

## LEGAL UPDATES (April 06<sup>th</sup> 2021)

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

- New points in the principles for adjusting construction contracts from April 01<sup>st</sup>, 2021.
- From July 2021, the construction of digital connection and sharing of land data will be completed.
- After 03 months of the application of the Law on Investment 2020 to the practice, there is eventually the official promulgation of the new decree on guidance on the implementation of the Law on Investment 2020.

### 1. **New points in the principles for adjusting construction contracts from April 01<sup>st</sup>, 2021 onwards**

On April 1<sup>st</sup>, 2021, the Government issued Decree 50/2021/ND-CP with the immediate effect as of the signing date to amend and supplement Decree 37/2015/ND-CP dated April 22<sup>nd</sup>, 2015 on construction contracts. Accordingly, the new decree additionally formulates several new principles for adjusting construction contracts in comparison with the previous decree, specifically as follows:

- During the renewal period of construction contracts, the adjustment for construction contracts retains its full force and effect.
- In terms of fixed-price construction contracts, the price of construction contracts can be adjusted in the following cases:
  - In the event of the change of state authority policies that directly affect the implementation of construction contracts, unless otherwise agreed by the parties;
  - In the event of the adjustment of the project that affects the construction contract, unless otherwise agreed by parties; or
  - In the events of force majeure under the laws.
- In terms of lump-sum construction contracts, there are two additional cases of the adjustment of the construction contract in comparison with the regulation of the previous decree, specifically as follows:
  - In the event of the change of state authority policies that directly affect the implementation of construction contracts, unless otherwise agreed by the parties;

- In the event of the adjustment of the project that affects the construction contract, unless otherwise agreed by parties; or
- In the events of force majeure under the laws.

Decree 50/2021/ND-CP of the Government is of full force and effect as of the signing date of April 1<sup>st</sup>, 2021.

## **2. From July 2021, the construction of digital connection and sharing of land data will be completed**

On March 24<sup>th</sup>, 2021, the Office of the Government issued Notice 60/TB-VPCP on the conclusion of the Prime Minister Nguyen Xuan Phuc at the meeting of the National Committee on e-Government held on March 10<sup>th</sup>, 2021. Accordingly, for the purposes of e-Government and digital transformation in the next period, the Prime Minister required Ministries and localities to implement key tasks, specifically as follows:

- Requiring the Ministry of Natural Resources and Environment to quickly accelerate the construction of digital system of national land data and ensure the completion of digital connection and sharing of land data on July 2021 under the laws.
- Requiring the Ministry of Public Security to deploy effectively the digital system of national population data, to connect, share, utilize it to minimize paperwork in administrative procedures and to implement officially and widely on July, 2021.
- Requiring ministries and localities to complete the construction and to implement immediately strategies, programs, plans, projects that are digitally transformed for the next period, and also determine to conduct tasks under the campaign of national digital transformation.
- Requiring the Ministry of Information and Communications to bolster the management and to accelerate the deployment of information technology and telecommunications for the digital economy and society.

Notice 60/TB-VPCP was issued on March 24<sup>th</sup>, 2021

## **3. After 03 months of the application of the Law on Investment 2020 to the practice, there is eventually the official promulgation of the new decree on guidance on the implementation of the Law on Investment 2020**

On March 26<sup>th</sup>, 2021, the Government issued Decree 31/2021/ND-CP on detailed regulations and guidance on the implementation of the Law on Investment 2020. Accordingly, Decree 31/2021/ND-CP specifies and clarifies the regulations on conditions for business investment, business lines and for market access applied to foreign investors; on guarantees for business investment, investment incentives and support, etc.

Decree 31/2021/ND-CP also provides that the following decrees and regulations shall be out of date as of March 26<sup>th</sup>, 2021:

- Decree 118/2015/ND-CP on guidance on the implementation of the Law on Investment 2014;
- Decree 37/2020/ND-CP supplementing the List of industries benefiting from investment incentives;
- Decree 83/2015/ND-CP on outward investment;
- Decree 69/2016/ND-CP on running debt trading service;
- Decree 79/2016/ND-CP on conditions for training business in specialist knowledge, professional competence in management and operation of apartment buildings, knowledge of real estate brokerage practicing, real estate transaction management; and
- Article 2 of Decree 100/2018/ND-CP amending and annulling some regulations on necessary business conditions in fields under the management of the Ministry of Construction.

Decree 31/2021/ND-CP on detailed regulations and guidance on the implementation of the Law on Investment 2020 is of full force and effect as of the signing date of March 26<sup>th</sup>, 2021.

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

Best regards.

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