

The background of the slide is a photograph of a multi-lane highway bridge spanning a deep, forested valley. In the foreground, a white semi-truck is driving on the bridge. The valley below is filled with lush green trees, and the hills in the distance are also covered in vegetation. The sky is clear and blue. The overall scene is bright and sunny, with a warm, golden light filtering through the trees.

NEW ADMINISTRATIVE PENALTY FRAMEWORK FOR LABOUR, SOCIAL INSURANCE & EMPLOYMENT COMPLIANCE IN VIETNAM

Effective from 10 September 2026

On 15 July 2026, the Government has issued Decree No. 283/2026/ND-CP (“Decree 283”), replacing Decree No. 12/2022/ND-CP and introducing a significantly strengthened administrative penalty regime across labour, social insurance, unemployment insurance, foreign employee management, occupational health and safety (“OHS”), trade union obligations and overseas employment matters.

The Decree will take effect from 10 September 2026 and reflects the authorities’ increasing focus on labour law, payroll and social security compliance, with substantially higher financial exposure for employers that fail to comply with statutory requirements.

Under Decree 283, monetary penalties specified for organisations are generally twice the corresponding penalties applicable to individuals. This includes enterprises, branches and representative offices of Vietnam enterprises or foreign enterprises operating in Vietnam.

Given the significantly increased penalties and broader enforcement powers introduced under the new regime, employers may wish to review their existing HR, payroll and compliance procedures to identify any potential gaps and ensure compliance with the new requirements.

Set out below is a summary of the key developments that may be relevant to employers operating in Vietnam.



1. Labour Administration, Internal Policies and Employment Documentation

1.1. Internal Labour Regulations

Employers with 10 or more employees are required to have written Internal Labour Regulations (“ILRs”) in place and complete any applicable registration procedures.

Administrative penalties ranging from VND 10 million to VND 20 million may apply where corporate employers:

- Do not maintain written ILRs;
- Fail to register ILRs with competent authority as required;
- Fail to consult employee representatives at unit level before issuing or amending ILRs; or
- Apply ILRs that have expired or are not yet effective;
- Impose disciplinary measures or require compensation for damages without complying with the prescribed procedures, processes or limitation periods; or
- Suspend an employee from work beyond the statutory time limit.

1.2. Salary Scale, Salary Table and Bonus Policies

Corporate employers remain responsible for establishing and maintaining:

- Salary scales and tables;
- Labour norms; and
- Bonus regulations.

Administrative penalties ranging from VND 10 million to VND 20 million may be imposed for failure to establish these documents, publicly communicate them, consult employee representatives, or provide employees with payroll statements.



1.3. Workplace Democracy and Employee Dialogue

The Decree reinforces employer's obligations relating to:

- Workplace democracy regulations;
- Periodic employee dialogue sessions;
- Consultation procedures; and
- Mandatory disclosure of labour-related information to employees.

Non-compliance of organisations may attract penalties ranging from VND 10 million to VND 20 million .

1.4. Labour Registration and Employee Records

Employers are required to:

- Declare the use of labour as required by law;
- Establish and maintain labour management registers in a timely manner and with the required information; and
- Report changes in workforce as required by law.

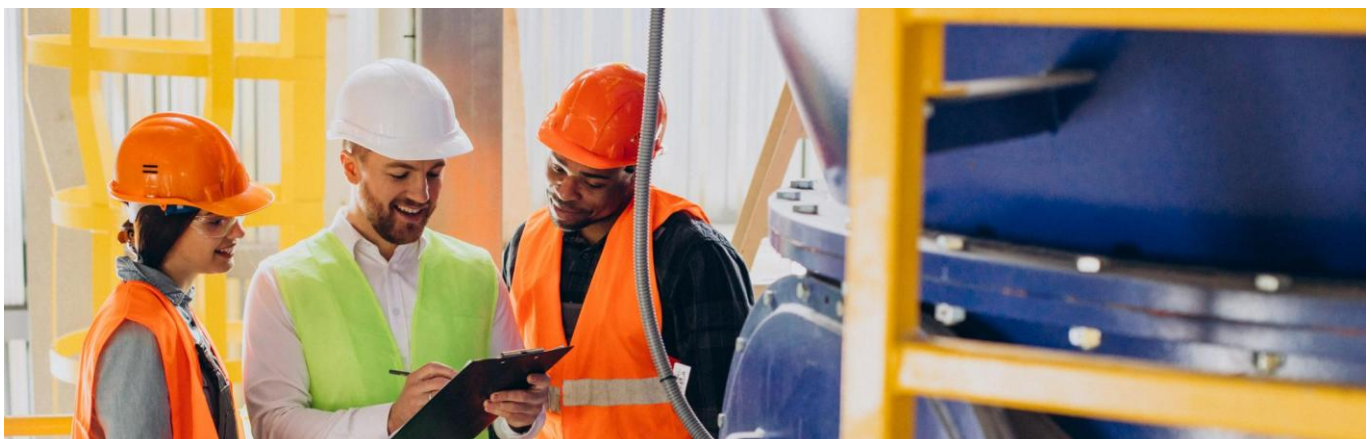
Administrative penalties for corporate employers generally range from VND 2 million to VND 20 million depending on the nature of the violation.

1.5. Employment Contracts and Contract Administration

Employers may be subject to administrative penalties where they:

- Fail to enter into employment contracts in writing as required by law;
- Use an incorrect type of employment contract;
- Fail to include mandatory contents in employment contracts;
- Retain employees' original identity documents, diplomas or professional certificates;
- Require employees to provide deposits or other financial guarantees for the performance of employment contracts;
- Improperly extend or amend the term of an employment contract through an appendix; or
- Fail to complete statutory obligations upon termination of employment.

Administrative penalties for corporate employers may range from VND 4 million to VND 50 million, depending on the nature of the violation and the number of affected employees.



2. Employment Compliance

2.1. Wage and Payment Compliance

Employers may be penalised for:

- Late payment of wages;
- Underpayment of agreed remuneration;
- Failure to pay, or fully pay, overtime wages;
- Failure to pay, or fully pay, wages for night work;
- Failure to pay, or fully pay, accrued but unused annual leave when an employee resigns or is terminated; and
- Unlawful deduction of employees' wages.

Depending on the number of affected employees, administrative penalties for organisations may range from VND 10 million to VND 100 million.

In addition, corporate employers that pay employees below the statutory minimum wage may face penalties of up to VND 150 million.

Furthermore, corporate employers that fail to pay the mandatory cash equivalent of social insurance ("SI"), health insurance ("HI") and unemployment insurance ("UI") contributions to employees who are not subject to compulsory SI participation may face penalties of up to VND 40 million.

In addition to administrative fines, employers may be required to pay the outstanding amounts owed to employees, together with interest on delayed payments.

2.2 Overtime and Working Time Compliance

The Decree also increases penalties for violations relating to working time and overtime arrangements.

Employers may be penalised where they:

- Require employees to work beyond statutory normal working hours;
- Fail to provide statutory weekly, annual, public holiday or rest periods;
- Require employees to work overtime without their consent; or
- Arrange overtime in excess of the thresholds prescribed under the Labour Code.

Depending on the number of affected employees, penalties for organisations may reach VND 150 million.



2.3 Employee Termination and Final Settlement

The Decree introduces additional enforcement measures against corporate employers that fail to comply with employee termination obligations, including:

- Failure to settle employee entitlements in full upon termination;
- Failure to pay statutory severance or job-loss allowances in full;
- Failure to complete procedures to confirm employees' SI and UI contribution periods; or
- Failure to return employee documents and provide copies of employment-related records upon request after termination.

Depending on the number of affected employees, administrative penalties for organisations may range from VND 2 million to VND 40 million. In addition, employers may be required to:

- Pay all outstanding severance and/or job-loss allowances, together with applicable interest;
 - Complete procedures to confirm employees' SI and UI contribution periods;
 - Return retained employee documentation; and
 - Pay employees an amount equivalent to their contractual wages for the applicable notice period not provided.
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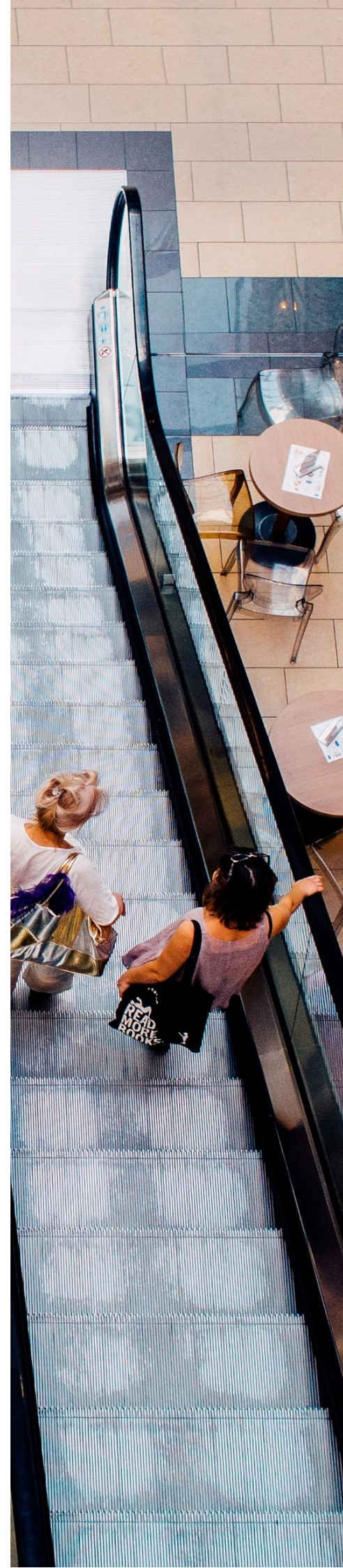
3. Social Insurance and Unemployment Insurance Compliance

3.1 Late Payment of Mandatory SI and UI Contributions

Corporate employers that fail to register employees on time or fail to make mandatory SI/UI contributions by the prescribed deadlines may face:

- Failure to register/incomplete registration:
 - ✓ SI: Administrative fines ranging from VND 10 million to VND 150 million, depending on the number of affected employees;
 - ✓ UI: Administrative fines ranging from VND 1 million to VND 70 million, depending on the number of affected employees.
- Late payment: Additional penalties ranging from 12% to 15% of the overdue contribution amount (capped at VND 150 million); and
- Mandatory payment of all outstanding SI/UI contributions plus late payment interest of 0.03% per day on the overdue sum.

These enhanced penalties reflect the authorities' increasing focus on ensuring timely employee registration and contribution compliance.



3.2. Evasion of SI/UI Contributions

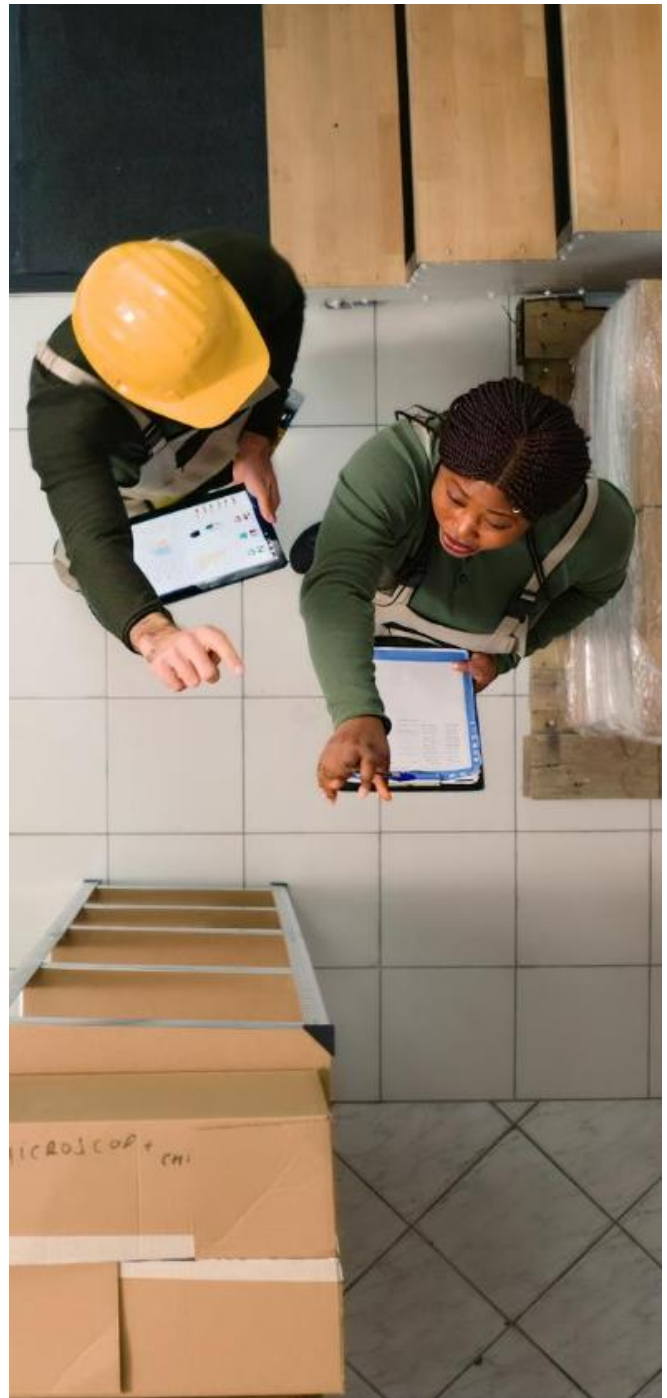
The Decree introduces more severe penalties where the authorities determine that an employer has intentionally evaded SI/UI obligations, including:

- Under-declaring salary levels used as the basis for SI/UI contributions;
- Failing to pay registered SI/UI contributions after repeated reminders from the competent authorities; or
- Other circumstances constituting contribution evasion under the applicable regulations.

In such cases, organisations may be subject to:

- Failure to register/incomplete registration:
 - ✓ SI: Administrative fines ranging from VND 12 million to VND 150 million, depending on the number of affected employees;
 - ✓ UI: Administrative fines ranging from VND 2 million to VND 80 million, depending on the number of affected employees.
- Evasion: Additional penalties of 18% to 20% of the evaded contribution amount (capped at VND 150 million);
- Mandatory payment of all outstanding SI/UI contributions plus late payment interest of 0.03% per day on the evaded amount.

Certain violations relating to the declaration and payment of SI, HI and UI contributions may also give rise to criminal liability where the relevant statutory thresholds and other conditions are met.





4. Trade Union Contribution Compliance

The Decree also strengthens enforcement of the statutory 2% trade union contribution obligation.

Corporate employers that:

- Fail to remit trade union contributions;
- Underpay contributions; or
- Make late payments,

may be subject to penalties ranging from 12% to 15% of the outstanding amount (capped at VND 150 million).

Where authorities determine that the employer has intentionally avoided payment, penalties increase to 18% to 20% of the unpaid amount (capped at VND 150 million).

Employers must also settle outstanding amounts together with applicable interest.

5. Foreign Employees

The Decree significantly strengthens enforcement in relation to foreign employees working in Vietnam.

Employers may face penalties where foreign employees:

- Work without a valid Work Permit (“WP”);
- Work without a valid WP exemption confirmation;
- Work outside the scope of work authorised under their WPs or WP exemption confirmations; or
- Continue to work after expiry of the relevant WP or WP exemption confirmations.

Penalties for organisations may reach VND 150 million, depending on the number of affected employees.

Foreign employees themselves may be subject to:

- Administrative penalties of VND 15-25 million; and
- Deportation from Vietnam.

The Decree also introduces penalties for employers who fail to return expired WPs or WP exemption confirmations to the issuing authorities within the prescribed timeframe.

Employers should review whether the actual work location, job title and reporting lines of foreign employees remain fully aligned with the approved labour and immigration documentation.

6. Occupational Health and Safety (“OHS”)

The Decree substantially strengthens OHS enforcement.

Examples include penalties for:

- Failure to submit complete, accurate and timely OHS, workplace accident and occupational disease reports;
- Failure to conduct mandatory OHS training;
- Failure to perform working environment monitoring;
- Failure to provide required OHS equipment and Personal Protective Equipment (“PPE”);
- Failure to organise mandatory health examinations;
- Failure to investigate workplace accidents; and
- Failure to establish emergency response procedures.

Depending on the severity of the violation and the number of affected employees, corporate employers may face fines exceeding VND 200 million, together with other corrective measures.

7. Employee Data Misuse and Deceptive Recruitment Practices

7.1 Employee Data Protection

Organisations may face penalties of up to VND 140 million for:

- Unlawful exploitation, sharing or use of information and data contained in employee databases or unpublished labour market information;
- Purchasing, selling, exchanging or unlawfully misappropriating employee database or unpublished labour market information; and
- Fraudulent or falsified documentation in implementing employment policies or assessing and certifying national occupational skills, where the conduct does not constitute a criminal offence.

Employers should review their HR data governance framework and ensure that employee information is accessed and used only for legitimate purposes and on a need-to-know basis.

7.2 Deceptive Recruitment Practices

The Decree also imposes penalties of up to VND 150 million for deceptive recruitment practices of organisations, including:

- Soliciting or inducing applicants;
- Making false promises regarding employment opportunities;
- Making false or deceptive recruitment advertisements; or
- Using fraudulent methods to recruit workers for the purpose of exploitation or forced labour (where criminal liability is not triggered).

Employers that improperly collect recruitment-related fees may also be required to refund the amounts collected from employees.

8. Key Takeaways for Employers

Given the significantly strengthened enforcement framework under Decree 283, employers should consider reviewing their current compliance processes, particularly in the following areas:

Area	Recommended Action
Social Insurance & Unemployment Insurance	Review registration and contribution procedures; ensure timely and accurate payment
Payroll Compliance	Review salary, overtime and termination-related payment processes; ensure compliance with minimum wage requirements
Foreign Employees	Verify alignment between actual work arrangements and approved labour and immigration documentation
HR Policies	Review ILRs, salary scales, bonus policies and labour registers; ensure proper registration and implementation where required
Employment Contracts	Review contract templates; ensure compliance with statutory content requirements
Occupational Health & Safety	Review OHS policies, training records, PPE provision and periodic health examination schedules
Employee Data Protection	Strengthen controls over HR databases, employee information and access rights
Recruitment Practices	Review recruitment communications and practices to prevent misleading or deceptive representations
Trade Union Contributions	Verify timely and accurate calculation and payment of statutory trade union contributions

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