

LEGAL UPDATE (April 18th, 2022)

In this issue, we would like to bring to your attention to the following:

- Proposal to extend the term of the Resolution on handling of bad debts
- Foods produced by manual methods must have nutrition labels
- The Government promulgates an action plan to restructure the economy for the period of 2021-2025

1. **Proposal to extend the term of the Resolution on handling of bad debts**

The State Bank is drafting a Resolution on extending the term of Resolution 42/2017/QH14 on piloting bad debt settlement of credit institutions.

Accordingly, Resolution 42/2017/QH14 stipulates a number of policies on bad debt settlement and handling security assets of bad debts of credit institutions, foreign bank branches, State-owned organizations; rights and obligations of agencies, organizations and individuals involved in bad debt settlement and handling security assets of bad debts of credit institutions, foreign bank branches, State-owned organizations.

However, Resolution 42/2017/QH14 took effect from August 15th, 2017 and will expire on August 15th, 2022.

Therefore, the National Assembly proposes to extend the application period of Resolution 42/2017/QH14 to August 15th, 2025. At the same time, the National Assembly assigns the Government the responsibility to study and propose to develop a Law on handling bad debts of credit institutions during the extended period of Resolution 42/2017/QH14.

2. **Foods produced by manual methods must have nutrition labels**

In the draft guiding circular on nutrition labeling for food products, the Ministry of Health proposes that by January 1st, 2025, food products produced by manual methods must have nutritional labeling according to the law.

The above proposal originates on the basis of the CODEX Application Guidelines in 2011. Currently, the CODEX Application Guidelines have been fully implemented by 70% of countries and territories, including ASEAN countries such as Singapore, Philippines, Thailand, Indonesia...

About the implementation timeline:

- No later than January 1st, 2024, food produced, imported, traded and circulated in Vietnam must be labelled according to regulations.
- No later than January 1st, 2025, food products produced by manual methods must be labelled according to regulations.

3. The Government promulgates an action plan to restructure the economy for the period of 2021-2025

The Government has just issued Resolution No. 54/NQ-CP dated April 12th, 2022, promulgating the Government's Action Program to implement the National Assembly's Resolution on the Economic Restructuring Plan for the 2021-2025 period.

The Resolution sets the goal of forming a reasonable and effective structure in each industry and field; developing many national products based on new and high technologies; improving the autonomy, adaptability and resilience of the economy.

The Resolution also requires, by 2025, narrowing the gap in national competitiveness with countries in the ASEAN-4 group, especially in infrastructure and human resources, and the stock market capitalization will at least 85% of GDP, the outstanding debt in the bond market will be at least 47% of GDP, and the outstanding debt in the corporate bond market will be about 20% of GDP.

The proportion of expenditure on scientific research and technological development is planned to reach not less than 1% of GDP; the number of enterprises implementing technological innovation will increase by averagely 15% per year in the period of 2021 - 2025.

We hope this Newsletter would bring you useful information.

Best regards.

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