

## LEGAL UPDATES (18<sup>th</sup> May 2020)

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

- Decision No. 15/2020/QĐ-TTg to guide the implementation of policies on assistance for people affected by Covid-19 pandemic;
- State Bank of Vietnam suggested the Prime Minister for issuing Decision on implementation of a pilot project on Mobile Money

### 1. **The Decision promulgated by The Prime Minister on the implementation of assistance policies for people affected by Covid-19 pandemic**

On April 24<sup>th</sup>, 2020 the Prime Minister promulgated the Decision No. 15/2020/QĐ-TTg on implementation of assistance policies for people affected by Covid-19 pandemic (hereinafter referred to as "**Decision 15**"), which specifies the contents of the Resolution No. 42/NQ-CP to help people affected by Covid-19 pandemic (hereinafter referred to as "**Resolution 42**"), in which:

- Regulating six categories to be applied financial assistance policies, including: (1) Impacted employees; (2) Impacted employers; (3) Household businesses with revenue under 100 million VND per year; (4) People with meritorious service to the country; (5) Social protection beneficiaries; and (6) Poor and near-poor households according to the national poverty standards.
- Stating the financial assistance amount and procedures to help employees and employers affected by Covid-19 pandemic with the following main contents:

#### ***Incentives for employees***

- (1) Financial assistance of VND 1.800.000 per month
  - + Employees whose labor contract is temporarily suspended or have to take unpaid leave for a month or above because their employers are not making any revenue or do not have adequate funds to pay wages due to the impact Covid-19 pandemic. The assistance duration is applicable for a maximum period of up to three months beginning from April 01<sup>st</sup>, 2020.
  - + Dossiers and procedures for implementation are prescribed in Decision 15, accordingly:

- The enterprise shall compile a list of employees whose labor contract is temporarily suspended or has to take unpaid leave; and request the internal trade union (if any) and the social insurance authority to verify the list.
  - After the social insurance authority send the enterprise confirmations of the employees' participation in social insurance according to Clause 2 Article 1 of the Decision 15/2020 (within 03 working days), the enterprise shall submit the application to the People's Committee of the district where the enterprise is headquartered.
- (2) Financial assistance of VND 1.000.000 per month
- + Employees whose labor contract and employment contract are terminated but are not eligible for unemployment allowance or that work without a labor contract and have lost their jobs.
  - + For implementation procedure, employees submit the application form provided in the Appendix hereof to People's Committee of the commune. For the employees working without a labor contract and having lost their jobs, the duration for submitting is after the 15th every month.
  - + The employee who has a permanent residence in one province and temporary residence in another may claim assistance in either province and obtain a confirmation that he/she has not claimed assistance in the other province from the People's Committee of the commune in the latter province.

#### Incentives for employers

- + Employers that have been affected by Covid-19 and have already paid at least 50 percent of salary for work suspension to their employees according to Paragraph 3 Article 98 of the Labor Code from April to June 2020 can borrow a loan with zero percent interest, collateral-free from the Vietnam Bank for Social Policies for a maximum term period of 12 months in order to pay the unpaid wage and disbursed monthly to pay the suspended employees. The lending rate up to 50 percent of total region-based minimum wages of individual suspended employees over the actual period of wage payment but not exceeding 3 months.
- + For the implementation procedures, by the 5<sup>th</sup> every month, employers that wish to obtain the loan shall submit the application to the People's Committee of the district where the branch, representative office, business location or residence (for household business and individual business) is located.

## **2. The State Bank of Vietnam ("SBV") submitted the Prime Minister the Decision on implementation of a pilot project on Mobile Money for approval**

At the Meeting between the Prime Minister and the business community on May 09<sup>th</sup>, 2020, the Governor of the SBV Le Minh Hung said that the SBV submitted the Prime Minister the Decision on implementation of pilot project of utilizing telecommunication accounts to make small payments

(Mobile Money). Previously, the State Bank of Viet Nam built the Draft Decree amending Decree No. 101/2012/ND-CP of the Government on non-cash payments (Hereinafter referred to as “**Amending Draft Decree**” and posted it publicly to take wide comments from people, businesses, with the following main contents regarding to Mobile Money:

- Mobile money is defined as electronic money issued by an intermediary payment service provider providing telecommunications services and identifying customers through a mobile subscriber database. Based on this definition, Mobile Money is a combination of cryptocurrencies and using a mobile technical platform to make financial transactions, using a mobile subscriber database to identify customers.  
  
Differ from two types of prepaid cards and digital wallets, Mobile Money is issued by intermediary telecommunications service providers (such as VNPT, Viettel, MobiFone) and **may not** be connected with bank account, mainly for making payment transactions, money transfers with small transaction value.
- The Ministry of Information and Communications and SBV are expected to license Mobile Money deployments in June this year. Accordingly, all three big telecommunications service providers, Viettel, MobiFone and VNPT, said that they also have prepared projects to submit to the relevant state authorities after the Prime Minister officially agrees to allow the Mobile Money deployments.

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

Best regards.

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