

LEGAL UPDATES (September 21st, 2020)

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

- Ministry of Industry and Trade has just issued Circular No. 21/2020/TT-BCT dated September 09th, 2020 regulating the procedure of granting license for electricity activities.
- The Government agreed with the proposal of the Ministry of Natural Resources and Environment to resolve difficulties for production and business in the context of the Covid-19 pandemic.

1. **Ministry of Industry and Trade has just issued Circular No. 21/2020/TT-BCT dated September 09th, 2020 regulating the procedure of granting license for electricity activities**

Circular No. 21/2020/TT-BCT regulating the order and procedures for granting of electricity activities license, the duration of electricity activities license in the fields of work design consultancy, power generation, electricity distribution, electricity wholesaling and electricity retail. According to this Circular, the following cases shall be exempted from electricity activities license:

- The generation of electricity is for the purpose of self-consuming without selling electricity to any other organizations or individuals;
- The generation of electricity with an installed capacity of not exceeding 01 MW to sell to other organizations or individuals;
- Electricity traders in rural, mountainous or island regions purchase electricity with a capacity of not exceeding 50 kVA from electricity distributors for supplying electricity directly to consumers in such rural, mountainous or island regions;
- Electricity activities are performed to serve the national electrical load dispatch and management of electricity market.

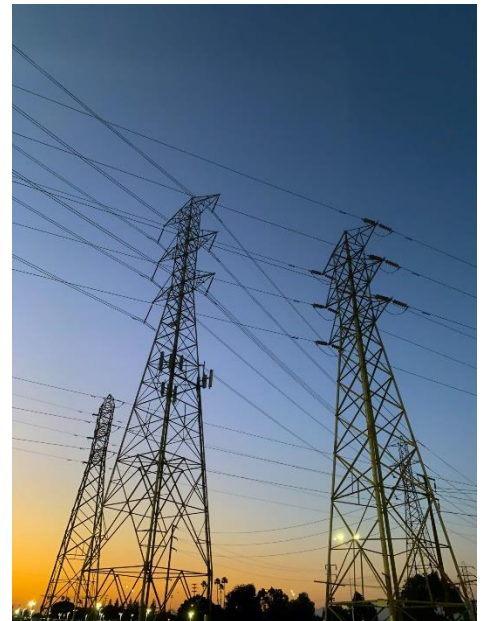
For cases requiring electricity activity licenses, the maximum validity in the electricity activity licenses is prescribed as follows:

No.	Electricity activities	Validity
1	Electricity consultancy	05 years
2	Electricity generation	

a)	Power plants that are on the list of large-scale power plants which have special importance in socio-economic, national defense and security aspects approved by the Prime Minister	20 years
b)	Power plants that are not on the list of large-scale power plants which have special importance in socio-economic, national defense and security aspects approved by the Prime Minister	10 years
3	Electricity transmission	20 years
4	Electricity distribution	10 years
5	Electricity wholesaling, electricity retailing	10 years

Power to issue electricity activities license:

- The Ministry of Industry and Trade shall issue the electricity operating license intended for electricity transmission and generation by large-scale power plants on the list of large-scale power plants of critical importance in respect of society, economy, national defense and security approved by the Prime Minister;
- The Electricity Regulatory Authority shall issue the electricity operating license intended for electricity distribution, electricity wholesaling, electricity retail, electrical consulting services and electricity generation by power plants with a capacity of at least 03 MW other than those are issued by the Ministry of Industry and Trade;
- Provincial-level People’s Committee shall issue and revoke or authorize the Department of Industry and Trade of that province to issue electricity licenses in the following sectors:
 - + Electricity generation by a power plant that has a capacity of less than 03 MW and is located in the province
 - + Electricity distribution with a voltage up to 35 kV in the province
 - + Electricity retailing with a voltage up to 0.4 kV in the province
 - + Electrical consulting services, including: (i) Consulting services provided by an enterprise of which the registration is made at the province on the



investment and construction of transmission lines and electrical substations with a voltage up to 35 kV; and (ii) Consulting services provided by an enterprise of which the registration is made at the province on the supervision of construction of transmission lines and electrical substations with a voltage up to 35 kV.

Circular No. 21/2020/TT-BCT comes into effect on October 26th, 2020.

2. The Government agreed with the proposal of the Ministry of Natural Resources and Environment to resolve difficulties for production and business in the context of the Covid-19 pandemic

Resolution No.129/NQ-NP dated September 11th, 2020, the Government agreed with the proposal of the Ministry of Natural Resources and Environment and the Government Office on solving difficulties for production and business in the context of pandemic Covid-19. The details are as follow:

- To permit extending the time of completion of the installation of automatic and continuous wastewater and gas monitoring systems specified in Clauses 20 and 23, Article 3 of Decree No. 40/2019/ND-CP until December 31st, 2021.
- To permit extending the validity of the License for hazardous waste treatment (issued by the Ministry of Natural Resources and Environment to the enterprise) in the cases specified in Clause 39, Article 3 of Decree No. 40/2019/ND-CP to December 31st, 2021, and at the same time not required to repeat the approved environmental impact assessment (EIA) report if the location is not changed or capacity is not increased in accordance with Article 20 of the Law on Environment Protection 2014
- To permit extending the validity of the Certification of eligibility for environmental protection in import of scrap for use as raw production materials in the cases specified in Clause 39, Article 3 of Decree No. 40/2019/ND-CP to December 31st, 2021, and at the same time not required to repeat the EIA report if the location is not changed or capacity is not increased in accordance with Article 20 of the Law on Environment Protection 2014.



The Ministry of Natural Resources and Environment is responsible for the implementation.

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

Best regards.

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