

LEGAL UPDATE (October 11th, 2022)

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

- New regulations on electronic guarantee activities
- Draft conditions for allowing preschools to conduct educational activities

1. **New regulations on electronic guarantee activities**

The State Bank of Vietnam (SBV) promulgates Circular 11/2022/TT-NHNN providing for bank guarantees to replace Circular No. 07/2015/TT-NHNN dated October 3rd, 2012 and Circular No. 13/2017/TT-NHNN dated September 29th, 2017 amending and supplementing a number of articles of Circular 07/2015/TT-NHNN.

Circular 11/2022/TT-NHNN stipulates that a bank guarantee is a form of credit extension, whereby the guarantor being a credit institution or foreign bank branch commits to the guarantee recipient that it will perform financial obligations on behalf of the obligee when the obligee fails to perform or fails to perform fully the obligations committed to the obligor; the guaranteed party must accept the debt and return it to the guarantor according to the signed agreement.

Credit institutions, foreign bank branches and customers may carry out bank guarantee activities through the use of electronic means (electronic guarantee activities).

The implementation of electronic guarantee activities must ensure security, safety, protection of data messages and confidentiality of information in accordance with the provisions of the law on prevention of money laundering, electronic transactions, guidance of the State Bank on risk management in e-banking activities and other relevant legal documents.

Credit institutions, foreign bank branches shall decide on their own the methods, forms and technologies to carry out electronic guarantee activities for the whole or each stage in the guarantee process (if any) and must meet the requirements.

The parties may agree to adjust the guarantee fee.

This Circular shall take effect from April 1st, 2023.

2. **Draft conditions for allowing preschools to conduct educational activities**

The Ministry of Education and Training is collecting comments on a draft Decree stipulating conditions for investment and operation in the field of education, replacing Decree No. 46/2017/ND-CP and Decree No. 135/2018/ND-CP.

The draft stipulates the conditions for allowing preschools to conduct educational activities as follows:

1. Having land, facilities and equipment meeting the minimum standards of location, size, area and facilities for preschools as prescribed by the Ministry of Education and Training.
2. Having the school's educational program and educational plan; have tools, toys and learning materials to ensure the implementation of the preschool education program.
3. Having a contingent of managers, teachers, employees and workers in sufficient quantity and qualified to organize child rearing, care and education activities to meet the requirements of the early childhood education program.
4. Having sufficient financial resources to ensure the maintenance and development of educational activities.

We hope this Newsletter would bring you useful information.

Best regards.

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