

LEGAL UPDATES (May 31th, 2019)

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

- The Competition Law No. 23/2018/QH14
- Circular No.15/2019/TT-BTC
- Circular No.21/2019/TT-BTC

1. The Competition Law No. 23/2018/QH14

The Competition Law No. 23/2018/QH14 was issued by the National Assembly on June 12th, 2018.

Pursuant to this Law, the Competition Committee shall be the Competent Authority to initiate competition legal proceedings; control economic concentration; decide on exemptions for prohibited competition restriction agreements; handle complaints against settlement decisions and other duties as prescribed in this Law and other law provisions.

This Law comes into effect on July 01st, 2019.

2. Circular No.15/2019/TT-BTC

Circular No.15/2019/TT-BTC was issued by the Ministry of Finance on March 18th, 2019 guiding the methods to manage finance and evaluate the performance of a Credit Guarantee Fund for small and medium enterprises. This Circular provides the criteria for evaluating the annual performance of the Credit Guarantee Fund for small and medium enterprises, including:

- Growth of turnover of credit guarantees;
- Rate of debts repaid on behalf of obligors;
- Rate of annual recovery of forced debts;
- Total revenue minus total expense
- The extent of compliance with regulations on investment, management and use of capital and property of the fund, obligations to the state budget, financial statement regime.

This Circular comes into effect on **June 01st, 2019**.

3. Circular No.21/2019/TT-BTC

Circular No.21/2019/TT-BTC was issued by the Ministry of Finance on April 11th, 2019 guiding the initial public offering and assignment on state capital by book building process. Pursuant to this Circular, the investors, who purchase shares in the initial public offering of State-owned enterprises or receive State capital transfers in the joint-stock companies or

receive investment capital from State-owned enterprises in the joint-stock companies, must deposit an amount which is specified as follow:

- The public investors must deposit an amount equivalent to 10% of the value of registered shares to buy at the opening price;
- For strategic investors, the deposit and escrow equivalent to 20% of the value of registered shares to buy calculating according to the first price of the approved privatized plan.

If after the expiration of the payment term, the investors did not pay or did not fully pay the payment for the purchase of shares, the deposits corresponding to the number of unpaid shares would not refund or the investors may receive a penalty equivalent to the value of the deposit in case of using escrow, guarantee.

This Circular comes into effect on **June 03rd, 2019**.

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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We are also honored to receive numerous recognitions and/or articles posted by world-leading and local organizations and publications including: The Law Association for Asia and the Pacific (LawAsia, 1966), The Legal500, IP Link, IP Coster, Lexology, Global Trade Review (GTR), The Saigon Times, etc.

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