

IN-DEPTH

Employment Law

VIETNAM

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Brian S Cousin

Fox Rothschild LLP

In-Depth: Employment Law (formerly The Employment Law Review) is an insightful global survey of the employment law frameworks and related developments in key jurisdictions around the world. It analyses the most consequential current issues faced by employers, including recent case law, legislative and regulatory changes and best practices.

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Vietnam

Michael K Lee, Le Tu, Pham Le and Tien Tran

Dilinh Legal

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Introduction

Key Vietnamese laws governing labour relations include the Labour Code, the Law on Social Insurance, the Law on Employment, Decree No. 145/2020/ND-CP, Decree No. 152/2020/ND-CP, Decree No. 70/2023/ND-CP and Decree No. 219/2025/ND-CP. The key governing bodies that oversee employment issues include the Ministry of Home Affairs (previous name: Ministry of Labour, War Invalids and Social Affairs) on a national level, and the Department of Home Affairs (previous name: Department of Labour, War Invalids and Social Affairs) at the provincial levels, in addition to other relevant bodies.

When it comes to individual labour disputes, the entities and personnel overseeing dispute resolution consist of labour mediators, labour arbitration tribunals and the People's Courts.^[2] Individual labour disputes are primarily resolved through mediation by labour mediators, except in specific disputes where mediation is not compulsory, such as dismissal for disciplinary reasons and 'unilateral termination' of employment contacts. Upon conclusion of mediation, the disputing parties may opt to bring the case to the labour arbitration tribunals or the court for secondary-stage resolution. A party can escalate the case to the court if they are not satisfied with the outcome of the mediation.^[3]

Year in review

In 2025, the following developments impacted labour relations in Vietnam.

Law on Social Insurance 2024

This law expands compulsory participation, reduces the pension contribution period, adds new benefits for participants, and tightens penalties for non-compliance and other requirements. Individuals working under a labour contract with a term of at least one month are required to comply with the social insurance contribution laws. Even a person who does not have a labour contract but enters into an agreement under another name that contains provisions concerning paid work, salary, management, operation and supervision of one party is also subject to this regulation.

Amendments to the Law on Health Insurance 2024

This law supplements regulations on electronic health insurance cards (effective from 1 January 2025), expands participant categories and introduces stricter measures against late or evaded payments.

Amendments to the Law on Trade Unions 2024

This law amends and updates the 2012 Law on Trade Unions. It allows foreign workers (12-month contracts) to join grassroots unions, defines a four-level union structure (central to grassroots) and keeps the 2 per cent union fee, with new options for exemption (e.g., bankruptcy), reduction (e.g., hardship) or suspension (up to 12 months, retroactive).

Large labour shift after state apparatus reform 2025

Since early 2025, Vietnam has undergone reforms, administrative boundary adjustments and streamlining of the state apparatus, resulting in a significant downsizing of the civil service. This restructuring is expected to release a large number of workers into the labour market, particularly the private sector, presenting both opportunities and challenges. While this may place short-term pressure on the labour market, it is also likely to enhance labour mobility, create new opportunities and improve the overall quality of human resources.

Significant cases

Statistics on strikes in 2024

In 2024, there were 76 collective work stoppages across Vietnam. According to the Vietnam General Confederation of Labour, most of these stoppages occurred in foreign-invested enterprises (FDIs), primarily in major provinces and cities located in the southern key economic region, accounting for 44 out of 76 cases (57.89 per cent). The exact number (44 out of 76 cases, or 57.89 per cent) also took place in industrial parks, export processing zones and economic zones.

The main reasons for labour disputes and strikes, especially around the Lunar New Year (Tet), were workers' dissatisfaction with Tet bonuses and disagreements over changes in the calculation of wages and bonuses.

Case law regarding the statute of limitations in labour disputes

The statute of limitations for requesting a court to settle an individual labour dispute is one year from the date on which the disputing party discovers the act that they believe has infringed upon their lawful rights and interests.^[4] In practice, for cases involving numerous time points, determining the moment of 'discovery of the act that is believed to infringe lawful rights and interests' can be challenging.

Hanoi People's Court tried a related labour dispute case under Judgment No. 12/2024/LĐ-PT dated 2 July 2024. Accordingly, the Plaintiff unilaterally terminated her labour contract with Company D (the Defendant) on 11 March 2022. On 16 May 2022, and 15 June 2022, the Plaintiff and the Company signed minutes agreeing on the severance allowance amount, but they did not specify when the Company would make the payment. As of 23 November 2022, the Company had still not made the payment, so the Plaintiff submitted a complaint to the Company, which went unanswered. In July 2023, during mediation at the Mediation Center, the Company paid a portion of the severance allowance to the Plaintiff.

Based on this timeline, the Trial Panel determined that the case remains within the statute of limitations for litigation. The date the Plaintiff deemed her lawful rights and interests to have been violated was 23 November 2022, which was more than five months after the parties agreed on the severance amount, yet the amount remained unpaid.

Since determining the statute of limitations is a critical element in resolving labour disputes, litigants should monitor and assess this issue in the initial stages of the dispute.

Basics of entering into an employment relationship

Employment relationship

Legally, it is essential to have an employment contract in place before hiring an employee.^[5] In most cases, the employment contract should be written, although in select circumstances, an oral agreement is acceptable if its duration is less than one month.^[6]

There are two types of employment contracts recognised by law: indefinite-term contracts and fixed-term contracts, the latter of which can extend up to 36 months.^[7]

The following key content must be included in the employment contract:

1. name and address of the employer, together with the full name and position of the contracting person on the employer's side;
2. name, date of birth, gender, identity card number or passport number, residential address and phone number of the employee agreeing to the contract;
3. the expected job role and workplace location;
4. the duration of the employment contract;
5. salary linked to the job or position, salary payment, schedule for salary payment, allowances and other additional payments;
6. provisions for promotion and salary increment;
7. stipulated working hours and rest periods;
8. personal protective equipment for the employee;
9. social insurance, health insurance and unemployment insurance; and
10. primary and advanced training, along with occupational skill development provisions.^[8]

Suppose the position is directly associated with business secrets or technology knowledge as prescribed by law. In that case, the employer has the right to have written agreements with their employee that protect their IP assets, outlines their duration, and specifies the respective benefits and compensation in the event of a violation.

Should any party wish to modify the contract, it must notify the other party at least three working days in advance and obtain consent.^[9] To implement changes or additions to the signed contract, parties can make appendices.^[10]

Probationary periods

In Vietnam, prospective employers and employees may agree to a probationary period in the employment contract itself or a separate probationary agreement. A probationary

period does not apply to individuals employed under contracts of less than one month's duration.^[11]

The probationary period, governed by mutual consent and the specific employee's role, can extend from six days to a maximum of 180 days.^[12] Notably, the compensation offered during this probationary phase should be no less than 85 per cent of the intended official salary.^[13]

Both the employer and the potential employee have the right to terminate the probation unilaterally at any time without prior notice or obligation to compensate for damages. No justification or prior notification is needed from either party to terminate the probationary period. However, employers are obliged to inform employees regarding the outcome at the end of a probationary term.^[14]

Establishing a presence

A foreign-owned legal presence can be established in Vietnam through several means, including as a foreign-invested business entity, a representative office, a branch of a foreign trader or an executive office tied to a foreign investor under a business cooperation contract.^[15]

Even without a formal legal presence in Vietnam, a foreign company could still be deemed to have formed a permanent establishment (PE) in certain circumstances. A PE is defined as any location where a foreign company conducts all or part of its business activities in Vietnam. This broad definition encompasses not only physical locations but also includes:

1. services offered by employees or other organisations or individuals;
2. agents acting on behalf of a foreign company; and
3. representatives in Vietnam with the authority to sign contracts under the name of a foreign company or those without such authority but who consistently deliver goods or services in Vietnam.^[16]

Regarding the implications of establishing a PE, legally, a foreign company without a PE in Vietnam is only required to pay tax on taxable income generated within Vietnam. In contrast, a foreign company with a PE in Vietnam is taxed on income generated both in and out of Vietnam, provided such income is related to the operation of the PE. This includes both income generated by the PE's operations in Vietnam and income generated outside Vietnam that is associated with the PE's activities. In addition, a foreign company with a PE is taxed on income generated inside Vietnam even though such income is not related to the operation of the PE.^[17]

Restrictive covenants

Vietnamese employment law does not expressly recognise non-compete clauses or agreements, making their legality a subject of ongoing debate.

The Labour Code of 2019 permits employers to negotiate with employees regarding parameters related to the protection of business secrets and technological knowledge, along with associated benefits and compensatory obligations in the event of a violation.^[18] This is particularly applicable when job responsibilities are linked with the elements needing protection. This stipulation aligns with the Law on Intellectual Property, which authorises enterprises to enforce mechanisms safeguarding their intellectual property rights.^[19] Therefore, implementing non-compete clauses or agreements can be viewed as a practical measure empowering employers to protect their proprietary information and technological expertise. The Court of Ho Chi Minh City, in Decision No. 755/2018/QD-PQTT dated 12 June 2018, upheld the validity of an NDA if it was mutually agreed upon and the employee had full legal capacity without coercion or deceit involved.

Conversely, arguments persist that non-compete clauses infringe on an individual's inherent right to work and make autonomous decisions regarding job selection and workplace locations. Such rights are enshrined in multiple legal statutes and the nation's Constitution.^[20] This perspective was made evident in Judgment No. 420/2019/LD-PT issued on 15 May 2019 by the People's Court of Ho Chi Minh City, and Judgment No. 03/2023/LD-PT delivered on 10 January 2023 by the People's Court of Thanh Hoa Province, both of which invalidated NDAs.

Despite these complexities regarding their validity, in practical terms, employers frequently incorporate non-compete clauses into employment contracts or negotiate separate agreements for key personnel.

Like non-compete clauses, Vietnamese law also does not explicitly regulate non-solicitation clauses signed with a company's employees or customers, making their legality a subject of ongoing debate. In practice, non-solicitation clauses are difficult to enforce because of the burden of proof and the Vietnamese courts' limited familiarity with such provisions.

Wages

Working time

As per Vietnamese law, standard working hours should not exceed eight hours a day or 48 hours a week. The employer has the authority to specify daily or weekly working hours and must communicate these to employees. If a weekly arrangement is utilised, daily working hours should not exceed 10, and weekly hours should not exceed 48.^[21]

Night work is defined as the period from 10.00pm to 6.00am.^[22] While there is no restriction on the amount of night work, the sum of night and day working hours (if applicable) should not exceed the limit of working hours. There are certain exceptions to this, particularly female employees who:

1. have reached the seventh month of pregnancy (or the sixth month if working in upland, remote, border and island areas) are not allowed to work night shifts; and
2. are raising a child under 12 months old should not be assigned to night work, barring any agreement to the contrary.^[23]

Overtime

The overtime period is defined as the working duration that extends beyond the standard working hours as dictated by law, collective labour agreements or the employer's internal regulations.^[24] To authorise overtime work, the following prerequisites must be met:

1. employee consent is mandatory concerning overtime hours, location of overtime work and tasks to be performed during overtime; and
2. the overtime duration must not exceed 50 per cent of regular working hours per day, 40 hours per month, and 200 hours per year. If a weekly model is applied for normal working hours, the cumulative total of regular and overtime hours must not exceed 12 hours per day.^[25]

Compensation for overtime work is based on the rates calculated from the salary earned during regular working hours, as shown in the following table.^[26]

Overtime hours	Overtime rate (%)
Working overtime on weekdays during the daytime	150
Working overtime on weekdays during the night - time	200
Working overtime on weekends during the daytime	200
Working overtime on weekends during the night - time	270
Working overtime on Tet or other public holiday, or during paid leave during the daytime	300
Working overtime on Tet or other public holiday, or during paid leave during the night - time	390

Foreign workers

Foreign employees working in Vietnam are governed by the Labour Code 2019 and the implementing Decrees. This legislation extends protections to the lawful rights and interests of both domestic and foreign employees working in Vietnam, meaning that most regulations applying to local employees, such as tax obligations and benefits (excluding unemployment insurance contributions) also apply to foreign employees. Unlike their Vietnamese counterparts, foreign workers are not covered by the local unemployment insurance scheme.

Vietnamese laws outline strict provisions regarding the hiring and use of foreign employees. The key points that enterprises should be aware of are as follows.

Keeping a register of foreign workers

The information of foreign employees must be included in the employee management book, just like that of local employees. The responsibility falls on the employer to maintain this book, update it regularly and administer it in either a physical or digital format.

The number of foreign workers in a workplace or company

Concerning employment restrictions for foreigners, there is currently no cap on the number of foreign employees. However, employers can only hire foreigners for managerial roles, executive director positions, skilled workers and technical jobs that Vietnamese workers are unable to handle. After the enforcement of Decree 219/2025/ND-CP on 7 August 2025, the report explaining the demand for employing foreign workers and the work permit application are no longer treated as separate procedures. Instead, the procedures have been consolidated into a single work permit application process.

Before hiring foreign employees, the employers must first post a recruitment notice on the Employment Service Center, online recruitment platforms or Vietnamese enterprise's website, a minimum of five days before the anticipated date of submitting a work permit application to the labour authority. This regulation took effect on 7 August 2025. Following an unsuccessful attempt to recruit Vietnamese workers for the position intended for foreign workers, the employer can then proceed to the next step of submitting the work permit application as required by law. This application must be submitted at least 10 days and no later than 60 days prior to their first working day.^[27] Accordingly, the number of foreign workers is subject to control by the competent authorities. While there is no fixed legal limit on the number of foreign employees a workplace or company may have, employers are not permitted to unilaterally recruit many foreign workers unless they can demonstrate a legitimate need and fully comply with the prescribed legal procedures.

Restrictions on the length of a foreign worker's assignment in Vietnam

The length of a foreign worker's assignment in Vietnam is primarily determined by the duration of the work permit, except for exceptional cases where the worker is exempt from work permit requirements. The maximum term of a work permit is two years and depends on multiple factors, as stated in the Labour Code 2019. Upon the expiry of the work permit, it may be renewed once for a maximum of another two years. After this extension, if the foreign worker wishes to continue working in Vietnam, a new work permit must be applied for, following the procedures applicable to first-time issuance.

Requirements for work permit and visa for foreign workers

Except for exceptional cases outlined in the Labour Code 2019 and its accompanying legislation, one requirement for a foreign national to work in Vietnam is to obtain a work permit, which is valid for a maximum of two years.^[28] Following this, the foreign employee

must follow the visa procedures for entry, unless they are part of a visa-exempt category.^[29]

Taxes and local benefits for foreign workers

Foreign employees working in Vietnam are required to pay personal income tax (PIT) on income earned in Vietnam, just like Vietnamese employees. Employers are responsible for withholding PIT monthly from the foreign employee's income and declaring and remitting the tax to the competent tax authorities per the law. The applicable PIT rate depends on the employee's residency status in Vietnam:

1. for tax residents (individuals who are present in Vietnam for 183 days or more within a calendar year or 12 consecutive months from their first arrival), a progressive tax rate from 5 per cent to 35 per cent applies;^[30] and
2. for non-residents: a flat tax rate of 20 per cent is imposed on taxable income sourced in Vietnam.^[31]

Regarding social insurance and mandatory welfare schemes, foreign employees are required to participate in compulsory social insurance (SI) if they have a labour contract with a Vietnamese employer that is at least 12 months in duration. However, certain foreign employees are exempt from SI participation even if they meet the above condition, including:

1. intra-corporate transferees (assigned by a foreign parent company to work in its commercial presence in Vietnam);
2. employees who have reached the statutory retirement age under Vietnamese law; and

cases where international treaties to which Vietnam is a member provide otherwise.

Foreign employees participating in mandatory SI are entitled to the same benefits as Vietnamese employees, including sickness, maternity, occupational accidents and diseases, retirement and survivorship allowances. The monthly SI contribution rates, based on the salary used for SI calculation, are as follows:^[32]

SI fund type	Employee contribution	Employer contribution	Total contribution
Retirement and survivorship fund	8%	14%	22%
Sickness and maternity fund	—	3%	3%
Occupational accident and disease fund	—	Up to 1% ^[33]	Up to 1%
Total mandatory SI contribution	8%	Up to 18%	Up to 26%

Protection under Vietnamese labour law for foreign workers

Foreign workers employed in Vietnam are governed by the Labour Code of 2019 and its implementing regulations, including Decree No. 145/2020/NĐ-CP and Decree 219/2025/ND-CP. Accordingly, they are entitled to the same level of protection under Vietnamese labour law as domestic employees. Vietnamese labour law ensures equal treatment and protection for both foreign and domestic workers.

Global policies

As per the Labour Code 2019, an employer's disciplinary policies must be incorporated within the Internal Labour Rules (ILR) or included in the labour contracts to be effective.

The formulation of ILR is mandatory for employers with at least 10 employees, with internal disciplinary rules being a crucial component of the ILR. For employers with fewer than 10 employees, issuing an ILR is optional; however, disciplinary rules must be incorporated into the labour contracts.

Key components of the ILR include:

1. working hours and rest period;
2. order of the workplace;
3. occupational safety and hygiene;
4. preventive measures and procedures for dealing with sexual harassment in the workplace;
5. protection of assets, business secrets, technological secrets and intellectual property;
6. circumstances where employees can be temporarily reassigned to a job that is different from their labour contract;
7. cases of violation and disciplinary measures;
8. material responsibilities; and
9. personnel with authority to conduct disciplinary procedures.

Although there is no specific regulation regarding language, the relevant authorities often prefer ILR documents to be registered in Vietnamese for their review.

Before issuing or amending the ILR, employers are required to consult with the organisation representing the employees, such as a grassroots trade union. The employer must send the content requiring consultation in advance to the grassroots trade union, which is responsible for collecting and consolidating feedback from employees and responding in writing. The two parties then hold a dialogue to exchange and consult; the content of the dialogue must be recorded in minutes and signed by all participating parties. The ILR is issued based on consultation with the grassroots employee representative organisation, but the law does not require such an organisation to sign the ILR. However, if disciplinary

rules are included in the labour contract, they must be signed by both the employee and the employer.

Employers with 10 employees or more are required to register the ILR with the competent authority within 10 days of its issuance. Once issued, the ILR must be communicated to employees through various methods, such as meetings, written notices, or intranet sites, and the key contents must be publicly displayed in the workplace.^[34]

Parental leave

Under the Law on Social Insurance 2024, policies for maternity and paternity leave incorporate paid leave benefits and paid leave days provided for by the social insurance departments. During these paid leave days, employers are not obligated to pay the employees' salaries.

Requirements on social insurance contribution period

For eligibility for maternity policy:^[35]

1. female employees who are pregnant, surrogate mothers or intended mothers must have contributed to social insurance for more than six months within the 12 months before giving birth, child relinquishment, or adopting children under six months old; and
2. surrogate mothers, intended mothers who have contributed to social insurance for more than 12 months but must stop working during pregnancy per the direction of a physician of a medical facility, must have contributed three months of social insurance within 12 months before giving birth.

The paternity policy applies to male employees whose wives give birth as normal mothers or surrogate mothers, provided that they contribute to social insurance.

Entitlements

Maternity and paternity paid leave days

Employees are entitled to maternity and paternity paid leave days for several reasons, including:^[36]

1. prenatal check-ups;
2. miscarriage, abortion, antepartum stillbirth, preterm stillbirth, ectopic pregnancy;
3. childbirth, including cases where the mother dies after giving birth;
4. surrogate mothers;
5. intended mothers;
6. child adoption under six months old; and

7. contraceptive measures.

The number of paid leave days will be calculated based on the above circumstances. For instance, female employees are entitled to a total of six months' leave before and after childbirth. For their part, male employees whose wives give birth to one child without undergoing surgery are generally entitled to five working days of paternity leave.

Health recovery paid leave days after maternity leave

This applies to female employees or surrogate mothers whose health has not yet recovered after maternity leave.^[37] Health recovery days off range from five to 10 days within the first 30 days after maternity leave ends, including holidays, Tet holidays and weekly days off. The employer and the grassroots trade union (if applicable) determine the specific paid leave days, which depend on the number of children and the method of childbirth. The payment for each leave day is 30 per cent of the reference salary.

Protection from dismissal

The Labour Code 2019 protects employees from dismissal during their pregnancy, maternity leave, or when they're raising children under 12 months old, except when:

1. individual employers pass away or are declared as having lost civil act capacity, go missing or are declared deceased by the court; and
2. non-individual employers cease their operations or are notified by the provincial department of planning and investment as not having a legal representative or an authorised representative.^[38]

Translation

Legal provisions regarding translating labour-related agreements to Vietnamese or the employee's native language

Under Vietnamese labour laws, there is no specified requirement regarding the language used in labour-related agreements. The parties involved in such agreements can independently decide the language to be used.

Recommendation to use translations

In line with the spirit of labour law, all employment agreements must be clearly understood and voluntarily agreed upon by both the employee and the employer. Therefore, in cases where either party does not understand Vietnamese or the employee's native language, providing a translated version is necessary to ensure the validity of the agreement.

Moreover, it might be beneficial for the employer to prepare a Vietnamese version of these documents, as Vietnamese courts require all evidence and documents in foreign languages to be translated into Vietnamese in the event of any legal disputes.^[39]

Documents that should be translated and translation formalities

To uphold the principle that all employment agreements must be established voluntarily and with complete understanding, any documents related to recruitment and labour management should be translated into the employee's preferred language if they are not proficient in Vietnamese.

Although current laws do not mandate a specific form of translation, in cases where translated documents are used as evidence in court or submitted to competent authorities, companies should use translations provided by professional translation agencies or notarised translations to ensure legal validity.

Consequences of not translating employment documents

As current laws do not specifically require the use of a particular language in labour agreements, there are no penalties for using a foreign language or failing to translate such documents. However, suppose labour-related documents in a foreign language are not translated into Vietnamese and duly certified as required when submitted as evidence in court. In that case, they may be rejected by the court for failing to meet the formal requirements for admissible evidence under procedural law.

Employee representation

Under Vietnamese labour law, grassroots employee representative organisations are established voluntarily by employees at a specific workplace. Such an organisation includes the grassroots trade union and the employee organisation within the enterprise.

The typical ratio of representatives to employees

Currently, the law does not limit the number of members or the ratio of representatives to the total number of employees in an enterprise's grassroots trade union or employee organisation. Therefore, the employer may coordinate with employees to determine an appropriate number of trade union members based on the company's scale and actual operational needs.

For grassroots trade unions in particular, the minimum number of members is five.

The election procedures for representatives

The election procedures of the employee organisation shall be prescribed in the Charter of the employee organisation at the enterprise.

Forms of election in a grassroots trade union:

1. secret ballot elections shall be used in the following cases:
 - electing the executive committee and its positions;
 - electing the inspection committee and its positions;
 - electing the trade union group leader and deputy leader at the grassroots group level, as well as other trade union officer positions; and
2. voting by show of hands or trade union membership cards shall be used in the following cases:
 - electing the presidium, secretariat and credentials committee at the trade union congress; and
 - electing the vote-counting committee at the trade union congress.^[40]

The length of an employee organisation's term

The term of the employee organisation shall be prescribed in the Charter of the employee organisation at the enterprise.

The term of a grassroots trade union follows the term of its directly supervising higher-level trade union.^[41] For example, if the term of the higher-level trade union is from 2020 to 2025, and the grassroots trade union is established in 2023, then the term of the grassroots trade union will be from 2023 to 2025.

Additional rights and protections

Employee representatives, especially members of the executive committee, are entitled to certain rights and protections:

1. restrictions on the employer's right to unilaterally terminate the labour contract, transfer to another job, or impose disciplinary dismissal without a written agreement with the leadership of the employee representative organisation at the workplace;
2. may be entitled to salary during the period in which they perform duties for the employee representative organisation at the workplace; and
3. entitled to an extension of their labour contract until the end of their term.^[42]

The following are the duties of the employer concerning the works council or trade union members:

1. do not obstruct employees from lawfully establishing, joining and participating in activities of the internal representative organisation of employees;
2. recognise and respect the rights of the lawfully established internal representative organisation of employees;
3. enter into a written agreement with the management board of the internal representative organisation of employees when unilaterally terminating the

employment contract with, reassigning or dismissing for disciplinary reasons an employee who is a member of the management board. The parties shall notify the provincial labour authority if they are unable to reach an agreement. The employer can issue a decision after 30 days from the day the notice is sent to the labour authority in the locality;

4. suppose the employment contract with an employee who is a member of the management board of the internal employee representative organisation expires before the end of their term of office; in that case, the existing contract shall be extended until the end of the term of office.^[43]

Representatives meet

The employee organisation congress shall be prescribed in the Charter of the employee organisation at the enterprise.

The trade union congresses at all levels shall be held every five years. The term of office of the grassroots trade union congress may be adjusted to align with the term of the superior trade union congress and the actual situation.^[44]

Data protection

Requirements for registration

Impact assessment dossier

According to Decree No. 13/2023/ND-CP (Decree 13), data controllers and data processors must prepare and maintain an impact assessment dossier from the start of personal data processing.^[45] Employers must prepare this dossier and submit it to the Department of Cybersecurity and Hi-tech Crime Prevention under the Ministry of Public Security (MPS) within 60 days of processing the employee's data. The dossier must always be available for MPS review and updated as necessary or upon request from MPS.

Notice and consent

A privacy notice must be provided to employees before their data is processed, and their consent must be obtained.^[46] Consent must be affirmative, explicit and voluntary. The burden of proving the data subject's consent lies with the Data Controller.^[47]

The Law on Personal Data Protection 2025 (PDPL), which takes effect on 1 January 2026, further stipulates that during recruitment, employers may only request and use personal information for lawful recruitment purposes or other agreed-upon purposes, with the candidate's consent. If the candidate is not hired, the employer is required to delete or destroy the personal data provided, unless otherwise agreed with the candidate. Employers must store employee personal data only for the duration required by law or as agreed with

the employee. Upon termination of employment, the employer must delete or destroy the employee's personal data, unless otherwise agreed or required by law.^[48]

Limitations on collection and processing

Data collection must adhere to the scope and purposes of data processing, and data processing must be limited to the registered purposes and scope agreed upon by the employees.^[49]

Technical protections

System logs of personal data processing must be recorded and stored. Appropriate standards for personal data protection should be applied.^[50] Additionally, the PDPL requires that employees be made aware of any technology used to process their personal data in the course of employment management.^[51]

Cross-border data transfers

Cross-border transfers of Vietnamese citizens' data will necessitate a separate impact assessment.^[52] The transferor must prepare an overseas data transfer dossier and always keep it available for MPS review, submit it to the MPS within 60 days of personal data processing, and notify the MPS when the data transfer is completed.

Sensitive data

Employees must be informed if their data is considered sensitive.^[53] Those handling sensitive personal data must appoint a department or person responsible for personal data protection and inform the Specialised Agency for Personal Data Protection about them.

Background checks

According to the Labour Code 2019, employers may request employees to provide certain background information for contract conclusion. However, they are not allowed to request additional documents, such as criminal or credit records.^[54]

Electronic signatures

The Labour Code recognises the legality of labour contracts concluded electronically.^[55] Therefore, as long as electronic signatures meet legal requirements, they are as legally binding and enforceable as wet-ink signatures for employment contracts.

Discontinuing employment

Vietnam does not have at-will employment. Instead, termination of employment can only take place on specific grounds. An employee may be dismissed through a labour discipline

hearing for violating work rules or other grounds specified under the labour law. Employers must provide employees prior notice of termination under certain circumstances.

Termination via a labour discipline hearing

Dismissal is regarded as a disciplinary measure and can only be enacted in specific statutory cases, including where the employee:

1. commits an act of theft, embezzlement, gambling, deliberate violence causing physical injury, use of narcotics or illegal drugs at the workplace, or disclosure of technological or business secrets;
2. commits sexual harassment at the workplace;
3. commits another offence while under a demotion or deferred salary increase; and
4. is absent without appropriate reasons for five days or more within 30 days or 20 days or more in 365 days.^[56]

Before dismissing employees on the grounds above, employers must hold a labour discipline hearing for the affected employee, allowing the employee to respond to the employer's allegations. The hearing must follow the procedural formalities required by law. The hearing is an in-house affair conducted by the employer's officers. However, the employer must invite a trade union member (if any) to attend the hearing.^[57] Regarding unemployment allowance, the Law on Employment 2013 does not allow employees who unilaterally terminate the labour contract or working contract illegally, or receive monthly pension and disability allowance, to receive unemployment allowance. As dismissal is not subject to such cases, dismissed employees can still apply for an unemployment allowance if they meet the conditions regarding the contribution period.

Termination via written notice

An employer may unilaterally terminate labour relations, without a disciplinary hearing and based on written notice, under the following circumstances:

1. an employee repeatedly fails to perform their duties;
2. an employee is sick or injured and is incapable of performing their job after 12 consecutive months for an indefinite term contract, six months for a contract with 12 to 36 months, or half of the contract term with a period under 12 months;
3. employers are forced to downsize and reduce their production and employment as a result of natural disasters, fire, or other events of force majeure;
4. employees who are absent for five continuous days or do not come to work after the expiry of the temporary suspension of the labour contract;
5. employees reaching retirement age; and
6. employees providing false information for recruitment.^[58]

The advance notice period required is three days for contracts under 12 months, 30 days for contracts with a term of 12–36 months, or 45 days for indefinite-term contracts.^[59]

Redundancies

Suppose an employer makes changes to their technological or organisational structure, or in the event of a merger or consolidation, or where the employer faces severe economic conditions, leading to the mass redundancy of a number of employees (two or more). In that case, the employer is required to devise and submit a labour usage plan (LUP) to the People's Committee of the provincial level before conducting the mass redundancy.^[60] Before submitting the LUP, the employer must consult with the grassroots trade union. The employer may only conduct mass redundancies after notifying employees and submitting the LUP dossier to the labour authority at least 30 days in advance. Employees affected by the mass redundancy are entitled to their unpaid salary, statutory job-loss allowances and other required compensation.

Prohibited circumstances

Employers are prohibited from unilaterally terminating an employment contract when:

1. the employee is suffering from an illness, work accident, occupational disease, and is undergoing treatment or nursing under a competent health institution's decision (except when they have been treated for a specific period as per statutory requirements and their working ability has not recovered);
2. the employee is on annual leave, personal leave or any other type of leave permitted by the employer; and
3. the employee is pregnant, on maternity leave or raising a child under 12 months old.^[61]

Consequences of wrongful termination

If an employer wrongfully terminates an employee, the employer must:

1. re-employ the employee per their labour contract; and
2. pay compensation equal to the total amount of their salary or wages and allowances (if any) for the period of wrongful dismissal plus an additional two months' salary and allowances (if any).^[62]

After being re-employed, the employee must return any allowance (if any) to the employer. Suppose the position that the employee wishes to work in is no longer available, and the employee still wishes to work, in that case, the employer must negotiate revisions to the employment contract.

If the employee does not wish to return to work, they will be entitled to the statutory job-loss allowance in addition to the compensation mentioned above. If the employer refuses to

re-employ the employee, the parties may agree on an additional payment amount of at least two months' salary. If the parties cannot agree, the court may determine the amount.

Transfer of business

In the case of organisational restructuring, such as a change of ownership or merger, the employer is required to develop a labour utilisation plan. Both the current and the prospective employer are responsible for implementing the approved labour utilisation plan. If there is a lay-off, the affected employees are entitled to receive a redundancy allowance. This allowance is designed to compensate employees for the loss of their job and support them during their job search period.

Outlook and conclusions

In 2025, Vietnam's job market is expected to continue growing rapidly in technology and data-related fields. According to multiple reports, demand for roles in artificial intelligence (AI), cybersecurity, cloud computing and data analytics has increased significantly across various industries, not just in tech, but also in finance, logistics, healthcare and manufacturing. AI jobs have seen a 41 per cent increase, with employers offering salaries 10–50 per cent higher than for traditional IT roles. This surge is driven by Vietnam's strong digital transformation agenda and heavy investments by both the public and private sectors, including partnerships with major global tech players.

Given the recent issuance of the Law on Personal Data Protection 2025, jobs related to data processing are also expected to proliferate.

Circulars providing further guidance on Decree 13 and the Law on Personal Data Protection 2025 are expected to be issued, and personal data protection and data privacy will likely remain focus areas. This is particularly the case when considering that the integration of technology and AI in industries has become more prevalent than ever.

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Endnotes

- 1 Michael K Lee is a partner and Tu Le, Pham Le and Tien Tran are associates at Dilinh Legal. [^ Back to section](#)

- 2** Article 187 of the Labour Code 2019. [^ Back to section](#)
- 3** Articles 188 and 189 of the Labour Code 2019. [^ Back to section](#)
- 4** Article 190.3 of the Labour Code 2019. [^ Back to section](#)
- 5** Article 13.2 of the Labour Code 2019. [^ Back to section](#)
- 6** Article 14 of the Labour Code 2019. [^ Back to section](#)
- 7** Article 20 of the Labour Code 2019. [^ Back to section](#)
- 8** Article 21 of the Labour Code 2019, Article 3 of Circular 10/2020/TT-BLDTBXH. [^ Back to section](#)
- 9** Article 33.1 of the Labour Code 2019. [^ Back to section](#)
- 10** Article 22.2 of the Labour Code 2019. [^ Back to section](#)
- 11** Article 24 of the Labour Code 2019. [^ Back to section](#)
- 12** Article 25 of the Labour Code 2019. [^ Back to section](#)
- 13** Article 26 of the Labour Code 2019. [^ Back to section](#)
- 14** Article 27 of the Labour Code 2019. [^ Back to section](#)
- 15** Article 3.7 of Decree No. 152/2020/ND-CP. [^ Back to section](#)
- 16** Article 2.3 of Law on Corporate Income Tax 2008. [^ Back to section](#)
- 17** Article 2.2 of the Law on Corporate Income Tax 2008. [^ Back to section](#)
- 18** Article 21.2 of the Labour Code 2019. [^ Back to section](#)
- 19** Article 198 of the Law on Intellectual Property 2005, as amended and supplemented from time to time. [^ Back to section](#)
- 20** Article 35.1 of the Constitution 2013, Article 5.1(a) of the Labour Code 2019, and Articles 4.1 and 9.6 of the Law on Employment 2013. [^ Back to section](#)
- 21** Article 105 of the Labour Code 2019. [^ Back to section](#)
- 22** Article 106 of the Labour Code 2019. [^ Back to section](#)
- 23** Article 137.1 of the Labour Code 2019. [^ Back to section](#)

- 24** Article 107.1 of the Labour Code 2019. [^ Back to section](#)
- 25** Article 107.2 of the Labour Code 2019; Article 59 of Decree No. 145/2020/ND-CP. [^ Back to section](#)
- 26** Article 98 of the Labour Code 2019. [^ Back to section](#)
- 27** Article 22.1 of Decree No. 219/2025/ND-CP. [^ Back to section](#)
- 28** Article 155 of the Labour Code 2019 [^ Back to section](#)
- 29** Article 12 of the Law on entry, exit, transit and residence of foreigners in Vietnam 2014, and Article 1.11 of the Amended Law on entry, exit, transit and residence of foreigners in Vietnam 2019. [^ Back to section](#)
- 30** Articles 21.1, 22 of the Law on Personal Income Tax 2007. [^ Back to section](#)
- 31** Articles 26.1, 33.1 of the Law on Personal Income Tax 2007. [^ Back to section](#)
- 32** Articles 33.1(a), 34.1 of the Law on Social Insurance 2024. [^ Back to section](#)
- 33** Article 44.1 of the Law on Occupational Safety and Hygiene 2015 [^ Back to section](#)
- 34** Article 118 of the Labour Code 2019; Article 69 of Decree No. 145/2020/ND-CP. [^ Back to section](#)
- 35** Articles 50 of the Law on Social Insurance 2024. [^ Back to section](#)
- 36** Articles 50 to 57 of the Law on Social Insurance 2024. [^ Back to section](#)
- 37** Article 60 of the Law on Social Insurance 2024. [^ Back to section](#)
- 38** Article 137 of the Labour Code 2019. [^ Back to section](#)
- 39** Article 96.3 of the Civil Procedure Code 2015. [^ Back to section](#)
- 40** Article 9.4 of Guidance on implementation of the Vietnam Trade Union's Charter No. 38/HD-TLĐ. [^ Back to section](#)
- 41** Article 7.1 of Guidance on implementation of the Vietnam Trade Union's Charter No. 38/HD-TLĐ. [^ Back to section](#)
- 42** Article 176 of the Labour Code 2019. [^ Back to section](#)
- 43** Article 177 of the Labour Code 2019. [^ Back to section](#)

- 44** Article 10.2 of the Vietnam Trade Union's Charter No. 2399/QĐ-TLĐ. ^ [Back to section](#)
- 45** Article 24 of Decree 13. ^ [Back to section](#)
- 46** Articles 11, 13 of Decree 13. ^ [Back to section](#)
- 47** Articles 11.10 of Decree 13. ^ [Back to section](#)
- 48** Article 25 of the PDPL. ^ [Back to section](#)
- 49** Articles 3.3 and 3.4 of Decree 13. ^ [Back to section](#)
- 50** Articles 3.6, 22.1, 26, 27.4, 28 and 38.2 of Decree 13. ^ [Back to section](#)
- 51** Article 25 of the PDPL. ^ [Back to section](#)
- 52** Articles 25 of Decree 13. ^ [Back to section](#)
- 53** Articles 11.8 and 28 of Decree 13. ^ [Back to section](#)
- 54** Article 16.2 of the Labour Code 2019. ^ [Back to section](#)
- 55** Article 14.1 of the Labour Code 2019. ^ [Back to section](#)
- 56** Article 125 of the Labour Code 2019. ^ [Back to section](#)
- 57** Article 122 of the Labour Code 2019; Article 70.2 of Decree No. 145/2020/ND-CP. ^ [Back to section](#)
- 58** Article 36.1 of the Labour Code 2019. ^ [Back to section](#)
- 59** Article 36.2 of the Labour Code 2019. ^ [Back to section](#)
- 60** Article 42 of the Labour Code 2019. ^ [Back to section](#)
- 61** Article 37 of the Labour Code 2019. ^ [Back to section](#)
- 62** Article 41 of the Labour Code 2019. ^ [Back to section](#)



Michael K Lee
Le Tu
Pham Le
Tien Tran

michael.lee@dilinh.com
tu.le@dilinh.com
le.pham@dilinh.com
tien.tran@dilinh.com

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