



# WIKI LEGAL LLC

## HANOI

7<sup>th</sup> Floor, HH Office, No. 293/15 Khuat Duy Tien Str., Trung Hoa Ward, Cau Giay Dist., Hanoi

Website: [www.wikilegal.vn](http://www.wikilegal.vn)

Email: [admin@wikilegal.vn](mailto:admin@wikilegal.vn)

## HO CHI MINH CITY

Ground Floor, DHouse Building, No. 39 Nguyen Thi Dieu Str., Vo Thi Sau Ward, 3 Dist., HCM City

Website: [www.wikilegal.vn](http://www.wikilegal.vn)

Email: [hcm.office@wikilegal.vn](mailto:hcm.office@wikilegal.vn)

## LEGAL UPDATE

**No. 2 – April 2024**

(15 April 2024 – 30 April 2024)



### News in focus

*Several policies taking effect from May 2024*



### New legal documents

Remarkable among documents:

Decree 42/2024/ND-CP on sea reclamation activities

## A – News in focus

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### **Several policies**

*(Taking effect from 01 May 2024)*

In May 2024, many new policies will take effect, notably policies related to electricity prices, industrial clusters, and economy.

In this legal update, WIKI LEGAL will summarize several remarkable policies coming into effect from May 2024.

## 1. Conditions for establishing industrial clusters

The Government enacted Decree No. 32/2024/ND-CP dated March 15, 2024 on management and development of industrial clusters, which is effective from May 1, 2024. In particular, the Decree clearly stipulates conditions for establishment and expansion of industrial clusters.

- Being in the list of industrial clusters in the province approved by the competent authorities; having a land fund suitable to the land use planning in the district;
- There are enterprises, cooperatives and organizations with legal status and capacity to invest in technical infrastructure construction to apply to be investors in building technical infrastructure of industrial clusters;
- In case district-level areas have established industrial clusters, the average occupancy rate of industrial clusters reaches over 50% or the total unleased industrial land fund of industrial clusters **does not exceed 100 hectares** (*currently regulated less than 50 hectares*).

## 2. 09 types of dangerous goods

On March 31, 2024, the Government promulgates Decree No. 34/2024/ND-CP on the List of dangerous goods, transportation of dangerous goods by road motor vehicles and inland waterway vehicles.

This Decree is effective from 15 May 2024.

Accordingly, depending on chemical and physical properties, dangerous goods are classified into 9 categories and groups include:

- Group 1: Explosives and explosive items.
- Group 2: Gases including flammable gases; non-flammable, non-toxic gases; harmful gases.
- Group 3: Flammable liquids and desensitized liquid explosives.
- Group 4: Flammable solids, self-reactive substances and solid explosives immersed in liquids or desensitized; the substance has the ability to spontaneously ignite; The substance when approaching water produces flammable gases.
- Group 5: Oxidizer; Organic peroxides.
- Group 6: Poison; infectious substances.
- Group 7: Radioactive substances.
- Type 8: Corrosive.
- Class 9: Other dangerous substances and items.

In addition, according to the Decree, packages and containers containing dangerous goods that have not been cleaned inside and outside after unloading all dangerous goods are also considered dangerous goods respectively.

### 3. Penalties for violations of regulations on fishing in prohibited areas

The Government's Decree 38/2024/ND-CP dated April 5, 2024 stipulates administrative violations, forms, levels of penalties, remedies, competence to make records and competence to sanction administrative violations in the fisheries sector. The decree takes effect from May 20, 2024.

- For regulations on fishing in prohibited areas, the Decree stipulates a fine of 70-90 million VND for the act of using fishing vessels with the maximum length of 24 metres or more as trawlers, trades and fishing gear combined with light (except squid fishing) to exploit fisheries in prohibited areas or no-exploitation areas having a time limit that does not rise to the level of criminal prosecution.
- Violations against regulations on management of endangered, precious and rare aquatic species shall be fined from VND 10-200 million.
- Violations of regulations on management of marine protected areas are punishable by a fine of VND 50-200 million.
- For violations against regulations on aquatic breeds, the Decree stipulates a fine of VND 40-50 million for the act of producing and nurturing aquatic breeds that are not on the List of aquatic species permitted for trading in Vietnam or have not been recognized or permitted by competent authorities but have not reached the level of criminal prosecution.
- Violations against regulations on aquatic feed and aquaculture environmental treatment products are subject to a fine of VND 2-50 million.

### 4. Mechanism for adjusting the average retail electricity price from 15/5/2024

- According to Decision No. 5/2024/QD-TTg stipulating the mechanism for adjusting the average retail electricity price, from May 15, 2024, electricity prices will be considered to change every 3 months when input costs increase by 3% or more. Thus, the electricity price adjustment period is shortened from 6 to 3 months. Each year there will be 4 price changes.
  - ✓ When the average electricity selling price decreases by 1% or more compared to the current average electricity selling price, the electricity price is allowed to be adjusted down accordingly;
  - ✓ When the average electricity selling price increases by 3% or more compared to the current average electricity selling price, the electricity price is allowed to be adjusted upwards.
- Competence to decide on adjustments when the average retail price of electricity:
  - ✓ Increase by 3-5%: EVN;
  - ✓ Increase by 5-10%: The Ministry of Industry and Trade;
  - ✓ Increase above 10%: The Prime Minister.
- The Prime Minister assigned the Ministry of Industry and Trade to guide EVN in calculating the average electricity selling price, inspecting and supervising the adjustment of electricity prices. The Ministry of Finance shall coordinate with the Ministry of Industry and Trade as the State management agency in charge of prices;

*(The retail price of electricity is currently implemented according to Decision 24/2017/QD-TTG, the time between 2 times of electricity price adjustment is 6 months if reviewing and checking input costs causes the price to increase by 3% or more).*

## B – New legal documents

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### Remarkable new legal documents (Enacted from 15 April 2024 to 30 April 2024)

No.	Legal documents
<b>INVESTMENT</b>	
1	The Ministry of Planning and Investment's Circular 05/2024/TT-BKHDT stipulating the management and use of costs in the selection of contractors and investors on the National Procurement Network
	Enactment Date: 19 April 2024
2	The Ministry of Planning and Investment's Circular 06/2024/TT-BKHDT guiding the provision and posting of information on contractor selection and bidding dossier form on the National Procurement Network
	Enactment Date: 26 April 2024
<b>IMPORT - EXPORT</b>	
3	The Minister of Industry and Trade's Circular 08/2024/TT-BTC amending the Circular in the field of import and export
	Enactment Date: 22 April 2024

No.	Legal documents	
<b>ENTERPRISE</b>		
<b>4</b>	Decree 45/2024/ND-CP amending Decree 39/2019/ND-CP on organization and operation of the Small and Medium Enterprise Development Fund	
	Enactment Date: 26 April 2024	Effective Date: 10 June 2024
<b>TRAFFIC - CONSTRUCTION</b>		
<b>5</b>	Decree 41/2024/ND-CP amending the Decree related to the management of car transport activities, car driver training and driving test services	
	Enactment Date: 16 April 2024	Effective Date: 01 June 2024
<b>NATURAL RESOURCES - ENVIRONMENT</b>		
<b>6</b>	Decree 42/2024/ND-CP on sea reclamation activities	
	Enactment Date: 16 April 2024	Effective Date: 16 April 2024
<b>7</b>	The Minister of Natural Resources and Environment's Circular 02/2024/TT-BTNMT amending Circular 01/2016/TT-BTNMT on technical regulations on the exploration of sand, gravel in riverbeds and soil and rock for leveling materials	
	Enactment Date: 22 April 2024	Effective Date: 06 June 2024
<b>FINANCE - BANKING</b>		
<b>8</b>	The Minister of Finance's Circular 24/2024/TT-BTC guiding the administrative and career accounting regime	
	Enactment Date: 16 April 2024	Effective Date: 01 Jan 2025