

LEGAL UPDATE (February 28th, 2024)

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

Perfecting the legal framework for virtual assets and virtual asset service providers by May 2025

Finalising the legal framework for virtual assets and virtual asset service providers by May 2025

The Government has just issued a National Action Plan with 17 specific actions to implement Vietnam's commitments on anti-money laundering, combating terrorist financing, and financing of proliferation of weapons of mass destruction with the Financial Action Task Force (FATF):

- **Actions 1, 2, 3 (to be completed by September 2024):** Enhance understanding, international cooperation, and information sharing on money laundering/terrorist financing.
- **Action 4 (to be completed by January 2025):** Effectively supervise financial institutions and individuals, and related non-financial businesses.
- **Actions 5, 6 (to be completed by May 2025):** Complete the legal framework for anti-money laundering, combating terrorist financing, including regulations on virtual assets.
- **Action 7 (to be completed by January 2025):** Guide the private sector on obligations to combat money laundering/terrorist financing.
- **Action 8 (to be completed by May 2025):** Establishing a mechanism to provide competent authorities with access to and update information on beneficial owners of legal entities, and applying sanctions for violations.
- **Actions 9 (to be completed by September 2024), 10 (to be completed by May 2025):** Ensure the independence of the Anti-Money Laundering Department and improve the quality of financial intelligence analysis.
- **Action 11 (to be completed by May 2025):** Enhancing the utilization of financial intelligence information in investigations.
- **Actions 13 (to be completed by May 2025):** Strengthen investigations and prosecutions of money laundering.
- **Actions 12 (to be completed by January 2025), 14, 15 (to be completed by May 2025):** Address technical compliance gaps related to FATF Recommendations 3, 6 and 7.

- **Actions 16 (to be completed by January 2025), 17 (to be completed by September 2024):**
Comply with FATF recommendations on targeted financial sanctions and proliferation of weapon of mass destruction.

Widely recognized virtual currencies like Bitcoin and Ethereum have garnered attention. The Government previously tasked the State Bank with conducting research and implementing pilot programs for virtual currencies to mitigate the risks of money laundering within the banking system.

Management authorities have consistently emphasized that virtual currency does not hold the status of legal tender or a recognized means of payment in Vietnam. Furthermore, the amended Law on Prevention of Money Laundering, ratified at the close of 2022, has yet to incorporate provisions pertaining to virtual currencies and virtual assets.

The above action plan is expected to help Vietnam catch up with the development of the digital asset economy.

We hope this legal update would bring you useful information.

Best regards.

Disclaimer: All materials have been prepared for general information purposes only. The information is not intended as, and should not be taken as, legal advice. Do not act or refrain from acting based upon information provided herein without first consulting our lawyers about your particular factual and legal circumstances. Apolat Legal can accept no responsibility for loss occasioned to any person acting or refraining from action as a result of any material in this publication. On any specific matter, reference should be made to the appropriate adviser.

ABOUT US,

Apolat Legal is a professional law firm with its offices in Ho Chi Minh city and Ha Noi city. The firm's lawyer team specializes in almost all legal practice areas in Vietnam including Enterprise and Investment; Labor and Employment; Intellectual Property; Dispute Resolution; Real Estate and Construction; Information and Communication; Natural Resources and Environment; Transport; Industry and Trade; Education and Training; Finance and Banking; Agriculture; Legal Document Translation; Legal Training.

Our reputation and the quality of its services are reflected by our clients. We are serving nearly 1,000 clients both local and multi-national companies.

We are also honored to receive numerous recognitions and/or articles posted by world-leading and local organizations and publications including: The Law Association for Asia and the Pacific (LawAsia, 1966), The Legal500, IP Link, IP Coster, Lexology, Global Trade Review (GTR), The Saigon Times, etc.

Contacts:**HO CHI MINH CITY (Head office)**

5th Floor, IMM Building
99-101 Nguyen Dinh Chieu, District 3
Ho Chi Minh City, Vietnam

THE BRANCH IN HA NOI CITY

10th floor, 5 Dien Bien Phu Street,
Dien Bien Ward, Ba Dinh District,
Hanoi City, Vietnam

Tel: +84-28-3899 8683

Email: info@apolatlegal.com

Website: www.apolatlegal.com

SINGAPORE (Affiliated office)

#26-10, SBF Center,
160 Robinson Road
Singapore 068914

Tel: +84-93-2014 986

Email: info@apolatlegal.com

Website: www.apolatlegal.com

Scan QR code:

