



March 27, 2020

To : Vietnam Prime Minister

Vietnamese Foreign Minister

Vietnamese Finance Minister

Vietnam Minister of Industry and Trade

Vietnam Minister of Labor and Veterans Affairs

Vietnam Health Minister

Ambassador, Embassy of the Republic of Korea in Vietnam

Consulate General of the Republic of Korea Consulate General in HCMC

Title: Korean companies' difficulties and policy recommendations to Vietnam government regarding COVID-19

Wishing your prosperity,

KOCHAM (Korean Chamber of Commerce & Industry in the south & middle of Vietnam (located in Ho Chi Minh City)) is grateful that the Vietnamese government is promptly implementing various policies and proactive supports to prevent the spread of coronavirus infection-19, which is spreading worldwide.

However, despite the efforts of the Vietnamese government and the people who have successfully overcome the coronavirus crisis so far, recently the number of the confirmed cases in Vietnam has been rising again and the damage caused by coronavirus in the future is spreading to all over the world which is not just in some countries. Now many experts and companies are worried that this crisis will lead to various difficulties.

Fortunately, on March 7, the Vietnamese government issued a new package of incentives (up to 280 trillion VND) to dampen the economic impact of the COVID-19 outbreak, including credit support packages, tax cuts, and tax exemption support packages. It provides a wish to many affected companies.

KOCHAM believes that the difficulties of damaged corporates due to the current COVID-19 are approaching a serious crisis not only for FDI companies, but also for the entire business and economy in Vietnam. Therefore, we would like to ask the Vietnamese government to prepare an emergency support policy for damaged companies in order to overcome the difficulties and crisis situations suffered from COVID-19 as follows;

● Policy Recommendations

1. We would like to request that the government implement a special decree that allows the unpaid leave without labor and management agreement for the damaged company in case of temporary business suspension or business close due to COVID-19.

If there is a COVID-19 confirmed case in a company, there should be the serious damage such as the factories closure by the government's administrative order. Otherwise, there should be the temporary closure of the workplace, or temporary operation suspension due to a sudden order drops. Now it is too urgent and serious to apply the provisions of the Labor Law, which inevitably requires workers to take unpaid leave.

Accordingly, we would like to request that the Vietnamese government prepare a special decree on the issue that allows the company during the affected period could take the unpaid leave for the non-working workers without a consensus with workers or unions to avoid unnecessary friction for damaged companies.

2. Acceptance for work permit and business visa for foreign workers who had previously entered Vietnam

We eagerly request the government to issue new work permits and visas for those below:

- Workers who entered Vietnam before the current corona virus crisis.
- Workers who entered Vietnam with supplementary measures such as the submission of an approved health checkup issued within the last 15 days, and had followed by quarantine measures.

Also, foreign workers in Vietnam who had the extended work permit already, the Visa period is issued for a short term of time (1 month), unlike the work permit period. So, we would like to request that the period of the work permit and the period of residence permit be coincident.

3. Preparation for the procedure of Entry permits for Business visits.

We kindly request you to consider that the governments of the two countries will agree to provide reasonable procedures for allowing immigration especially if it is necessary that Business visits required urgently for businessmen, experts, buyers, etc.

4. Request for Government's financial support measures based on the state of national disasters related to poor management

We would like to request for a more extensive and direct monetary support plan. Currently Buyers' orders around the world are now being canceled or suspended, and as a production base worldwide, companies in Vietnam are suffering a fatal blow to management. The Vietnamese government already had that support measures have been prepared for these companies, but considering the serious situation at this moment, the subsidy for normalization of management for each affected company should be supported for not only the manufacturing industry but also the service industry.

5. Request for reduction of corporate tax payments, utility bills, corporate social insurance, etc. to protect the damaged companies.

To protect the suffered companies from shutting down and closing the business, we kindly request that you provide us the tax break of corporate tax payments ,utility bills (electricity, water, industrial complex management fees, natural gas usage fees, etc.), the amount of insurance and medical insurance for company during a certain period.

6. Request for tax-exemption on delay in customs procedure of importing machinery or equipment / on Capital payment for initial investment.

Among the new investment companies, IRC and ERC have been issued normally, but there are several companies whose representatives are unable to enter Vietnam due to prohibition of entry measures for all foreigners. As a result, these companies are having difficulty in opening the bank-account. Then, they could not pay the investment money related to the initial capital. Therefore, we would like to ask that government allow extending deadline for payment of capital related to the initial investment of the companies, and postponing it after a certain period since resuming entry to foreigner.

Besides, the companies are expected to be imposed penalty on delays in customs procedure of importing machinery or equipment. So, we would like to request tax-exemption for the company.

7. Request for suspension of regular tax and customs investigations.

Currently, companies' damages caused by COVID-19 are very serious, and it is necessary to avoid external contact as much as possible. Therefore, if government conducts the regular tax audit and customs investigations, we would like to ask the relevant agencies to suspend the period for a period of time so that companies can reduce the human resources and financial burdens.

Ones again, we hope that the Vietnamese government urgently provide a more practical support policy to help companies to overcome the current crisis. And we sincerely believe that the damage caused by COVID-19 to both Vietnamese companies and the people will be minimized.

Thanks.

The Korean Chamber of Commerce and Industry (KOCHAM)

Chairman KIM HEUNG SOO