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LEGAL UPDATE

No. 1 – July 2023

(1 July 2023 – 15 July 2023)



News in focus

Summary of outstanding policies effective in early July 2023



New

Legal documents

Remarkable among documents:

Decree 47/2023/ND-CP was issued on July 3, 2023 and amends Decree 62/2017/ND-CP, which provides guidance on the Law on Property Auction

A – News in focus



Summary of outstanding policies

(Taking effect on July 2023)

Our latest legal newsletter, outlines the updated policies regarding taxes, fees, charges, and other methods of business registration, capital regulations, and bond transactions for enterprises. These changes will take effect starting in July 2023.

Additionally, we have included a summary of several new legal documents issued during the first half of July 2023.

NEW ELECTRONIC REGISTRATION METHOD FOR BUSINESS HOUSEHOLDS AVAILABLE

Starting from July 1st, 2023, Circular 02/2023/TT-BKHDT will amend and supplement certain articles of Circular No. 01/2021/TT-BKHDT by the Ministry of Planning and Investment, which guides business registration.

- Providing a new method where business households can now register and receive online results, similar to businesses and cooperatives.
- The application for business household registration must include documents as prescribed in Decree No. 01/2021/ND-CP
- If there is a need for amendments, the electronic information network allows for a 60-day time limit from the date the district-level business registration agency issues a notice requesting the modification and supplementation of the dossier.

THERE ARE NEW REGULATIONS REGARDING THE EXCLUSION OF PAYMENT AND TRANSFER RIGHTS FOR PRIVATE CORPORATE BONDS.

Circular 30/2023/TT-BTC starting July 1, 2023 will regulate private sale of corporate bonds in the domestic market.

The Vietnam Securities Depository and Clearing Corporation (VSDC) has listed four situations where payment will not be made for individual bond transactions:

- Transactions described in Clause 1 of Article 17, Clause 2 of Article 18, and Clause 3 of Article 19 of Circular 03/2023/TT-BTC;
- Transactions for investor accounts that the depository member has not registered with the Vietnam Securities Depository and Clearing Corporation before it receives transaction results from the Hanoi Stock Exchange;
- Transactions that do not have enough securities to pay
- Transactions that violate the law or are determined by competent authorities to be prohibited before payment is completed by the Vietnam Securities Depository and Clearing Corporation.

VSDC transfers ownership of non-traded registered corporate bonds:

- Donation or inheritance according to the Civil Code
- Division, separation, consolidation, and merger of enterprises, among others, as outlined in the enterprise law and other relevant regulations
- Transferred through court decisions or arbitration, or through the handling of security assets registered at the VSDC
- Transferred during the division of joint property between spouses
- Transferred during the establishment or increase of charter capital of securities investment companies or member funds;
- Transferred when the issuing enterprise complies with Article 1 of Decree No. 08/2023/ND-CP

VALUE-ADDED TAX OFF 2%

From July 1, 2023, businesses can benefit from value-added tax reductions according to Decree No. 44/2023/ND-CP. This policy is in accordance with Resolution No. 101/2023/QH15 passed by the National Assembly on June 24, 2023:

- Business establishments that calculate value-added tax by the credit method may apply a rate of 8% for specific goods and services.
- Businesses that calculate value-added tax based on revenue percentage can enjoy a 20% reduction in the percentage rate. These reductions apply to goods and services eligible for value-added tax reduction, and invoices must be issued accordingly.
- Some items are not eligible for the 2% VAT reduction, including telecommunications, financial services, real estate business, metals and prefabricated metal products, mining products (excluding coal mining), coke, refined petroleum, chemical products, goods and services subject to excise tax, and information technology.

REGISTRATION FEES WITH PRODUCTS AND ASSEMBLY OFF 50%

Starting July 1, 2023, until December 31, 2023, the government will collect a reduced first registration fee for domestically manufactured or assembled automobiles, trailers, semi-trailers, and similar vehicles. This fee will be 50% of the regular registration fee.

CHANGES TO ENVIRONMENTAL PROTECTION FEES FOR MINERAL MINING

Decree No. 27/2023/ND-CP sets environmental protection fees for mineral exploitation effective July 15th, 2023:

- Crude oil fee: 100,000 VND/ton. Natural gas and coal gas fee: 50 VND/m³. Companion gas fee: 35 VND/m³.
- The environmental protection fee rates for mineral extraction (including the production and business activities of organizations and individuals not involved in mining but obtaining minerals) will be based on the Framework Schedule fee rate.

THE CAPITAL REQUIREMENTS FOR BOTH PERSONAL INSURANCE ENTERPRISES AND NON-PERSONAL INSURANCE ENTERPRISES

On July 1, 2023, the Government will put into effect Decree No. 46/2023/ND-CP to guide the implementation of the Law on Insurance Business.

- ***The required charter capital for life insurance companies in Vietnam depends on the type of insurance offered***
 1. For life and health insurance, the capital is 750 billion VND.
 2. For life insurance with unit-linked or retirement insurance, it's 1,000 billion VND.
 3. For companies offering all three types, it's 1,300 billion VND.
- ***Charter capital requirements for non-life insurance companies:***
 1. For non-life insurance (except for aviation and satellite insurance) and health insurance, the required amount is 400 billion VND.
 2. For non-life insurance, health insurance and aviation or satellite insurance, the requirement is 450 billion VND.
 3. For non-life insurance, health insurance and aviation and satellite insurance, the required amount is VND 500 billion VND.

B – New legal documents



Remarkable new legal documents (Enacted from 01 July 2023 – 15 July 2023)

No.	Legal documents
COMMERCE	
1	Decree 45/2023/ND-CP was issued on July 1, 2023 and provides guidance on the Petroleum Law
	Enactment Date: 01/07/2023
2	Decree 46/2023/ND-CP was also issued on July 1, 2023 and provides guidance on the Law on Insurance Business
	Enactment Date: 01/07/2023
3	Decree 47/2023/ND-CP was issued on July 3, 2023 and amends Decree 62/2017/ND-CP, which provides guidance on the Law on Property Auction
	Enactment Date: 03/07/2023

No.	Legal documents	
ENVIRONMENT		
4	Circular 04/2023/TT-BTNMT suspends Clause 1 of Article 7 and Clause 2 of Article 75 in Circular 02/2022/TT-BTNMT, which guides the Law on Environmental Protection.	
	Enactment Date: 06/07/2023	Effective Date: 06/07/2023
LITIGATION		
5	Decision 10/2023/QD-KTNN dated 5/7/2023 on Regulations on complaints, petitions, and lawsuits in state audit activities	
	Enactment Date: 05/07/2023	Effective Date: 05/07/2023