

LEGAL UPDATES (March 24th, 2020)

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

- Customer who affected by Covid-19 epidemics may have restructured of the term for debts payment, exempt or reduce interest/ fee, and keep intact of debts group at credit institutions.
- Some new highlights about certifying copies from the originals; authentication of signatures; authentication of contracts, transactions.
- Applying the export licensing regulations for medical masks in the stage of Covid-19 epidemics prevention and control.

1. Customer who affected by Covid-19 epidemics may have restructured of the term for debts payment, exempt or reduce interest/ fee, and keep intact of debts group at credit institutions

Circular No. 01/2020/TT-NHNN issued by the State Bank on March 13th 2020, providing for credit institutions and foreign bank branches restructure of the term for debts payment, exempt or reduce interest/ fee, keep intact of debt group to in support of customers affected by Covid-19 epidemics. In there:

a. Cases restructured of the term for debts payment for principal balance and/ or interest, including:

- Balance debt which is due or overdue up to 10 days from the due date of payment, to the time of debt payment under contracts, loan agreements or financial leases signed.
- Balance debt (except for the overdue case mentioned above) within the period from January 23, 2020, to the next day after 15 days from the effective date of this Circular.

b. Accordingly, the principal balance and/ or interest, which restructured of the term for debt payment must meet the following conditions:

- Arising from lending, financial leasing activities;
- Arising the obligation to pay the principal debt and interest within the period from January 23rd, 2020, to the next day after 03 months from the date the Prime Minister announces the end of the Covid-19 epidemics;
- Customers are unable to pay their debts on time according to contracts, loan agreements, financial leases signed due to the revenue and income are decreased from the effects of Covid-19 epidemics.

c. Credit institutions and foreign bank branches shall decide on the exemption and reduction of interests and fees according to internal regulations for balance debts arising from credit extension activities (except for activities of purchasing and investing in corporate bonds) for:

- The obligation to pay the principal debt and interest is due within the period from January 23, 2020, to the next day after 03 months from the date the Prime Minister announces the end of the Covid-19 epidemics;
- Customers are unable to pay their debts on time according to contracts, loan agreements, financial leases signed due to the revenue and income are decreased from the effects of Covid-19 epidemics.

d. Credit institutions and foreign bank branches keep intact of debt group (classified as prescribed) at the latest time before January 23, 2020, for:

- Debt balance restructured of the term for debt payment;
- Debt balance exempted or reduced interest;
- Debt balance for the two types mentioned earlier and the whole debt balance has restructured of the term for debt payment, exempted, reduced interest, adjusted debt group as prescribed from January 23, 2020, to the next day after 15 days from the date of this Circular takes effect.

Circular No. 01/2020/TT-NHNN comes into effect on March 13th, 2020.

2. Some new highlights about certifying copies from the originals; authentication of signatures; authentication of contracts, transactions

On March 03rd, 2020, the Ministry of Justice issued Circular No. 01/2020/TT-BTP detailing and guiding the implementation of many Articles of Decree No. 23/2015/ND-CP of February 16, 2015, of the Government on the issuance of copies from master registers, certifying copies from the originals, authentication of signatures and authentication of contracts, transactions.

Accordingly, some new highlights are as follows:

a. Some papers issued by foreign competent authorities such as passport, identity card, permanent card, residence card, driver's license, diploma, certificates, certificates and academic transcripts attached diploma. When certifying copies from the originals or authentication the translators' signatures on the translation of these papers are also not consular legalized.

b. Authentication of signatures on power of attorney performed in the following cases:

- Authorizing the submission and receipt of the dossiers, papers, unless not authorized by law;
- Authorization to receive pensions, postal, subsidies, allowances;
- Authorization for keeping the house;
- Authorization of household members to borrow money at the Bank for Social Policies.

Note: The authorization mentioned above must meet the conditions: authorization without pay remuneration, without compensation responsibilities of the authorized party, and bearing no relation to the transfer of ownership of assets and the right to use estate.

Circular No. 01/2020/TT-BTP comes into effect on April 20th, 2020.

3. Applying the export licensing regulations for medical masks in the stage of Covid-19 epidemics prevention and control

The Resolution No. 20/NQ-CP of Government dated February 28th, 2020, regulating the application of export licensing for medical masks in the stage of epidemics Covid-19 prevention and control.

The essential contents approved by the Resolution include:

- The Ministry of Health applies the granting of export licenses for medical masks in the period of Covid-19 epidemic prevention and control;
- Only allow export of medical masks for international aid and assistance made by the Vietnamese Government (maximum of 25% of the production for export, 75% of the production for prevention and control epidemics in the country);
- For export activities of export-processing enterprises that have granted investment certificates and enterprises producing medical masks for foreign traders that have signed producing contracts before March 01st, 2020, do not apply the above provisions;
- Dossiers and procedures for granting export permits and determining standards for medical masks be carried out by the Ministry of Health, the Ministry of Industry and Trade and the Ministry of Finance;
- Establishments producing medical masks are responsible for reporting on production capacity under the request of the Ministry of Health.

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

Best regards.

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