

LEGAL UPDATES

LABOUR

Decree No. 29/2019/ND-CP guiding Article 54.3 of the Labour Code regarding labour outsourcing

Effective date: 5 May 2019

This new Decree No. 29/2019/ND-CP ("**Decree 29**") replaces Decree No. 55/2013/ND-CP which was enacted on 22 May 2013.

Below are notable changes.

- 1) The new Decree 29 removes requirements in relation to minimum capital and locations of head office/branches/representative offices. Under the new Decree 29, issuance of a license to do labour outsourcing ("**License**") will be subject to satisfaction of the below two conditions:
 - a) the legal representative of the labour outsourcing company must
 - (i) be a manager of the company;
 - (ii) have no criminal conviction records; and
 - (iii) have been working in labour outsourcing industries for at least 3 years within 5 consecutive years prior to apply for the License; and
 - b) the company has deposited VND2 billion into a bank account opened at a licensed bank in Vietnam.
- 2) The license term shall not exceed the period of 60 months and can be renewed an unlimited number of times with no-more-than-60-month-term for each time of renewal.
- 3) The below jobs were added to the list of jobs which can be outsourced:
 - a) management, operation, maintenance and service on ships;
 - b) management, supervision, operation, repair, maintenance and service on oil rigs; and
 - c) flight control, aircraft service / maintenance and repair of aircraft and aircraft equipment / moderation, flight operation / flight monitoring.
- 4) The authority to grant the License now goes to the chairman of the provincial people's committee.
- 5) The new Decree 29 no longer prohibits outsourcing of jobs in areas with extremely difficult living conditions.