

JULY 2016



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ENTERPRISES RUNNING DEBT PURCHASE AND SALE SERVICE MUST HAVE AT LEAST VND 100 BILLION OF CHARTER CAPITAL

According to Decree No. 69/2016/ND-CP dated July 01, 2016 of the Government on requirements for running debt trading service, the minimum charter capital or investment capital of providers of debt trading brokerage service and debt trading consultancy service is VND 5 billion; with enterprises running debt purchase and sale service, the minimum charter capital or investment capital is VND 100 billion.

Besides, enterprises running debt purchase and sale service must have internal management rules in terms of organization and internal regulations on debt trading activities. Enterprise's manager must have possess bachelor's degree or a degree of higher level in either economics, or business administration, or law, or a specialty of which he/she is going to be in charge; have full legal capacity and be not prohibited from management of enterprise; hold the position of manager or have at least 05 consecutive years of experience in financial sector, banking, accounting, auditing, law, asset valuation or debt trading.

Also in accordance with this Decree, an enterprise running debt trading service is not allowed to either get credit granted by a credit institution/foreign bank's branch to buy debts from customers of that credit institution/foreign bank's branch or receive security from a credit institution/foreign bank's branch to get credit granted by another credit institution/foreign bank's branch for the purpose of buying debts from customers of securing credit institution/foreign bank's branch. For debt trading floor service providers requirements, enterprise must have at least VND 500 billion of charter capital or investment capital; have provided the debt trading service for at least 01 year and the minimum revenue from the debt trading service of the year before the year when the debt trading floor service is provided must be VND 500 billion and contract at least 02 persons who possess certificate of professional auditor or at least 02 persons who have obtained practicing card in valuation...

This Circular takes effect on July 01, 2016.

See more:

[Decree No. 69/2016/ND-CP](#)

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FOREIGN EXCHANGE AGENTS AREN'T ALLOWED TO EXCHANGE FOREIGN CURRENCY FOR OTHER FOREIGN CURRENCIES

As in former regulations, foreign exchange agents are not allowed to exchange foreign currency cash for Vietnam dong, then in accordance with this Circular, foreign exchange agents are not allowed to exchange foreign currency cash for other foreign currencies either. Now, these agents are only allowed to exchange Vietnam dong for individual's foreign currency cash. Foreign exchange agents located at isolated areas of international checkpoints are allowed to exchange foreign currency cash for Vietnam dong with individuals having passports granted by competent authorities of their countries.

These contents are prescribed in Circular No. 11/2016/TTNHNN dated June 29, 2016 of the State Bank of Vietnam amending a number of legislative documents on provision of foreign currency payment services, and activities of foreign exchange agents and foreign exchange desks, which takes effect on August 13, 2016.

Especially, this Circular rejected the provision "an organization may act as a foreign exchange agent for only one credit institution and may reach agreement on the locations of foreign exchange agents at one or several places in the locality where it is headquartered or has a branch" specified in Decision No. 21/2008/QD-NHNN. Also in accordance with this Circular, foreign exchange agents granted the foreign exchange agent registration certificate by August 13, 2016 are entitled to continue running foreign exchange services on the behalf of the authorizing credit institution under the existing foreign exchange agent registration certificate, unless the agency agreement signed between the economic group and credit institution expires or is early terminated by August 13, 2016.

See more:
[Circular No. 11/2016/TT-NHNN](#)

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SAFE INVESTMENT RATIO OF PROPRIETARY TRADER THAT IS COMMERCIAL BANKS IS 7%

This content is regulated in Circular No. 10/2016/TT-NHNN dated June 29, 2016 of the State Bank of Vietnam guiding a certain contents of the Decree No. 135/2015/ND-CP dated December 31, 2015 of the Government on prescribing offshore indirect investment.

According to this Circular, the safe investment ratio of a proprietary trader that is a commercial bank or general financial company is 7% of its equity capital, excluding investments and business activities of its branches in foreign nations. The activities of outward portfolio investments by commercial banks and general financial companies shall not exceed that safe investment ratio. In case of excess of the safe investment ratio due to reduction of equity capital, commercial banks and general financial companies shall report to the State Bank; implement necessary measures for increasing equity capital; suspend the transfer of capital for outward portfolio investments according to the annual limit of which the registration has been certified by the State Bank.

Besides, this Decree also have specific regulation on program awarding shares issued in foreign nations, within allowed Vietnamese employees working in foreign organizations in Vietnam to make outward portfolio investments by participating in a program awarding shares issued in foreign nations. In this case, Vietnamese employees are allowed to sell awarded shares in foreign nations; receive dividends and other lawful incomes through the share awarding program-executing organization...

This Circular takes effect on August 13, 2016.

See more:

[Circular No. 10/2016/TT-NHNN](#)

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AUDITS OF PROJECTS FINANCED BY THE GOVERNMENT'S ON-LENDING OF FOREIGN BORROWED FUNDS

Takes effect on July 20, 2016, the Circular No. 79/2016/TTBTC dated June 06, 2016 of the Ministry of Finance guiding the implementation of the financial audits of programs or projects financed by the Government's on-lending of foreign borrowed funds on Auditing of eligibility to qualify for on-lent funds; sub-borrowers' financial competence; loan application schemes and debt repayment capability of subborrowers; assets pledged as collateral for on-lent loans by sub-borrowers; and remarks on non-financial elements and risk assessment and risk minimization measures.

Within that, auditing financial competence of sub-borrowers shall be conducted by means of assessing audited financial statements of 03 most recent consecutive years preceding the year when auditing of financial competence of subborrowers takes place. Where sub-borrowers have not completed full 3 years of operation, a written guarantee of the owner's representative, owner or parent company for repayment of debts on behalf of borrowers who are faced with difficulty in doing so must be submitted. In the absence of the said guarantee, sub-borrowers must seek guarantee for discharge of debt obligations from another commercial bank or other security as appropriate verified by the on-lending body with respect to its feasibility and compliance with laws.

Auditing of conformity with regulations and requirements for eligibility to receive on-lent funds shall take into consideration financial conditions and fulfillment of requirements in relation to investment procedures as stated by laws. Sub-borrowers must demonstrate their financial competence, ensure that the shareholder's equity adheres to statutory ratios, set up effective business plans in which their ability to repay debts is shown, and implement regulations on loan guarantees.

See more:

[Circular No. 79/2016/TT-BTC](#)

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SUPPORTS FOR CAREER CHANGE FOR VICTIMS OF OCCUPATIONAL ACCIDENT

Circular No. 83/2016/TT-BTC issued by the Ministry of Finance on June 17, 2016 guiding the implementation of the investment incentive programs under the provisions of the Law on Investment and the Decree No. 118/2015/ND-CP dated November 12, 2015 specifying and guiding the implementation of several articles of the Law on Investment.

Accordingly, Investment projects belonging to the approved list of sectors or professions qualifying for investment incentives referred to in Section A, Appendix I, or developed in areas faced with special economic - social difficulty shall be entitled to import duty incentives and exempt import tax within 05 years for raw materials or components which must be imported. Investment projects located within rural areas that hire at least 500 employees (excluding those who are not working full time and those who sign under-12-month employment contracts) shall be entitled to import tax incentives which are the same as those applied to investment projects located within areas faced with economic – social difficulty; investment projects hiring at least 500 employees, and located within rural and non-rural areas shall, subject to the number of employees working at each project site or work section in rural areas (exclusive of the number of employees at the project site or section located within non-rural areas, be granted respective import tax incentives.

In particular, import tax incentives referred to in this Article shall not be granted to investment projects such as mineral production, production and trading of goods or services subject to the special consumption tax, except motor vehicle production.

This Circular takes effect on August 01, 2016.

See more:

[Circular No. 83/2016/TT-BTC](#)

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BUSINESS HOUSEHOLDS EMPLOY MORE THAN 10 REGULAR EMPLOYEES HAVE A FINE TO VND 5 MILLION

This is one of the important content prescribed at the Decree No. 50/2016/ND-CP dated June 01, 2016 of the Government on penalties for administrative violations against regulations on planning and investment, takes effect on July 15, 2016.

In particular, from July 15, 2016, business households employ more than 10 regular employees; wholesale or do mobile business at a location other than that registered with the business registration authority of the district without notifying the tax authority or market surveillance authority of the area where the headquarters is located and where the business is done shall have a fine of VND 3 million - VND 5 million. Business household have failure to inaugurate the business within 06 months from the issuance date of the certificate of business household registration or suspend the business for more than 6 consecutive months without notifying the business registration authority of the district shall have a fine of VND 1 million - VND 2 million. Also in accordance with this Decree, Violations against regulations on notifying changes to enterprise registration content may be have a fine to VND 5 million, within that a warning or a fine of VND 5 million - VND 1 million shall be imposed for notifying changes to the enterprise registration content 1 – 30 days behind schedule; a warning or a fine of VND 1 million - VND 2 million shall be imposed for notifying changes to the enterprise registration content 31 – 90 days behind schedule; a warning or A fine of VND 2 million - VND 5 million shall be imposed for notifying changes to the enterprise registration content 91 days or longer behind schedule.

A fine of VND 2 million - VND 5 million shall be imposed for failure to convert the type of business when the minimum number of members or partners or shareholders cannot be maintained for 6 consecutive months. A fine of VND 10 million - VND 20 million shall be imposed for failure to register changes to the business registration authority when charter capital is not adequately contributed as registered.

This Decree replaces the Decree No. 155/2013/ND-CP dated November 11, 2013.

See more:

[Decree No. 50/2016/ND-CP](#)



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