

## LEGAL UPDATES (August 19<sup>th</sup>, 2019)

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

- New guidance on direct investment capital bank account in Vietnam (DICA);
- Reducing fees for New Company Registration.

### 1. **New guidance on direct investment capital bank account in Vietnam (DICA)**

Circular No. 06/2019/TT-NHNN issued on June 26th, 2019 by the State Bank of Vietnam guiding the foreign exchange management for the foreign direct investment in Vietnam.

This Circular shall be applied to enterprises with foreign direct investment, foreign investors, Vietnamese investors in the enterprises have foreign direct investment capital, foreign investors participating in business cooperation contracts (hereinafter referred to as BCC), foreign investors participate in investment contracts in the form of public-private partnerships (hereinafter referred to as PPP), organizations, individuals related to foreign direct investment activities in Vietnam.

According to this Circular, enterprises include (i) enterprise which established in the form of Investment in establishment of a business organization, in which the Foreign Investors are members or shareholders, and it is required to have the Investment Registration Certificate in accordance with the law on invest; (ii) Enterprise which are not required to have the Investment Registration Certificate but 51% of its charter capital or more is held by Foreign Investors; and (iii) Project Management Enterprise established by the Foreign Investors to implement the PPP project in accordance with investment law are deemed as enterprises with foreign direct investment and shall open a direct investment account in an authorized bank (DICA).

In cases, the following enterprises which have opened a direct investment account, have to close such account, and at the same time the foreign investors who are non-resident own the shares, contribution capital in the enterprise open an indirect investment account under the regulations of foreign exchange:

- The enterprise which has the foreign investors own under 51% of its charter capital, except it is required to obtain the Investment Registration Certificate under the regulations of the investment laws;
- The enterprise which is not required to have the Investment Registration Certificate but has the demand to have one and obtained the Investment Registration Certificate from the Competent Authority in accordance with the regulations of the investment laws;
- The direct foreign investment enterprise has stocks listed on the stock exchanges or registered for trading on the Stock Exchange.

Circular No. 06/2019/TT-NHNN comes into effect **on September 06th, 2019.**

## 2. Reducing fees for New Company Registration

Circular No. 47/2019/TT-BTC issued on August 05th, 2019 by Ministry of Finance on amounts, collection, payment, management and use of fees for providing information about enterprises, charges for enterprise registration.

According to this Circular, entities eligible for fee, charge exemption include:

- Enterprises supplementing and changing information due to administrative boundary changes shall be exempt from enterprise registration charges and fees for publication of business registration contents;
- Register to dissolve enterprises, suspend business; termination of operation of branches, representative offices and business locations shall be exempt from enterprise registration charges;
- Enterprises that make enterprise registration via electronic networks are exempt from enterprise registration charges;
- State Agencies request to provide information for administration management are exempt from fees of providing enterprise information;
- Small and medium enterprises converted from business households are exempted from enterprise registration charges and fees of providing enterprise information for the first time;

Fees, charges for enterprise registration are changed as follow:

- Charges for enterprise registration: 50,000 VND per registration;
- Fees of publication of the contents of enterprise registration: 100,000 VND per registration;

Circular No. 47/2019/TT-BTC comes into effect **on September 20th, 2019.**

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

Best regards.

**Disclaimer:** All materials have been prepared for general information purposes only. The information is not intended as, and should not be taken as, legal advice. Do not act or refrain from acting based upon information provided herein without first consulting our lawyers about your particular factual and legal circumstances. Apolat Legal can accept no responsibility for loss occasioned to any person acting or refraining from action as a result of any material in this publication. On any specific matter, reference should be made to the appropriate adviser.

## ABOUT US,

Apolat Legal is a professional law firm with its offices in Ho Chi Minh city and Ha Noi city. The firm's lawyer team specializes in almost all legal practice areas in Vietnam including Enterprise and Investment; Labor and Employment; Intellectual Property; Dispute Resolution; Real Estate and Construction; Information and Communication; Natural Resources and Environment; Transport; Industry and Trade; Education and Training; Finance and Banking; Agriculture; Legal Document Translation; Legal Training.

Our reputation and the quality of its services are reflected by our clients. We are serving nearly 1,000 clients both local and multi-national companies.

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.

## Contacts:

### HO CHI MINH CITY (Head office)

5<sup>th</sup> Floor, IMM Building  
99-101 Nguyen Dinh Chieu, District 3  
Ho Chi Minh City, Vietnam  
SDT: +84-28-3899 8683  
Email: [info@apolatlegal.com](mailto:info@apolatlegal.com)  
Website: [www.apolatlegal.com](http://www.apolatlegal.com)

### SINGAPORE (Affiliated office)

#26-10, SBF Center,  
160 Robinson Road  
Singapore 068914  
Tel: +84-93-2014 986  
Email: [info@apolatlegal.com](mailto:info@apolatlegal.com)  
Website: [www.apolatlegal.com](http://www.apolatlegal.com)