



 NEWSLETTER UPDATE

Decree No. 105/2026/ND-CP

6 Key Points on Trade Union Fees — Effective May 16, 2026

VBK | VINA BOOKKEEPING

Accounting · Tax · HR & Payroll

Overview: Decree No. 105/2026/ND-CP on Trade Union Fees

This decree introduces important updates governing the payment, exemption, and reduction of trade union fees for enterprises in Vietnam. Below are the **6 key points** every business must know.

Maintained 2% Contribution Rate

Applies to all enterprises with compulsory Social Insurance obligations, regardless of trade union status.

Synchronized Payment Deadlines

Trade union fee payments align with monthly Social Insurance contribution schedules.

New Reduction & Suspension Options

Eligible enterprises may reduce rates by up to 20% or suspend payments for up to 12 months under qualifying conditions.

Maintenance of the 2% Contribution Rate

The obligation remains unchanged regardless of whether the enterprise has established a grassroots Trade Union or not.

Contribution Rate

Maintains the rate of **2% of the salary fund** used as the basis for compulsory Social Insurance (SI) contributions.




Applicability

All enterprises employing workers subject to **compulsory Social Insurance** must pay this fee.



Important Note

The obligation remains regardless of whether the enterprise has established a **grassroots Trade Union** or not.

 This rule ensures universal compliance across all enterprise types — no exemption exists based on union establishment status alone.

Synchronization of Payment Deadlines with Social Insurance

Trade union fee payments are made **concurrently** with the monthly Social Insurance contribution period.



Payment Deadline

No later than the **last day of the following month** — aligned with the monthly SI contribution cycle.



Cash Flow Management

Synchronization helps enterprises manage cash flow effectively and **prevents reconciliation errors** between the two regulatory bodies.



Unified Mechanism

A single payment process covers both Social Insurance and Trade Union obligations, **simplifying compliance** for businesses.



KEY POINT 3

Reduction of Contribution Rates by up to 20%

A Breakthrough New Point

Enterprises facing difficulties after the expiration of a payment suspension period, yet still forced to implement large-scale labor reductions, are eligible for a **reduced rate of 1.6%** (a 20% reduction of the 2% rate).

01

Eligibility Condition

Enterprise must be post-suspension period and still implementing **large-scale labor reductions**.

02

Quantitative Threshold

Labor reductions ranging from **30 employees** (small enterprises) to **over 100 employees** (large enterprises).

03

Application Period

Reduced rate applies for a maximum of **06 months** per application.

00 KEY POINT 4

Additional Conditions for Payment Suspension Up to 12 Months

Applicable to enterprises encountering qualifying force majeure or restructuring events.

Force Majeure Risks

Natural disasters or epidemics that significantly disrupt business operations qualify for consideration.

Technological Restructuring

Enterprises undergoing major technological or structural reorganization may also apply.

Key Condition

Production suspended for **more than 30 days** AND over **50% of employees** subject to compulsory SI are required to take leave.



Transparent Accounting Guidelines

Clear and legally grounded guidance for enterprise accountants on how to properly record trade union fees.



Financial Resources Deduction

Trade union fees are deducted from the enterprise's financial resources and recorded directly as **operating expenses in the period**.



CIT Deductible Expense

This serves as a solid **legal basis for accountants** to recognize deductible expenses for Corporate Income Tax (CIT) finalization.



Legal Certainty for Businesses

The transparent guidelines eliminate ambiguity and support **clean, audit-ready financial records** for enterprises of all sizes.

⚠ KEY POINT 6

Strict Penalties and Arrears Collection

Non-compliance with trade union fee obligations carries severe financial and administrative consequences.

“

"Penalty Rate: From 18% to 20% of the total late or evaded amount."

— Decree No. 105/2026/ND-CP, Article on Enforcement

”

Administrative Fines

In addition to arrears penalties, administrative fines of **up to 75 million VND** may be imposed.



Mandatory Full Payment

Enterprises are **required to pay the full principal** amount plus all outstanding arrears — no partial settlement accepted.

- ⊗ Avoid any delays in trade union fee payments. Combined penalties, fines, and arrears can significantly exceed the original obligation amount.

May 16, 2026

Decree No. 105/2026/ND-CP officially takes effect from **May 16, 2026**. From this date, all regulations regarding the payment, exemption, and reduction of trade union fees shall comply with the new provisions, **replacing Decree No. 191/2013/ND-CP**.

Effective Date

May 16, 2026 —
Decree 105/2026

Old Decree 191/2013

Previous rules apply

New Compliance Period

New payment,
exemption, reduction
rules

All enterprises should review their existing procedures and update compliance workflows immediately to align with the new decree.

How VINA BOOKKEEPING Can Help

VINA BOOKKEEPING is always ready to support our clients in reviewing and implementing procedures related to trade union fees in accordance with the latest regulations.



Accounting

Correct recording of trade union fees as operating expenses and CIT-deductible items under the new decree.



Tax Advisory

Guidance on CIT finalization and ensuring trade union fee deductions are properly substantiated for tax purposes.



HR & Payroll

Review of salary fund bases, headcount thresholds, and eligibility assessment for rate reductions or payment suspensions.

Get in Touch with Our Team

Our specialists are ready to assist your enterprise in navigating Decree No. 105/2026/ND-CP and ensuring full compliance from Day 1.

[Contact VINA BOOKKEEPING](#)

[Learn More](#)



VINA BOOKKEEPING

Accounting · Tax · HR & Payroll

Your trusted partner for regulatory compliance and financial management in Vietnam.