

LEGAL UPDATE (May 04th, 2022)

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

- Guidance on implementing regulations on increasing overtime.
- Proposing new regulations on refinancing on the basis of special bonds of credit institutions.

1. **Guidance on implementing regulations on increasing overtime**

On April 26th, 2022, the Ministry of Labour, Invalids and Social Affairs issued Official Letter 1312/LDTBXH-ATLD guiding the implementation of Resolution 17/2022/UBTVQH15 on increasing overtime in the context of economic recovery.

Accordingly, the Ministry of Labour, Invalids and Social Affairs requests the provincial Departments of Labour, Invalids and Social Affairs to consider the following issues:

- The cases where the employer is allowed to use the employee to work overtime for a maximum of 300 hours in a year are the cases specified in Clause 1, Article 1 of Resolution 17/2022/UBTVQH15 and Clause 3, Article 107 of the Labor Code.
- All cases of working overtime for a maximum of 300 hours in a year will be allowed to work from over 40 hours to 60 hours in a month from April 1st, 2022.
- Fully complying with other regulations on overtime in the Labor Code and guiding documents of the Labor Code.
- When organizing overtime from over 200 hours to 300 hours in a year, the employer must notify the Department of Labour, Invalids and Social Affairs as prescribed in Clause 4, Article 107 of the Labor Code and Article 62 of Decree 145/2020/ND-CP of the Government.
- The provisions of Resolution 17/2022/UBTVQH15 will be implemented until the end of December 31st, 2022, unless the National Assembly decides to extend the implementation time.

2. **Proposing new regulations on refinancing on the basis of special bonds of credit institutions**

The State Bank of Viet Nam is publishing the draft Circular on refinancing on the basis of special bonds of the Asset Management Company of Vietnam Credit Institutions (CIs) for public opinions, replacing Circular No. 18/2015/TT-NHNN.

This draft stipulates the refinancing in Vietnam dong of the State Bank of Viet Nam for CIs on the basis of special bonds issued by the Asset Management Company of CIs under Decree No. 53/2013/ND-CP dated May 18th, 2013 of the Government regulating the establishment, organization and operation of the Asset Management Company of Vietnamese CIs.

The State Bank of Viet Nam refinances capital on the basis of special bonds to support CIs' operating capital in the process of dealing with bad debts according to Decree No. 53/2013/ND-CP.

The draft clearly states that the State Bank shall consider and decide to refinance CIs that fully satisfy the following conditions:

1. CIs are not subject to early intervention or special control or are handled for violations as prescribed in Article 15 of this Circular.
2. CIs make full fund for risks prevention in accordance with Decree No. 53/2013/ND-CP and regulations of the State Bank for all special bonds owned by CIs within 12 months immediately prior to the date the CIs have a written request for loan refinancing.
3. CIs comply with prudential ratios as prescribed in Clause 1, Article 130 of the Law on Credit Institutions (amended and supplemented) and regulations of the State Bank within 12 consecutive months prior to the date CIs have Certificate Request for refinancing loan.
4. Special bonds used as a basis for refinancing fully satisfy the criteria specified in Article 4 of this Circular.

The extension of time for refinancing is decided by the State Bank, not exceeding the refinancing term and not exceeding the remaining term of the special bonds as the basis for extending the refinancing. The total time for refinancing and refinancing extension is less than 12 months.

Full text of the draft and comments can be found [here](#).

We hope this Newsletter would bring you useful information.

Best regards.

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