

KEY POINTS REGARDING THE RECRUITMENT AND MANAGEMENT OF VIETNAMESE EMPLOYEES BY FOREIGN ORGANIZATIONS AND INDIVIDUALS IN VIET NAM UNDER DECREE 371/2026/ND-CP

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On September 25, 2026, the Government promulgated Decree 371/2026/ND-CP providing details for the recruitment and management of Vietnamese employees working for foreign organizations and individuals in Viet Nam (**Decree 371**), replacing relevant provisions of Decree 152/2020/ND-CP on foreign employees working in Viet Nam and the recruitment and management of Vietnamese employees working for foreign organizations and individuals in Viet Nam (**Decree 152**). This Decree will come into effect on November 15, 2026 and introduces several new provisions concerning the rights, obligations, and responsibilities of foreign organizations and individuals in Viet Nam as well as those of the employees that they recruit and employ. Below are some key provisions of Decree 371:

First, the entities subject to Decree 371 include: **(i)** foreign organizations and individuals in Viet Nam; **(ii)** Vietnamese employees working for foreign organizations and individuals; **(iii)** competent authorities and organizations responsible for managing Vietnamese employees working for foreign organizations and individuals (**Managing Authorities and Organizations**); and **(iv)** labor outsourcing enterprises providing workers to foreign organizations and individuals in Viet Nam.

A foreign organization under this Decree refers to a foreign agency or organization permitted by a competent Vietnamese authority to operate within the territory of Viet Nam, including:
(i) Foreign diplomatic missions and consular offices, representative offices of international organizations within the United Nations system, intergovernmental organizations, and regional and subregional organizations;
(ii) Representative offices of organizations of foreign governments;
(iii) Permanent offices of foreign news agencies, newspapers, radio and television broadcasters; and
(iv) Foreign non-governmental organizations with registration certificates granted by competent Vietnamese authorities in accordance with Vietnamese law.

A difference from the previous Decree 152 is that Decree 371 removes representative offices in Viet Nam of *foreign organizations operating in the fields of economics, trade, finance, banking, insurance, science and technology, culture, education, healthcare and foreign legal consultancy* from its scope of application, as these entities do not possess the same distinctive characteristics as the foreign organizations listed from points (i) to (iv) above. Accordingly, the recruitment and management of Vietnamese employees by these entities will not be governed by Decree 371, but by the Labor Code and other relevant legal regulations instead.

Second, Decree 371 stipulates some important procedures that foreign organizations and individuals in Viet Nam should pay attention to when recruiting and managing Vietnamese employees:
(i) Submitting a written notice of recruitment demands to the Managing Authorities and Organizations, specifying the job positions and the number of employees to be recruited. Foreign organizations and individuals may request the Managing Authorities and Organizations to assist in selecting and recommending candidates based on the job descriptions they provide.
(ii) Publicly posting the recruitment information for Vietnamese employees on the National Employment Exchange (https://www.vieclam.gov.vn), other lawful employment portals, or the organization's official website.
(iii) Notifying the Managing Authorities and Organizations of the full name, personal identification number, job position and commencement date of each

recruited Vietnamese employee within 10 working days from the date of execution of the labor contract with that employee.

(iv) Notifying the Managing Authorities and Organizations of the labor contract termination, including the reason for termination, within 10 working days from the termination date. Following the submission of the notice, the foreign organization or individual shall monitor and receive written confirmation from the Managing Authorities and Organizations regarding the cessation of their management of the Vietnamese employee.

(v) In the case where labor outsourcing services are used, notifying the Managing Authorities and Organizations within seven working days from the date of commencement of the use of such services, using Form 04 in the Appendix of Decree 371.

(vi) Submitting an annual report on the recruitment and employment of Vietnamese employees by December 15 each year, using Form 05 in the Appendix of Decree 371.

Among the above, items (ii), (iv) and (v) are the new obligations imposed on foreign organizations and individuals under Decree 371. It should also be noted that any failure of foreign organizations and individuals to fully comply with the procedures and obligations prescribed under Decree 371 may expose them to the risk of administrative penalties for violations of regulations on the recruitment, employment and management of Vietnamese employees, pursuant to Article 14 of Decree 283/2026/ND-CP, which takes effect on September 10, 2026. Under this Decree, the applicable penalties may amount to up to VND 10 million, together with the imposition of corresponding remedial measures. In addition, foreign organizations and individuals should ensure full compliance with other relevant legal requirements when carrying out the aforementioned procedures, particularly those concerning personal data protection, as such procedures involve the processing of Vietnamese employees' personal data and therefore fall within the governing scope of the Law on Personal Data Protection.

Third, Decree 371 expands the scope of the rights, obligations and responsibilities of Vietnamese employees working for foreign organizations and individuals in Viet Nam, as compared to Decree 152. For instance, Decree 371 introduces additional rights for Vietnamese employees, including the right to participate in political organizations and socio-political organizations in accordance with the law, and the right to request the Managing Authorities and Organizations to provide advisory support in protecting their lawful rights and interests during their employment with foreign organizations and individuals, among others, etc. Attention should also be paid to the following responsibilities of Vietnamese employees:

(i) Complete and submit their employee management dossier to the Managing Authorities and Organizations within 10 working days from the date of execution of the employment contract with a foreign organization or individual, update such dossier in case of any change in personal information or upon request by the relevant Managing Authorities and Organizations;

(ii) Complete a programme on the dissemination and communication of the State's policies and laws within 6 months from the date of execution of the employment contract with a foreign organization or individual in Viet Nam.

Decree 371 shows the Government's policy of strengthening state management over the recruitment and management of Vietnamese employees by foreign organizations and individuals in Viet Nam, while enhancing the protection of Vietnamese employees' lawful rights and interests in foreign workplaces. Accordingly, foreign organizations and individuals as well as Vietnamese employees subject to the scope of Decree 371 should proactively study the provisions and make necessary preparations to ensure full compliance once the Decree takes effect. Foreign organizations and individuals, Vietnamese employees, and labor outsourcing enterprises wishing to learn more about Decree 371 or seeking clarification on related matters may contact NHQuang&Associates for appropriate legal advice and assistance.

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