

## LEGAL UPDATES (23<sup>rd</sup> November 2020)

In these legal updates, we would like to send clients the legal updates on some following issues:

- Ministry of Finance issued Circular No. 89/2020/BTC dated 11<sup>th</sup> November 2020 to amend some Circulars on insurance business.
- Government issued Decree No. 134/2020/ND-CP dated 15<sup>th</sup> November 2020 to amend and supplement some articles on standards and conditions for practicing auditors, auditing organizations are approved to audit units with public interests.
- Two (02) cases of being identified as a public company from 1<sup>st</sup> January 2021 according to the Law on Securities 2020.

### 1. **Ministry of Finance issued new Circular to amend some regulations on insurance business**

On 11<sup>th</sup> November 2020, Ministry of Finance issued the Circular No. 89/2020/BTC to amend and annul some contents of some Circulars on insurance business.

Specifically, the Circular No. 89/2020/BTC amends and supplements the contents on the scope of regulation, the subject of application, and the responsibilities to prepare and submit reports of the insurance business enterprises under Circular No. 50/2017/TT-BTC dated 15<sup>th</sup> May 2017.

Some other notable points includes:

- To amend and supplement the contents on the reporting obligations of the insurance business enterprises under Article 19 of Circular No. 195/2016/TT-BTC dated 29<sup>th</sup> June 2016.
- To amend and supplement the guidance contents on evaluation and classification results of the insurance business enterprises under Article 7 of Circular No. 195/2014/TT-BTC dated 17<sup>th</sup> December 2014.
- To amend and supplement the guidance contents on implementation of quarterly and annual reports on financial support for marine fishing, crew accident insurance, implementation of hull, equipment and fishing insurance grid under Circular 115/2014/TT-BTC dated 20<sup>th</sup> August 2014.

Circular No. 116/2014/TT-BTC dated 20<sup>th</sup> August 2014 and Circular No. 43/2016/TT-BTC dated 3<sup>rd</sup> March 2016 are also annulled.

The Circular No. 89/2020/BTC will take effect from 26<sup>th</sup> December 2020.

## 2. Government issued new Decree to amend regulations on standards and conditions of units with public interests

Under current regulations, Units with the public interests in the securities sector include large-scale public companies, listed companies, public securities issuers, securities companies, and securities investment companies, fund and fund management companies.

Decree No. 134/2020/ND-CP dated 15<sup>th</sup> November 2020 amending and supplementing Units with public interests, including public companies, listed organizations, organizations of transaction registration, organizations offering securities to the public, securities companies, securities investment fund management companies, securities investment companies, and securities investment funds. Units with other public interests are the units with the public interest specified in Article 53 of the Law on Independent Audit.

The Decree will take effect from 1<sup>st</sup> January 2021.

## 3. Two cases of being identified as a public company from 1<sup>st</sup> January 2021

Under the Law on Securities 2020, taking effective from 1<sup>st</sup> January 2021, a public company is a joint stock company in one of the following two cases:

**Case 1:** A joint stock company has a paid-up charter capital of 30 billion VND or more and has at least 10% of the voting shares held by at least 100 investors who are not major shareholders.

The joint-stock company in this case must submit a public company registration dossier to the State Securities Commission within 90 days from the date the company completes the capital contribution and has a shareholder structure that meets the above requirements.

**Case 2:** A joint stock company has successfully made an initial public offering of shares through registration with the State Securities Commission according to regulations.

Within 15 days from the date of receipt of the complete and valid application for registration of the public company (for Case 1) or receipt of the report on the completion of the offering of the joint-stock company (for Case 2), the State Securities Commission is responsible for confirming the completion of the public company registration, and at the same time announcing the name, business contents and other information related to the public company on the media of the State Securities Commission.

We hope this short Letter of legal updates would bring you useful information.

Best regards.

**Contributor(s):****Mr. LE TIEN DAT****Senior Partner****M** (+84) 939 107 387 | **E** [dat.le@apolatlegal.com](mailto:dat.le@apolatlegal.com)**Mr. TRAN CHAU HOAI HAN****Associate****LL.M. (Wales, UK)****M** (+84) 988 787 285 | **E** [han.tran@apolatlegal.com](mailto:han.tran@apolatlegal.com)**Ms TRAN THI MINH HIEU****Paralegal****M** (+84) 967 53 54 59 | **E** [hieu.tran@apolatlegal.com](mailto:hieu.tran@apolatlegal.com)

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**Contacts:****HO CHI MINH CITY (Head office)**

5<sup>th</sup> Floor, IMM Building  
99-101 Nguyen Dinh Chieu, District 3  
Ho Chi Minh City, Vietnam  
Tel: +84-28-3899 8683  
[info@apolatlegal.com](mailto:info@apolatlegal.com)  
[www.apolatlegal.com](http://www.apolatlegal.com)

**SINGAPORE (Affiliated office)**

#26-10, SBF Center,  
160 Robinson Road  
Singapore 068914  
Tel: +84-93-2014 986  
[info@apolatlegal.com](mailto:info@apolatlegal.com)  
[www.apolatlegal.com](http://www.apolatlegal.com)

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