

LEGAL UPDATES (25th May 2020)

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

- *Updating the new Decree No. 37/2020/ND-CP to include small- and medium-sized businesses from accessing investment incentives; and*
- *The new notice of the NOIP on assistance for international registration of patents for individuals.*

1. Updating the new Decree No. 37/2020/ND-CP of the Government to expand the list of business lines eligible for investment incentives under the Law on Support for Small and Medium Enterprises

On March 30th, 2020, the Government promulgated Decree No. 37/2020/ND-CP to amend the list of business lines eligible for investment incentives attached to Decree No. 118/2015/ND-CP detailing and guiding the implementation of Law on Investment (“**Decree 118**”), which takes effect on May 15th, 2020, in which adding the following 04 business lines to the list of business lines eligible for investment incentives:

- Business investment in the distribution chain of products of small and medium-sized enterprises (“**SMEs**”);
- Investment in business of incubating SMEs;
- Business investment in technical facilities to support SMEs;
- Business investment in a common working area for small and medium-sized startups.

Accordingly, foreign investors taking business investment in Vietnam in 04 business lines as mentioned above will be eligible for investment incentives from May 15th, 2020, namely:

- Under the Law on Support for Small and Medium Enterprises, support measures for SMEs in general may include of assistance in the credit assessment; assistance in the tax and accounting regimes; assistance in production areas; assistance in terms of technologies; assistance in access to information, counseling and legal fields; and assistance in human resource development.
- Regarding incubators, technical facilities, coworking areas, and business investment enterprises and organizations joining the distribution chain of products manufactured in Vietnam having at least 80% of members that are SMEs are entitled to more investment incentives, in which:

- + Remission of land rental, land use fees and the non – agricultural land use tax in accordance with regulations of law;
- + Remission of corporate income tax for a limited period of time in accordance with regulations of law on corporate income tax; and
- + Micro-enterprises and small enterprises will be given priority during contractor selection in accordance with regulations of law on bidding.

2. National Office of Intellectual Property ("NOIP") issues the Notification on assistance for international registration of patents for individuals

In the scope of the Intellectual Property Development Program from 2016 to 2020, on May 15th, 2020, NOIP had issued Notification No. 5360/SHTT-NĐHT on recording the subjects entitled to support on international registration by the NOIP and the contents to be supported, namely:

Regarding subjects to be supported

Individuals who are Vietnamese being the application owner satisfies the following requirements:

- Being eligible for patent protection requirements;
- Being applicable in production and business activities;
- Having not yet been received fund from the State Budget for international patent registration; and
- Submitted patent applications at the NOIP in the period **from August 15th, 2019 to May 15th, 2020.**

Regarding the contents to be supported

- Consulting, guiding the general procedures, regulations and documents for submitting an international registration application for patent;
- Adjusting the document description when submitting in the international phase and translate such Description into English;
- Preparing documents, filling in the form as prescribed by law;
- Industrial property representation fee in Vietnam; and
- Submitting the patent registration to the International Registration of Patents according to the Patent Cooperation Treaty (PCT) ở pha quốc tế.

Support fund

Support 70% of the total fund for submitting patent applications in the form of PCT filing in the international phase (maximum VND 60 million / solution). The remaining funding shall be borne by the individual participating.

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

Best regards.

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