

LEGAL UPDATES (November 21th, 2019)

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

- New regulations on import and dismantlement of used ships.
- New regulations on the legal capital level of credit institutions and branches of foreign banks.

1. **New regulations on import and dismantlement of used ships**

On November 12th, 2019, the Government issued the Decree No. 82/2019/ND-CP to regulate the import and dismantlement of used ships.

In according to Decree 82/2019/ND-CP, the conditions to import and dismantle the used ships are:

- The enterprises which import the used ships to dismantle have to (i) have a 100% Vietnamese charter capital; and (ii) be the owners or managers or operator of the ship demolition facility that has been put into operation in accordance with the laws;
- Used ships imported to dismantle must meet the conditions;
 - To be in one of the following cases: Dry cargo ship; container ship; ore carrier; liquid cargo ships, including: crude oil, product oil, vegetable oil; gas and liquefied gas tankers; or Ro-Ro ship, passenger ship, barge, sea ferry;
 - The shipowner has to have written confirmation and be responsible for the commitment that the ship is not in mortgage or maritime claim;
 - Not to convert, upgrade, change the purpose and not to transfer, buy, resell.

Decree No. 82/2019/ND-CP comes into effect on **30th December 2019**.

2. **New regulations on the legal capital level of credit institutions and branches of foreign banks**

On November 14th, 2019, the Government issued the Decree No. 86/2019/ND-CP regulates the legal capital level of credit institutions and branches of foreign banks.

In according to this Decree, the legal capital level of credit institutions and branches of foreign banks is determined as follows:

- Commercial banks: 3,000 billions Dongs;
- Policy banks: 5,000 billions Dongs;
- Cooperation banks: 3,000 billions Dongs;
- Branches of foreign banks: 15 millions US Dollars;
- Financial companies: 500 billions Dongs;
- Financial leasing companies: 150 billions Dongs;
- Microfinance institutions: 05 billions Dongs;
- People's credit funds operate in a commune or a town: 0.5 billions Dongs;

- People's credit fund operating in one ward; People's credit funds operating in inter-commune, and inter-ward areas: 01 billions Dongs.

Decree No. 86/2019/ND-CP comes into effect on **15th January 2020**.

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

Best regards.

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