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Energy

Notification No. 412/TB-VPCP of the Government Office dated September 12, 2024, on the “Conclusions of the Standing Government at the Meeting on Resolving Difficulties for Offshore Wind Power and Gas Power Projects”

The Ministry of Industry and Trade is requested to review and transition from coal power to gas power and develop nuclear power, as follows:

- Review the power sources in the Power Development Plan VIII, transition baseload power from coal to gas, prioritize domestic production to achieve an annual electricity growth rate of 12-15%, ensure energy security, and provide sufficient electricity for production and people’s daily lives, while fulfilling commitments made with foreign investors.
- Study international experience in developing nuclear power and propose nuclear power development in Vietnam to supplement the electricity supply while minimizing environmental risks, and report to the Politburo for consideration and decision.

For projects that have been licensed, investors are required to fulfill their commitments; in cases where commitments are not fulfilled, the competent authorities will revoke licenses in accordance with legal regulations.

Banking & Finance

Circular No. 11/2024/TT-NHNN issued by the State Bank of Vietnam dated June 28, 2024 on “Amending and Supplementing Certain Provisions of Circular No. 16/2021/TT-NHNN on Regulating the Purchase and Sale of Corporate Bonds by Credit Institutions and Foreign Bank Branches”

This circular, which entered into effect on August 12, 2024, introduces five key adjustments:

- **Revisions to align with the operations of credit institutions:** Certain provisions have been modified, especially regarding bond transactions between credit institutions under special control, supporting credit institutions, and those involved in mandatory transfer operations.
- **Increased transparency:** Bond-issuing enterprises must disclose information about related individuals and organizations before credit institutions purchase their bonds. This aims to enhance the transparency of transactions and reduce credit risk.
- **Promotion of cashless payments:** Credit institutions are required to use cashless payment methods in bond transactions to facilitate the monitoring of capital use, improve transparency, and support the sustainable development of the bond market.
- **Enhanced debt recovery responsibility:** Credit institutions must oversee the use of funds raised from bond issuances. If the funds are misused, the institution can demand the enterprise to repurchase the bonds ahead of schedule. If the enterprise fails to comply, the credit institution may take measures to recover the bond principal and interest in accordance with regulations.

- **Credit limit adjustment (amended in line with the Law on Credit Institutions 2024):**
The total balance of bond purchases will be included in the overall credit balance of the credit institution to ensure compliance with legal credit limits.

These changes are designed to strengthen risk management, ease difficulties in the corporate bond market, unlock capital flow for the real estate sector, enhance market liquidity, and promote the sustainable development of the corporate bond market.

*Circular No. 68/2024/TT-BTC dated September 18, 2024 issued by The Ministry of Finance of Vietnam on “**Amending and Supplementing Certain Provisions of Circulars Regulating the Securities Trading System, the Clearing and Settlement of Securities Transactions, the Operations of Securities Companies, and Information Disclosure in the Securities Market**”*

This circular introduces new regulations aimed at resolving issues related to pre-margin deposits and ensuring equal access to information for foreign investors. It is part of an effort to upgrade Vietnam’s stock market from a frontier market to an emerging market, thus attracting more foreign investment. It enters into effect on **November 2, 2024**, with certain information disclosure requirements taking effect from **January 1, 2025** (see below).

Previously, investors, including foreign institutional investors, were required to have sufficient cash in their accounts in Vietnam at the time of placing a trade order. When this circular takes effect, foreign investors may be allowed to place buy orders for shares without having the full amount of funds available at the time of order placement. If foreign investors fail to fully pay for their stock purchases, the securities company handling the trade will be responsible for covering the remaining payment. These companies also have the right to disclose information about investors who do not pay in full, which helps reduce the risk of non-payment.

The circular also requires simultaneous information disclosure in English; listed organizations and large public companies will be required to publish their periodic financial reports in both Vietnamese and English starting from **January 1, 2025**. If there is a discrepancy between the two versions, the Vietnamese version will take precedence.

Employment

*The **Law on Social Insurance** No. 41/2024/QH15 dated June 29, 2024*

The Law on Social Insurance, which enters into effect on **July 1, 2025**, includes significant changes aimed at expanding coverage, adjusting contribution periods, and enhancing benefits. Key points include:

- **Expansion of mandatory social insurance participation:** The law expands mandatory social insurance coverage to include enterprise managers, part-time workers, and unpaid management positions. Additionally, certain groups are exempt from mandatory participation, such as foreign workers and unpaid managers of retirement age.

- **Reduction of the contribution period for retirement benefits:** The minimum contribution period to qualify for a pension has been reduced from 20 years to 15 years.
- **Clarification of the wage base for social insurance contributions:** The law clarifies that the wage base for contributions includes: (i) the salary; (ii) salary allowances; and (iii) other agreed-upon regular, stable supplements. This replaces the broader previous definition of “all other supplements”.
- **Change in social insurance payment deadline:** Employers are given until the end of the following month to make their contributions.
- **Further details on pension calculation:** While the pension calculation method remains unchanged, the law introduces new provisions on contribution periods and pension calculations for individuals working in multiple countries.
- **New one-time retirement allowance:** The law adds incentives for workers to continue contributing after reaching retirement age, including a one-time allowance.
- **Expansion of one-time social insurance benefits:** The law expands eligibility for receiving one-time social insurance benefits.
- **Stricter penalties for evasion of social insurance contributions:** Stricter sanctions have been introduced for avoiding social insurance contributions, including both administrative and criminal penalties.
- **Introduction of an electronic social insurance book:** The law introduces the concept of an electronic social insurance book, which will have the same legal validity as the paper version and is set to be implemented starting in 2026.

Asset Auctions

Law No. 37/2024/QH15 dated June 27, 2024 on “**Amending and Supplementing Several Provisions of the 2016 Law on Asset Auctions**”

This law, which updates the 2016 Law on Asset Auctions, enters into effect on January 1, 2025. Key changes include:

- **More assets subject to auction:** The law broadens the range of assets subject to auction, including land use rights, mineral exploitation rights, radio frequency spectrum, public property, secured assets, bad debts, and other types of assets as prescribed by the law.
- **Fairer auction process:** The new law prohibits collusion, falsified auction participation documents, and manipulation of auction outcomes to ensure fairness and transparency, preventing price-fixing or undercutting schemes.
- **Heightened transparency of auction rules:** Auction rules must now be publicly posted at the office of the auction organization, at the auction venue, and on the National Property Auction Portal. This replaces the previous general requirement for public announcements, adding more specific guidelines. Moreover, any changes to the auction rules must also be publicly announced.

- **Penalties for failure to pay:** Auction winners who fail to make payments, leading to the annulment of the auction result, will face bans from participating in auctions of the same asset type for periods ranging from six months to five years.
- **Introduction of online auctions:** The law includes detailed regulations on online auctions, allowing auctions to be conducted via the National Property Auction Portal or auction organizations' websites.