

LEGAL UPDATES (September 4th, 2019)

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

- Remarkable legislations which has effective date in september 2019.
- The executed legislations in august 2019.

I. REMARKABLE LEGISLATIONS WHICH HAS EFFECTIVE DATE IN SEPTEMBER 2019

1. Conditions in the business of karaoke and nightclubs services

This Decree shall be applied with Vietnamese and foreign businesses, enterprises operating karaoke, nightclubs; other agencies, organizations, individuals who are involved in the karaoke, nightclub operations.

This Decree stipulates the detail conditions for operating karaoke and night clubs as follows:

- For operating the karaoke service:
 - Enterprises or businesses must be established under the legislation;
 - Ensure fire safety, public security and order as specified in Decree No. 96/2016/ND-CP dated July 01, 2016 of the Government on security, order conditions of conditional business lines;
 - Have singing rooms with usable areas of 20 square meters or larger, excluding the auxiliary works;
 - Ensure no door locks or alarming devices (except fire alarm) are installed inside the singing rooms.
- For operating the night club:
 - Enterprises or businesses must be established under the legislation;
 - Ensure fire safety, public security and order as specified in Decree No. 96/2016/ND-CP dated July 01, 2016 of the Government on security, order conditions of conditional business lines;
 - Have a usable area of 80 square meters or larger, excluding the auxiliary works;
 - Ensure no door locks or alarming devices (except fire alarm) are installed inside the singing rooms;
 - Be located at least 200 meters away from schools, hospitals, religious establishments, cultural – historical heritage.

Besides that, this Decree also stipulates that the enterprises or the businesses which operates in karaoke service must not operate from 00AM to 08AM. For the enterprises or the businesses which operates in night club service, must not operate from 02AM to 08AM.

Decree No. 54/2019/ND-CP comes into effect on September 1st, 2019.

2. 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.

II. THE EXECUTED LEGISLATIONS IN AUGUST 2019

No.	DOCUMENT TITLE	EXECUTION DATE	EFFECTIVE DATE
1.	Circular No. 48/2019/TT-BTC issued by the Ministry of Finance on guiding the appropriation and use of provisions for devaluation of inventories, loss of financial investments, bad receivable debts and	08/08/2019	10/10/2019

	warranty for products, goods, services and construction works at enterprises.		
2.	Circular No. 49/2019/TT-BTC issued by the Ministry of Finance on guiding the management and use of state budget funding to support the development of human resources for small and medium-sized enterprises.	08/08/2019	23/09/2019
3.	Circular No. 13/2019/TT-NHNN issued by the State Bank of Vietnam on amending the Circulars related to the licensing, organization and operation of credit institutions and branches of foreign banks.	21/08/2019	05/10/2019

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)

5th Floor, IMM Building
99-101 Nguyen Dinh Chieu, District 3
Ho Chi Minh City, Vietnam
SDT: +84-28-3899 8683
Email: info@apolatlegal.com
Website: www.apolatlegal.com

SINGAPORE (Affiliated office)

#26-10, SBF Center,
160 Robinson Road
Singapore 068914
Tel: +84-93-2014 986
Email: info@apolatlegal.com
Website: www.apolatlegal.com