee representative organizations at the grassroots, the dialogue representative group of employees and the employer to discuss, exchange opinions, consult and share information on the contents given by the employer;

d) The number and composition of participants, time and place of the dialogue shall be determined by the two parties according to the regulations on grassroots democracy at the workplace;

dd) The dialogue must be recorded in writing and signed by the representatives of the parties to the dialogue as prescribed in Clause 4, Article 39 of this Decree;

e) Within 03 working days from the end of the dialogue, the employer shall publicly announce at the workplace the main contents of the dialogue; the employee representative organization (if any), the employee dialogue representative group (if any) disseminates the main contents of the dialogue to the employees who are members".

Fourthly, after being approved, the Labour Plan must be publicly notified to employees within 15 days from the date of approval.

STEP 4:

After the Labour Plan is approved, for the termination of labour contracts with affected employees, the business must provide a prior notice of 30 days to (i) the provincial People's Committee; and (ii) the affected employee.

STEP 5:

Issue a decision to terminate the labour contract, pay the amounts payable to the employee when terminating the labour contract with the employee, according to Article 48 of the Labour Code

Above is an article by Lac Duy & Associates that guides businesses on what to do when cutting personnel for the reason of "restructuring" and hopes that it will be useful for you to refer to and implement in practice. In case you need further advice, please contact us through lacduy@lacduy-associates.com email for timely support.

Thank you very much.

SUMMARY OF THE MAIN POINTS IN DECREE NO. 82/2025/ND-CP DATED 02/04/2025 ON THE EXTENSION OF THE DEADLINE FOR PAYMENT OF VALUE-ADDED TAX, CORPORATE INCOME TAX, PERSONAL INCOME TAX AND LAND RENT IN 2025

On April 2, 2024, the Government issued Decree No. 82/2025/ND-CP dated April 2, 2025 on extending the deadline for payment of value-added tax, corporate income tax, personal income tax and land rent in 2025 (Decree 82) with the following main contents:



1. Value Added Tax

According to Article 4 of Decree 82, the time limit for extension of tax payment for the payable VAT amount of the tax period from February to June 2025 (for the case of monthly VAT declaration) and the tax period of the first quarter of 2025, the second quarter of 2025 (for the case of quarterly VAT declaration).

The extension period is **6 months** for the value-added tax amount of February, March 2025 and the first quarter of 2025, the extension period is **5 months** for the value-added tax of April, May, June 2025 and the second quarter of 2025.

If enterprises and organizations are eligible for the extension but have not yet paid the VAT amount, they must pay arising from the declared VAT return. The time limit for extension of VAT payment is as follows: (i) For February, March, April, May and June 2025, the time limit for tax payment shall be extended no later than the 20th of the following 7 months from the due date of tax payment; and (ii) For the first and second quarters of 2025, the extension will be extended to October 31, 2025 for the tax period of Q1 and to December 31, 2025 for the tax period of the second quarter.

For enterprises and organizations that have branches and affiliated units that make separate VAT declarations with their supervisory tax authorities, their branches and affiliated units are also eligible for VAT payment deferral. In case a branch or affiliated unit of an enterprise or organization

does not carry out production and business activities in the economic sector or is not in the field eligible for extension, such branch or affiliated unit will not be eligible for the extension of VAT payment.

2. Corporate Tax

The time limit for extension of tax payment for temporarily paid corporate income tax in the first and second quarters of the tax period of 2025 for enterprises and organizations subject to tax regulations **is 05 months** from the end of the tax payment time limit in accordance with regulations on tax administration.

The extension of the time limit for payment of corporate income tax of branches, units attached to enterprises and organizations will be the same as the extension of the time limit for value-added tax as (i) if the branches and affiliated units make separate corporate income tax declarations with the tax authority directly managing them, the branches, affiliated units are also eligible for extension of the time limit for payment of corporate income tax; and (ii) branches, affiliated units of enterprises and organizations that do not carry out production and business activities in the economic sector or are not in the fields eligible for extension, such branch or affiliated unit will not be eligible for the extension of corporate income tax payment.

3. Value added tax and personal tax of business households and individuals



of Decree 82)

Business households and individuals doing business in the industries and fields specified in Clause 1, Clause 2, Clause 3, Article 3 of Decree 82 will be eligible for an extension of the tax payment deadline for payable amounts incurred in 2025. The deadline for tax payment for business households and individuals will **be extended to December 31, 2025 at the latest** (regardless of the industry that the business household or business individual implements, but this regulation is for the industries and fields under Clause 1, Clause 2, Clause 3, Article 3

4. Land rent

The extension period is **06 months** from May 31, 2025 for the extension of land rent payment for 50% of the arising land rent amount payable in 2025 (the amount payable in the first period of 2025) of enterprises, organizations, households and individuals who are being leased land by the State under contracts of competent agencies in the form of annual land rent payment.

This Regulation applies to enterprises, organizations or households and individuals that have many direct land lease contracts of the State and have many different production and business activities, including economic sectors and fields specified in Clause 1, Clause 2 and Clause 3, Article 3 of Decree 82.

In case enterprises, organizations, business households and business individuals are engaged in production and business activities in many different economic sectors, including economic sectors and fields specified in Clause 1, Clause 2 and Clause 3, Article 3 of Decree 82, then: (i) If the enterprise, organizations will be entitled to an extension of the entire value-added tax amount and the payable enterprise income tax amount; and (ii) if it is a business household, the business individual will be entitled to an extension of all payable value-added tax and personal income tax.





NEW LEGAL DOCUMENTS IN APRIL 2025

NO.	EFFECTIVE DATE	NAME
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BUSINESS

1.	April 15, 2025	Decree 44/2025/ND-CP on management of labor, salaries, remuneration and bonuses in state-owned enterprises
2	April 20, 2025	Circular 09/2025/TT-BTC guiding the mechanism for management and use of state budget funds for the implementation of the "Program to support private sector enterprises for sustainable business in the 2022-2025 period" enclosed with Decision 167/QD-TTg issued by the Minister of Finance

INVEST

1.	April 01, 2025	Circular 03/2025/TT-BKHDT regulating the regime of statistical reporting on the Planning and Investment sector promulgated by the Minister of Planning and Investment
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TRADE

1.	April 01, 2025	Circular 28/2024/TT-BCT stipulating energy consumption norms in the beer and non-alcoholic beverage industry issued by the Minister of Industry and Trade
2.	April 01, 2025	Decision 04/2025/QD-TTg on the remuneration regime for members of the National Competition Commission, persons conducting competition proceedings, experts, interpreters, and witnesses issued by the Prime Minister
3.	April 16, 2025	Circular 19/2024/TT-BCT amending 1:2024 QCVN 05A:2020/BCT National Technical Regulation on safety in production, trading, use, preservation and transportation of hazardous chemicals issued by the Minister of Industry and Trade

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IMPORT & EXPORT

1.	April 01, 2025	Decision 03/2025/QD-TTg amending Decision 15/2019/QD-TTg on the implementation of electronic border guard procedures at border gates managed by the Ministry of National Defense issued by the Prime Minister
2.	April 12, 2025	Decree 31/2025/ND-CP amending Decree 32/2012/ND-CP on management of export and import of cultural products not for business purposes

CURRENCY - BANKING

1.	April 01, 2025	Circular 61/2024/TT-NHNN regulating bank guarantees issued by the Governor of the State Bank of Vietnam
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TAXES - FEES - FEES

1.	April 10, 2025	Circular 13/2025/TT-BTC stipulating the collection rate, regime of collection, remittance, management and use of service fees to maintain the system of checking the status of digital signature certificates issued by the Minister of Finance
2.	April 10, 2025	Decree 23/2025/ND-CP regulating electronic signatures and trusted services

INSURANCE

1.	April 01, 2025	Decision 46/QD-BHXH in 2025 stipulating the functions, tasks and powers of district-level Social Insurance issued by Vietnam Social Insurance
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STATE FINANCE

1.	April 01, 2025	Resolution 70/2025/UBTVQH15 stipulates the principles, criteria and norms for allocation of public investment capital from the state budget for the period 2026-2030 issued by the Standing Committee of the National Assembly
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2.	April 19, 2025	Decree 63/2025/ND-CP amending Decree 78/2021/ND-CP establishing and managing the Natural Disaster Prevention and Control Fund
3	April 20, 2025	Circular 09/2025/TT-BTC guiding the mechanism for management and use of state budget funds for the implementation of the "Program to support private sector enterprises for sustainable business in the 2022-2025 period" enclosed with Decision 167/QĐ-TTg issued by the Minister of Finance

CIVIL RIGHTS

1.	April 08, 2025	Circular 01/2025/TT-BTP amending Circular 21/2011/TT-BTP on management of foreign child adoption offices in Vietnam amended by Circular 11/2021/TT-BTP issued by the Minister of Justice
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LABOR – SALARY

1.	April 01 2025	Circular 03/2025/TT-BLĐTBXH stipulating labor classification standards according to working conditions issued by the Minister of Labor, War Invalids and Social Affairs
2.	April 15, 2025	Decree 44/2025/ND-CP on management of labor, salaries, remuneration and bonuses in state-owned enterprises