

## LEGAL UPDATE (March 22<sup>th</sup>, 2022)

In this issue, we would like to bring to your attention to the following:

- Several amendments and supplements to the Law on Investment and Law on Enterprises under Law No. 03/2022/QH15.
- Several amendments and supplements to compulsory insurance in construction investment activities under Decree No. 20/2022/ND-CP.
- New regulations on COVID-19 prevention and control for entrants under Dispatch No. 1265/BYT-DP.

### 1. **Several amendments and supplements to the Law on Investment and Law on Enterprises under Law No. 03/2022/QH15**

On January 11<sup>th</sup> 2022, the National Assembly passed Law No. 03/2022/QH15 amending and supplementing several articles of the Law on Public Investment, Law on Investment in the form of public - partnerships, Law on Investment, Law on Housing, Law on Bidding, Law on Electricity, Law on Enterprises, Law on Special Consumption Tax and Law on Civil Judgment Enforcement (hereinafter referred to as “**Law 03/2022**”) with the following notable points:

#### (a) **02 outstanding amendments and supplements of the Investment Law 2020:**

- (i) Law 03/2022 has supplemented one conditional business line. Specifically, according to Clause 5, Article 3 of Law 03/2022, the business lines of network security products and services (excluding trading in network information security products and services and trading in civil cryptographic products and services) is supplemented as a conditional business line at ordinal number 132a after ordinal number 132 of Appendix IV to the List of conditional investment and business lines of the Law on Investment 2020.
- (ii) Supplementing projects under the authority to approve investment policies of the Provincial People's Committee
  - Investment projects on construction of houses (for sale, lease, or lease-purchase), urban areas with a land use scale of less than 300 hectares and a population of less than 50,000 people;
  - Investment projects consistent with the law on cultural heritage regardless of the size of the land area and population, within the protected area II of the relic recognized by the competent authority as a national relic, a special national relic, except for special national relics on the list of world heritages; investment projects regardless of the size of the land area and population in restricted

development areas or historic inner cities (identified in urban planning projects) of special urban areas.

**(b) Amending and supplementing several articles of the Enterprise Law 2020**

- (i) Amending regulations on the meeting minutes of the Members' Council/Board of Directors. According to Law 03/2022, the content of the minutes is no longer required to have the signatures of the participants who disagree with the approval of the meeting minutes (if any). If the chairperson or the minutes writer refuses to sign the meeting minutes of the Members' Council/Board of Directors, the meeting minutes of the Members' Council/Board of Directors shall be effective once it is approved by all other attending members of the Members' Council/Board of Directors.

In addition, the meeting minutes must be recorded clearly that the chairperson or the minutes writer refuses to sign the minutes. The signatories of the meeting minutes are jointly responsible for the accuracy and truthfulness of the contents of the meeting minutes. The chairperson and the minutes writer are personally responsible for the damage caused to the enterprise due to the refusal to sign the meeting minutes in accordance with the Enterprise Law, the company's charter and relevant laws.

- (ii) Amending the conditions for the resolution of the General Meeting of Shareholders to be passed. Accordingly, the Resolution on the following contents is approved if it is approved by the number of shareholders representing 65% of the total votes or more of all shareholders attending and voting at the meeting:
- Types of shares and total number of shares of each type;
  - Changing business lines, business sectors;
  - Changing of the organizational management structure of the company;
  - Investment projects or sales of assets valued at 35% or more of the total asset value recorded in the latest financial statements of the company, unless otherwise provided in the company charter;
  - Reorganization and dissolution of the Company;
  - Other issues provided by the company charter.

The Law No. 03/2022/QH15 will be of full force and effect as of March 1<sup>st</sup>, 2022.

**2. Several amendments and supplements to compulsory insurance in construction investment activities under Decree No. 20/2022/ND-CP**

On March 10<sup>th</sup>, 2022, the Government issued Decree No. 20/2022/ND-CP amending and supplementing several articles of Decree 119/2015/ND-CP dated November 13<sup>th</sup>, 2015 stipulating compulsory insurance required in construction investment activities (hereinafter referred to as "**Decree 20/2022**") with the following notable points:

- (i) Decree 20/2022 supplements regulations on compulsory civil liability insurance towards third parties. Specifically, on the subject of compulsory insurance in construction investment activities, the Decree amends and supplements as follows: Construction contractors must purchase compulsory insurance for construction workers on the construction site and compulsory civil liability insurance for third parties.

At the same time, the Decree additionally stipulates that the period of compulsory civil liability insurance for third parties is a specific period of time, counting from the date of commencement to the end of the construction period based on the construction contract and recorded in the insurance contract.

In addition, the insurance enterprise is responsible for compensating construction contractors for amounts that, in accordance with the law, construction contractors are responsible for compensating third parties for non-contractual damage to health, life and property arising directly during constructing and other related expenses.

- (ii) Decree 20/2022 supplements the following minimum amounts of compulsory civil liability insurance for third parties:
- The minimum insurance amount for health and life loss is 100 million VND/person/case without any limitation to the number of losses.
  - The minimum insurance amount for property damage and related legal expenses (if any) is determined as follows:
    - For works valued at less than VND 1,000 billion, the minimum insurance amount for property damage and related legal costs (if any) is 10% of the value of the works for the entire insurance period without any limitation on the number of losses.
    - For works valued at VND 1,000 billion or more, the minimum insurance amount for property damage and related legal costs (if any) is VND 100 billion for the entire insurance period without any limitation on the number of losses.

The Decree No. 20/2022/ND-CP will be of full force and effect as of July 01<sup>st</sup>, 2022.

### **3. New regulations on COVID-19 prevention and control for entrants under Dispatch No. 1265/BYT-DP**

On March 15<sup>th</sup>, 2022, the Ministry of Health issued Dispatch No. 1265/BYT-DP on COVID-19 prevention and control for entrants. Accordingly, the Dispatch request on epidemic prevention and control for entrants is as follows:

- (i) Testing

- **Entrants entering Vietnam by air:** must have negative test results for SARS-CoV-2 before exiting, and the test results must be certified by competent authorities of the country in which the test is done.
    - Within 72 hours if using RT-PCR/RT-LAMP method; or
    - Within 24 hours if using antigen rapid test method with SARS-CoV-2 virus.
  - **Entrants entering Vietnam by other routes (land, by sea or by rail):** Must have the above negative test. If the test results are not available, then:
    - Do a test for SARS-CoV-2 within the first 24 hours (with RT-PCR/RT-LAMP or antigen rapid test) since entry;
    - If the test results are negative, they are allowed to leave the accommodation and implement anti-covid measures as prescribed. If the test results are positive, immediately notify local health authorities for guidance.
  - **Children aged under 2 are not required to be tested for SARS-CoV-2,** who have not been vaccinated against COVID-19 or who have never been infected with SARS-CoV-2, are allowed to enter Vietnam and participate in activities outside of their accommodation with their parents and relatives.
- (ii) Health declaration and quarantine at the checkpoints:
- Entrants must carry out health declaration before entry and use PC-COVID application throughout their stay in Vietnam as prescribed;
  - At the border checkpoints, anyone who have symptoms of SARS-CoV-2 infection (fever; cough; sore throat; runny nose, stuffy nose; body pain, fatigue, chills; decrease or loss of taste; decrease or loss of smell; headache; diarrhea; shortness of breath; respiratory tract inflammation, etc., must notify health authorities at the checkpoints for implementation of health measures as prescribed.

The Dispatch No. 1265/BYT-DP will be of full force and effect as of March 15<sup>th</sup>, 2022.

We hope this Monthly Newsletter would bring you useful information.

Best regards.

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