

LEGAL UPDATE (18.02.2020)

In this issue, we would like to bring to your attention a brief overview of the recent legal news concerning the following:

- *The European Parliament approved the Free Trade Agreement between Vietnam and the European Union (EVFTA);*
- *New guide on issuing Ownership Certificates for condotel projects.*

1. The European Parliament approved the Free Trade Agreement between Vietnam and the European Union (EVFTA)

On February 12th, 2020, the European Parliament (EP) officially ratified the Free Trade Agreement (EVFTA) and Investment Protection Agreement (EVIPA) between Vietnam and the European Union at the number of support votes are 401/633 and 407/633 respectively.

For Vietnamese goods, right after the EVFTA Agreement comes into effect, the EU will eliminate import duties on about 85.6% of tariff lines, equivalent to 70.3% of export turnover of Vietnam to the EU. After seven years from the entry into force, the EU will abolish import duties on 99.2% of tariff lines, equivalent to 99.7% of export turnover of Vietnam. For about 0.3% remaining exports, the EU pledged to give Vietnam a tariff-rate quota (TRQ) with the quota import tax to 0%.

The two sides will begin to eliminate tariffs according to the committed schedule from the effective date of the EVFTA Agreement. According to EU regulations, the EVFTA Agreement shall need to be approved by the European Council to take effect.

2. New guide on issuing Ownership Certificates for condotel projects

On February 14th, 2020, the Ministry of Natural Resources and Environment (MONRE) issued Official Letter No.703/BTNMT-TCQLDD to the Departments of Natural Resources and Environment (DONREs) of provinces and cities under central authority to provide specific guidance on the usage regime of land for some new types of real estate.

In Official Letter No.703/BTNMT-TCQLDD, the MONRE has guided the land use regime and land use term for tourist apartments and tourist villas (condotel). Specifically, land for implementing condotel projects must be of commercial, service land type, and the maximum land use term is from 50 to 70 years, according to Article 126 of the Land Law.

In addition, Official Letter No.703/BTNMT-TCQLDD also provided guidance if condotel projects are eligible to be transferred under the Real Estate Business Law, the certificate of

construction work ownership for the transferee shall be granted in accordance with Decree No. 43/2014/ND-CP and Decree No. 01/2017/ND-CP of the Government.

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

Best regards.

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ABOUT US,

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