

**GOVERNMENT**

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**SOCIALIST REPUBLIC OF VIETNAM**

**Independence – Freedom – Happiness**

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No. 16/2022/ND-CP

*Hanoi, January 28, 2022*

## **DECREE**

### **IMPOSING PENALTIES FOR ADMINISTRATIVE VIOLATIONS IN CONSTRUCTION**

*Pursuant to Law on Governmental Organization dated June 19, 2015; Law on amendments to Law on Government Organization and Law on Local Governmental Organization dated November 22, 2019;*

*Pursuant to the Law on Imposing Penalties for Administrative Violations dated June 20, 2012; Law on amendment to the Law on Imposing Penalties for Administrative Violations dated November 13, 2020;*

*Pursuant to Law on Construction dated June 18, 2014; Law on amendments to Law on Construction dated June 17, 2020;*

*Pursuant to Law on Housing dated November 25, 2014;*

*Pursuant to Law on Real Estate Trading dated November 25, 2014;*

*Pursuant to Law on Urban Planning dated June 17, 2009;*

*Pursuant to Law on Architecture dated June 13, 2019;*

*Pursuant to Law on Investment dated June 17, 2020;*

*Pursuant to Law on Environmental Protection dated November 17, 2020;*

*At request of Minister of Construction;*

*The Government promulgates Decree imposing penalties for administrative violations in construction.*

## **Chapter I**

### **GENERAL PROVISIONS**

#### **Article 1. Scope**

This Decree prescribes administrative violations, penalty form and amount, remedial measures, and entitlement to produce offense notice and impose penalties for administrative violations.

Administrative violations in construction to be met with penalties under this Decree include: construction affairs, construction material production, technical infrastructure management, real estate trading, and housing management and development.

## **Article 2. Regulated entities**

1. Domestic and foreign organizations and individuals committing administrative violations within Vietnamese territory, unless otherwise regulated by International agreement to which the Socialist Republic of Vietnam is a signatory.
2. Competent individuals entitled to produce offense notice of administrative violations, adopt remedial measures, and enforce penalties for administrative violations, and competent individuals entitled to impose penalties for administrative violations.
3. Other agencies, organizations, and individuals related to the imposing of penalties for administrative violations in accordance with this Decree.

## **Article 3. Definition**

1. “other structure” mentioned under this Decree means a structure that is not required to have feasibility study of construction investment, structure that is not required to have economic-technical report and not a detached house of a family or individual.
2. “repeated violation” refers to the case where an organization or individual is found to have committed the same administrative violation at multiple construction sites and/or work items within the same project without being met with penalties and the prescriptive period for imposing penalties for those violations has not expired. Repeated violations shall be met with penalties for each violation.
3. “an organization or individual committing administrative violation” under this Decree is construed as follows:
  - a) A domestic organization, a foreign organization, or an enterprise shall be collectively referred to as an organization. An organization may or may not have juridical person;
  - b) A domestic household or community or individual, a foreign individual, or an overseas Vietnamese individual shall be collectively referred to as an individual.

## **Article 4. Form of penalty, maximum fine, remedial measures, and entitlement to impose penalties**

1. Main forms of penalty:

a) Warnings;

b) Fine;

2. Additional forms of penalty:

a) Revocation of permit, certificate for completion of training, certificate of construction practice, or temporary suspension of operation for 3 to 24 months;

b) Confiscation of exhibits and instrument of administrative violations.

3. In this Decree, the maximum fine is regulated as follows:

a) VND 1.000.000.000 for construction and real estate trading;

b) VND 300.000.000 for construction material production, technical infrastructure management, and housing development and management;

c) Fines mentioned under this Decree apply to organizations (except for fines under Point a, Point b, and Point c Clause 1 Article 24; Point a, Point b, and Point c Clause 1 Article 59, Point a Clause 3 Article 64, Article 65, Clause 1 (except for Point e) Article 70 of this Decree which apply to individuals). Fine imposed on an individual shall equal half of that imposed on an organization for the same violation.

4. Remedial measures:

For every administrative violation, in addition to being met with penalties, organizations and individuals committing the violation may also be met with one or multiple of the following remedial measures:

a) Mandatory restoration to original state;

b) Mandatory adoption of environmental pollution remedial measures;

c) Mandatory dismantlement of structure or part of structure of the violation;

d) Mandatory recall of unqualified products and goods;

dd) Mandatory destruction of unqualified products and goods;

e) Other measures elaborated under this Decree.

5. The maximum fine imposed by entities mentioned under Chapter VI hereof applies to an administrative violation committed by an organization. The maximum fine imposed on an individual committing administrative violation by any entity shall equal half of that imposed on an organization committing administrative violation by the same entity.

## **Article 5. Prescriptive period for imposing penalties for administrative violations**

1. Prescriptive period for imposing penalties for administrative violations is 1 year for real estate trading, management of technical infrastructure, and production of construction materials.

Prescriptive period for imposing penalties for administrative violations is 2 year for housing construction, management, and development.

2. Starting date of prescriptive period mentioned under Clause 1 of this Article is regulated as follows:

a) The date on which the administrative violation ends and prescriptive period for imposing penalties starts for construction activities (except for Article 9, Article 10, Article 19, Article 20, Article 21 hereof) and violations under Clause 2 Article 41, Point b Clause 4 Article 44, Point a Clause 2 Article 45, Clause 1 Article 47, Point a Clause 2 Article 48, Point a Clause 1, Point a Clause 2 Article 55, Clause 3 Article 57, Point b Clause 1, Point c, Point dd, Point e, Point h, Point i Clause 2 Article 63 is the date on which the structure or work item is transferred as per the law;

For a detached house, the date on which the administrative violation ends is the construction completion date written under construction contract (if any) or the date on which the structure is brought into operation;

b) The date on which violations under Clause 1 Article 44, Point dd, Point g Clause 2 Article 47, Clause 1 Article 48, Clause 1 Article 53, Point d Clause 1, Point dd Clause 3 Article 55, Point b Clause 1 Article 58, Point c Clause 2 Article 59, Point a Clause 1 Article 60, Point b, Point c, Point d Clause 1 Article 61, Point a Clause 1 Article 63, Point c Clause 5 Article 64, Point d Clause 1 Article 67, Point b, Point c Clause 1 Article 68, Point d Clause 2 Article 69 end shall be the date on which the violation has been done;

c) The date on which violations under Point b Clause 5 Point 44, Clause 2 Point 46, Point a Clause 2 Point 47, Point b Clause 1 Point 55, Point c, Point dd Clause 1, Point a, Point b Clause 2, Point a, Point d, Point dd, Point e, Point h, Point i Clause 3, Point a, Point b Clause 4 Point 58, Point b, Point dd Clause 2, Point b Clause 3 Point 59, Point a, Point b Clause 1, Clause 3, Clause 4, Point a, Point b Clause 5 Point 64, Point b, Point h Clause 2 Point 67, Point a Clause 1 Point 68 end shall be the date on which the parties fulfill obligations under signed contracts or transaction documents or the date on which the contract is finalized;

d) The date on which violations under Clause 1 Article 46, Point a Clause 1 Article 49, Clause 1 Article 50, Point a Clause 1 Article 51, Point a Clause 2 Article 53 ends shall be the date on which periodic inspection and assessment are conducted;

dd) The date on which violations under Point c Clause 3 Article 58 and Clause 3 Article 63 end shall be the completion date of the investment project written under investment decision or document approving investment guidelines or decision extending progress issued by competent authority; the date on which violations under Point a and Point b Clause 2 Article 63 end shall be

the date on which investment guidelines of the housing construction project are approved by a decision or document of competent authority;

e) The date on which violations under Point d Clause 2 Article 67 end shall be the date on which maintenance expenditure is fully handed over to the elected Management board of the apartment building;

g) The date on which violations under Point e Clause 2, Point d Clause 3 Article 67, Point c, Point d Clause 1 Article 69 end shall be date on which the elected Management board request the handing over of maintenance expenditure in writing; the date on which violations under Point d Clause 4 Article 67 end shall be the date on which apartment building dossiers are handed over as per the law; the date on which violations under Point b Clause 1 Article 69 end shall be the date on which the elected Management board request the People's Committee of district in writing to request the project developer to hand over the dossiers;

h) The date on which violations under Point b Clause 2 Article 45 end shall be the date on which water supply planning is approved;

i) The date on which violations under Point a, Point d Clause 1, Point b, Point c Clause 2, Point b Clause 3 Article 61, Clause 1 Article 62 end shall be the date on which certificate of course completion is issued as per the law;

k) The date on which violations under Point b Clause 2 Article 44 end shall be the date on which the equipment is transferred and brought into use; the date on which the violations under Point b Clause 53 end shall be the date on which repair, replacement, or new installation of lighting sources and equipment is completed;

l) The date on which violations under Point a Clause 1 Article 56 end shall be the commencement date of the structure;

m) The date on which violations under Point d Clause 2 Article 63 end shall be date on which relocation measures are approved by competent authority;

n) The date on which violations under Point c Clause 2 Article 67 end shall be the date on which maintenance expenditure is sent as per the law;

o) For violations under this Decree that are not mentioned under Point a, Point b, Point c, Point d, Point dd, Point e, Point g, Point h, Point i, Point k, Point l, Point m, or Point n of this Clause, competent individuals entitled to impose penalties shall rely on the Law on Imposing Penalties for Administrative Violations and relevant documents to determine the starting date of prescriptive period.

**Article 6. Imposing penalties for resisting or obstructing individuals tasked with imposing penalties for administrative violations in construction mentioned under this Decree**

Organizations and individuals who resist or obstruct individuals tasked with imposing penalties for administrative violations in accordance with this Decree shall be met with penalties for administrative violations for resisting or obstructing law enforcement officer in the performance of his/her duty specified under Decree of the Government on imposing penalties for administrative violations in social order, security, and safety.

## **Chapter II**

### **ADMINISTRATIVE VIOLATIONS, FORMS OF PENALTY, AND REMEDIAL MEASURES IN CONSTRUCTION ACTIVITIES**

#### **Section 1. FOR INDIVIDUALS DECIDING TO INVEST, PROJECT DEVELOPERS, OR INDIVIDUALS OWNING, MANAGING, OR USING THE STRUCTURE**

##### **Article 7. Violation of regulations on selecting organizations and individuals for construction activities**

1. A fine ranging from VND 60.000.000 to VND 80.000.000 shall be imposed on selection of ineligible organizations or individuals for:

- a) Construction surveying; or
- b) Preparation of construction planning and design; or
- c) Management of construction investment project; or
- d) Design or assessment of construction design; or
- dd) Architectural design and assessment of architectural design; or
- e) Construction work; or
- g) Supervision of construction work; or
- h) Management of construction investment; or
- i) Construction inspection; or
- k) Construction experimentation.

2. A project developer utilizing a foreign contractor shall be met with a fine ranging from VND 100.000.000 to VND 120.000.000 for:

- a) Allowing the foreign contractor to engage in construction activities without obtaining construction permit as per the law; or

b) Allowing the foreign contractor to defy commitment under the joint venture contract signed with the Vietnamese contractor or failing to utilize Vietnamese contractors as subcontractors as per the law; or

c) Allowing the foreign contractor to temporarily import - re-export construction machinery or equipment that can be supplied from domestic sources as per the law; or

d) Allowing the foreign contractor to employ foreign workers to perform construction-related works which can be satisfied by Vietnamese labor market as per the law; or

dd) Failing to inform relevant contractors and construction authorities about utilization of the foreign contractor as counsel for managing construction investment or supervising construction quality.

### 3. Additional forms of penalty:

Suspending construction activities for 3 to 6 months for projects, structures, and work items where violations under Point c or Point e Clause 1 of this Article occur.

### 4. Remedial measures:

a) Mandated selection of eligible organizations and individuals for violations under Points a, c, g, h, i, and k Clause 1 of this Article if the construction has not been commenced or if the construction is in progress and Points b, d, dd, and e Clause 1 of this Article if the construction has not been commenced;

b) Mandated application of the foreign contractor for construction permit for violations under Point a Clause 2 of this Article;

c) Mandated rectification and compliance of the foreign contract with commitment under joint venture contract signed with the Vietnamese main contractor or use of Vietnamese subcontractors as per the law if the project has not been commenced or if the project is in progress for violations under Point b Clause 2 of this Article;

d) Mandated re-export of construction machinery and equipment for violations under Point c Clause 2 of this Article;

dd) Mandated written notice issued to relevant contractors and construction authorities for violations under Point dd Clause 2 of this Article.

## **Article 8. Violation of regulation on construction surveying**

1. A fine ranging from VND 10.000.000 to VND 20.000.000 shall be imposed on failure to adequately store reports on construction surveying results as per the law.

2. A fine ranging from VND 40.000.000 to VND 60.000.000 shall be imposed on failure to approve adequate reports on construction surveying results as per the law.

3. A fine ranging from VND 60.000.000 to VND 80.000.000 shall be imposed on:

a) Failing to organize preparation or approval of construction surveying tasks;

b) Failing to organize preparation or approval of technical measures for construction surveying:

c) Failing to organize preparation and approval of revised construction surveying tasks before the contractors conduct construction surveying for work items that require revision as per the law;

d) Failing to organize adequate preparation or approval of construction surveying tasks as per the law;

dd) Approving technical measures for construction surveying without construction surveying tasks or without adhering to approved construction surveying tasks;

e) Failing to organize adequate supervision of construction surveying as per the law;

g) Failing to approve the right surveying costs for structures utilizing public investment, non-public investment state capital, and public-private partnership projects;

h) Allowing capacity of personnel and surveying equipment on site or in laboratories (if any) to be unqualified according to approved technical measures for construction surveying.

4. Remedial measures:

a) Mandated organization of law compliant preparation or approval of construction surveying tasks for violations under Point a and Point d Clause 3 of this Article if the construction has not been commenced;

b) Mandated organization of law compliant preparation or approval of technical measures for construction surveying for violations under Point b and Point dd Clause 3 of this Article for construction that has not been commenced;

c) Mandated preparation and approval of revised construction surveying tasks for violations under Point c Clause 3 of this Article if construction has not been commenced;

d) Mandated organization of supervision of construction surveying or supervision of construction surveying for violations under Point e Clause 3 of this Article if construction is in progress;

dd) Mandated approval or re-approval of estimates for violations under Point g Clause 3 of this Article (if economic contract has not been signed with the surveying contractor);



e) Mandated capacity improvement or selection of capable organizations and individuals for violations under Point h Clause 3 of this Article if surveying work is in progress.

## **Article 9. Violation of regulation on preparing construction planning and urban planning**

1. A fine ranging from VND 150.000.000 to VND 200.000.000 shall be imposed on:

a) Organizing preparation of planning tasks, planning schemes, revised planning tasks, or revised planning schemes in a manner unsatisfactory to requirements, principles, contents, and time;

b) Failing to adequately consult relevant agencies, organizations, individuals, or communities about planning tasks, planning schemes, revised planning tasks, and revised planning schemes as per the law;

c) Producing master planning, structural architectural measures, or technical infrastructure solutions in fundamental design in a construction investment project under 5 ha (or 2 ha for apartment building construction investment project) in a manner not suitable for construction zone planning.

2. Remedial measures:

a) Mandated reorganization of planning tasks, planning schemes, revised planning tasks, revised planning schemes, and submission for approval in accordance with Point a Clause 1 of this Article if planning has not been approved.

b) Mandated consultation with relevant agencies, organizations, individuals, or community for violations under Point b Clause 1 of this Article if planning has not been approved.

c) Mandated production of master planning, structural architectural measures, or technical infrastructure solutions to suit construction zone planning for violations under Point c Clause 1 of this Article if construction has not been commenced or is in progress.

## **Article 10. Violation of regulations on revised construction planning and revised urban planning**

1. A fine ranging from VND 250.000.000 to VND 300.000.000 shall be imposed on:

a) Revising planning in a manner unsatisfactory to national technical regulations and applied standards;

b) Revising planning with incorrect basis, requirements, principles, or procedures for revision;

c) Revising master planning, structural architectural measures, or technical infrastructure solutions in fundamental design in a construction investment project under 5 ha (or 2 ha for apartment building construction investment project) in a manner not suitable for construction zone planning.

2. Remedial measures:

- a) Mandated law compliant revision of construction planning for violations under Point a and Point b Clause 1 of this Article if construction has not been commenced or construction is in progress;
- b) Mandated revision of master planning, structural architectural measures, and technical infrastructure solutions in accordance with construction zone planning for violations under Point c Clause 1 of this Article if construction has not been commenced or is in progress.

**Article 11. Violation of regulations on architectural activities**

- 1. A fine ranging from VND 40.000.000 to VND 60.000.000 shall be imposed on failing to organize architectural plan competition for structure that requires so.
- 2. A fine ranging from VND 60.000.000 to VND 80.000.000 shall be imposed on:
  - a) Producing architectural and construction design dossiers unsatisfactory to national technical regulations;
  - b) Failing to organize preparation of architectural design tasks and implement architectural design as per the law;
  - c) Failing to organize architectural design in accordance with the law.

3. Remedial measures:

- a) Mandated organization of architectural plan competition for violations under Clause 1 of this Article if construction has not been commenced;
- b) Mandated preparation of architectural and construction design dossiers in accordance with national technical regulations; mandated architectural design for violations under Point a and Point c Clause 2 of this Article if construction has not been commenced;
- c) Mandated preparation of architectural design tasks and mandated architectural design in accordance with regulations and law for violations under Point b Clause 2 of this Article if construction has not been commenced.

**Article 12. Violation of regulation on preparation, appraisal, and approval of construction investment**

- 1. A fine ranging from VND 60.000.000 to VND 80.000.000 shall be imposed on:
  - a) Failing to organize preparation, appraisal, or approval of construction investment projects when construction investment project of a structure is required;

b) Failing to present the feasibility study of construction investment to construction authorities for approval as per the law.

2. A fine ranging from VND 80.000.000 to VND 100.000.000 shall be imposed on revising construction investment project in a manner contradictory to regulations and law.

3. A fine ranging from VND 100.000.000 to VND 120.000.000 shall be imposed on approving construction investment projects where:

a) The projects are not conforming to construction planning approved by competent authority; or

b) Technological solutions and design solutions are not suitable as per the law; or

c) Capital of the project cannot be guaranteed as per the law; or

d) Financial performance or socio-economic effectiveness of projects utilizing public investment, non-public investment state capital, or public-private partnership projects cannot be guaranteed; or

dd) The projects are not conforming to investment guidelines approved by competent authorities.

4. Remedial measures:

a) Mandated preparation, appraisal, or approval of construction investment guidelines for violations under Point a Clause 1 of this Article;

b) Mandated submission of feasibility study of construction investment to construction authorities for approval for violations under Point b Clause 1 of this Article if construction has not been commenced or is in progress; or

c) Mandated approval of revised projects in accordance with regulations and law for violations under Clause 2 of this Article;

d) Mandated preparation of construction investment projects conforming to planning approved by competent authorities for violations under Point a Clause 3 of this Article if projects have not been commenced; or

dd) Mandated preparation and approval of construction investment projects with adequate, law-compliant technological solutions and design solutions for violations under Point b Clause 3 of this Article if construction has not been commenced; or

e) Mandated preparation and approval of construction investment projects in a manner guaranteeing financial performance or socio-economic effectiveness for violations under Point d Clause 3 of this Article; or

g) Mandated approval and preparation of construction investment projects conforming to investment guidelines approved by competent authorities for violations under Point dd Clause 3 of this Article.

**Article 13. Violation of regulation on construction design (design following fundamental design, one-step design) and construction estimate**

1. A fine ranging from VND 40.000.000 to VND 60.000.000 shall be imposed on:

- a) Failing to approve construction design as per the law for structures within projects where feasibility study report of construction investment is required;
- b) Failing to submit construction design to construction authorities for appraisal as per the law;
- c) Failing to organize commissioning in a manner satisfactory to regulations and law.

2. A fine ranging from VND 60.000.000 to VND 80.000.000 shall be imposed on:

- a) Failing to organize preparation of construction design tasks in a manner satisfactory to investment guidelines or containing adequate details as per the law;
- b) Revising construction design without obtaining reappraisal or reapproval as per the law when any of the following details is changed: engineering geology, design structural load, structural solutions, load-bearing structural components, or construction solutions that effect safety and load-bearing capacity of the structure;
- c) Approving construction design in a manner not satisfactory to national technical regulations or applied standards or conforming to expired construction standards;
- d) Approving design of the subsequent step in a manner unsatisfactory to primary details and configurations of the design of the previous step; approving construction drawing which is not conforming to design tasks in case of one-step design;
- dd) Approving technical specifications without conforming to technical regulations applicable to the approved construction and requirements of construction design;
- e) Approving safety design in manner exceeding the regulations thereby causing waste in case of construction utilizing public investment, non-public investment state capital, public-private partnership projects.

3. A fine ranging from VND 80.000.000 to VND 100.000.000 shall be imposed on:

- a) Approving construction design without meeting economic technical requirements or granting earth and rock in a manner not suitable for geological surveying results or calculating transport distance in a manner not suitable for surveying results for construction utilizing public investment, non-public investment state capital, public-private partnership projects;

b) Approving cost estimates which contain details or norms not suitable for work or contain data inconsistent with applied norms thereby increasing the cost estimates for construction utilizing public investment, non-public investment state capital, public-private partnership projects;

c) Approving estimates with workload not suitable for technical design dossiers or construction drawing design or FEED design, technical specifications, technical requirements, and required tasks of the projects, structure, work items, and workload calculated from design drawing and required work of the structure;

d) Approving projects that contain: (i) incorrect calculation of transport costs of materials and equipment, or (ii) incorrect calculation of costs for earth removal and relocation, or (iii) incorrect calculation of workload, or (iv) incorrect calculation of costs of materials, equipment, personnel, construction machinery in a manner unsatisfactory to applicable regulations on construction cost management, unsatisfactory to regulations applicable at the time of determining construction estimates and market price of location of the construction for projects utilizing public investment, non-public investment state capital, public-private partnership projects;

dd) Approving design or estimates in a manner disregarding regulations on use of materials or non-baked construction materials.

#### 4. Remedial measures:

a) Mandated law-compliant approval of construction design for violations under Point a Clause 1 of this Article;

b) Mandated submission of construction design to construction authorities for appraisal for violation under Point b Clause 1 of this Article;

c) Mandated commissioning or re-commissioning of construction design dossiers for violations under Point c Clause 1 of this Article;

d) Mandated preparation or re-preparation of law-compliant construction and design tasks for violations under Point a Clause 2 of this Article if construction has not been commenced or is in progress;

dd) Mandated appraisal or approval of revised construction design for violations under Point b Clause 2 of this Article if construction has not been commenced or is in progress;

e) Mandated re-approval of construction design in order to conform to national technical regulations for violations under Point c Clause 2 of this Article;

g) Mandated re-approval of subsequent design steps in order to conform to preceding design steps or design tasks for violations under Point d Clause 2 of this Article if construction has not been commenced;

- h) Mandated re-approval of technical specifications for violations under Point dd Clause 2 of this Article if construction has not been commenced or is in progress;
- i) Mandated re-approval of estimates, contract package estimates for violations under Points b, c, and d Clause 3 of this Article if contractor has not been selected or economic contract has not been signed to serve as the basis for revising contract package cost;
- k) Mandated revision of design and estimates using percentage of non-baked construction materials for violations under Point dd Clause 3 of this Article if construction has not been commenced or is in progress.

#### **Article 14. Violation of regulations on investment in urban development**

1. A fine ranging from VND 80.000.000 to VND 100.000.000 shall be imposed on:

- a) Executing urban development investment area in a manner disregarding urban planning or slower than the progress approved by competent authorities;
- b) Transferring structure or work items under construction investment projects or urban development investment projects in a manner slower than the approved progress.

2. A fine ranging from VND 100.000.000 to VND 120.000.000 shall be imposed on:

- a) Allowing secondary investors to invest in construction in a manner disregarding detail construction planning or approved project progress;
- b) Changing level-1 investors without obtaining written consent of regulatory authorities;
- c) Failing to organize provision of urban services in a manner satisfying demands of residence as per objectives of the projects until the date on which it is transferred to the government or professional service management enterprises;
- d) Failing to transfer for administration as per the law;
- dd) Failing to supervise, examine, and promptly inform competent authorities about cases where inhabitants build houses in urban areas illegally without permission; using structure for incorrect purposes and violating regulations and law on using houses as per the Law on Houses.

3. Remedial measures:

- a) Mandated execution of urban development investment projects in a manner conforming to urban planning for violations under Point a Clause 1 of this Article for project in progress;
- b) Mandated request of level-1 investors for project execution of secondary investors adhering to approved detail construction planning for violations under Point a Clause 2 of this Article;

c) Mandated application for written consent of competent authorities for violations under Point b Clause 2 of this Article;

d) Mandated provision of urban areas in a manner satisfying demands of inhabitants according to project objectives for violations under Point c Clause 2 of this Article;

dd) Mandated adoption of procedures for transfer for administration for violations under Point d Clause 2 of this Article;

e) Mandated supervision and examination of inhabitants who build houses without permission in urban areas carried out by project developers for violations under Point dd Clause 2 of this Article.

### **Article 15. Violation of regulations on construction commencement**

1. A fine ranging from VND 5.000.000 to VND 10.000.000 shall be imposed on:

a) Failing to submit notice on commencement date (together with copies of construction permit, construction design dossiers) to local construction authorities where the structure is built and construction agencies as per the law;

b) Failing to notify local construction authorities in a timely fashion about the commencement date or failing to attach construction design dossiers with the notice for cases where construction permit is not required;

c) Failing to submit reports that contain all of the following information to construction agencies: name, address, name of structure, construction location, construction scale, expected progress after commencement or failing to submit commencement notice using the right form.

2. A fine ranging from VND 30.000.000 to VND 50.000.000 shall be imposed on commencing construction without (except for commencing construction of detached houses):

a) Construction premise for total or partial transfer depending on project progress;

b) Construction contract signed by project developers and the contractors;

c) Safety and environmental protection measures for construction process.

3. A fine ranging from VND 60.000.000 to VND 80.000.000 shall be imposed on commencing construction without the approved construction drawing of the structure or work items.

4. Commencement of construction without construction permit will be met with penalties in accordance with Clause 7 Article 16 hereof.

5. Remedial measures:

- a) Mandated transfer of construction premises depending on project progress for violations under Point a Clause 2 of this Article;
- b) Mandated signing of construction contracts between project developers and contractors for violations under Point b Clause 2 of this Article;
- c) Mandated adoption of safety and environmental protection measures during construction process for violations under Point c Clause 2 of this Article.

#### **Article 16. Violation of regulation on construction order**

1. Imposing penalties for failing to install adequate safety net during construction process which leads to construction materials falling down neighboring areas or failing to place construction materials in the right place, to be specific:

- a) A fine ranging from VND 3.000.000 to VND 5.000.000 shall be imposed in case of detached houses or other structures;
- b) A fine ranging from VND 15.000.000 to VND 20.000.000 shall be imposed in case of structures that require feasibility study of construction investment or economic - technical report on construction investment.

2. Imposing penalties for failing to publicize construction permit at the construction site throughout construction process as follows:

- a) A fine ranging from VND 5.000.000 to VND 10.000.000 shall be imposed in case of detached houses;
- b) A fine ranging from VND 10.000.000 to VND 20.000.000 shall be imposed on construction of detached houses in sanctuaries, historical - cultural heritages, or other structures;
- c) A fine ranging from VND 20.000.000 to VND 30.000.000 shall be imposed on construction of structures that require feasibility study of construction investment or economic - technical report on construction investment.

3. Impose penalties for failing to adopt procedures for revising or extending the construction permit as follows:

- a) A fine ranging from VND 15.000.000 to VND 20.000.000 shall be imposed in case of detached houses;
- b) A fine ranging from VND 25.000.000 to VND 30.000.000 shall be imposed on construction of detached houses in sanctuaries, historical - cultural heritages, or other structures;



c) A fine ranging from VND 60.000.000 to VND 80.000.000 shall be imposed on construction of structures that require feasibility study of construction investment or economic - technical report on construction investment.

4. Impose penalties for organizing construction in manner not conforming to construction permit issued for repair, renovation or relocation, or term construction permit as follows:

a) A fine ranging from VND 15.000.000 to VND 20.000.000 shall be imposed in case of detached houses;

b) A fine ranging from VND 25.000.000 to VND 30.000.000 shall be imposed on construction of detached houses in sanctuaries, historical - cultural heritages, or other structures;

c) A fine ranging from VND 70.000.000 to VND 90.000.000 shall be imposed on construction of structures that require feasibility study of construction investment or economic - technical report on construction investment.

5. Impose penalties for organizing construction in a manner violating regulations on construction quality assurance thereby causing depression, crack, or damage to technical infrastructure or neighboring structure or causing or potentially causing neighboring structure to collapse without causing damage to health or lives of other people as follows:

a) A fine ranging from VND 30.000.000 to VND 40.000.000 shall be imposed in case of detached houses;

b) A fine ranging from VND 50.000.000 to VND 60.000.000 shall be imposed on construction of detached houses in sanctuaries, historical - cultural heritages, or other structures;

c) A fine ranging from VND 80.000.000 to VND 100.000.000 shall be imposed on construction of structures that require feasibility study of construction investment or economic - technical report on construction investment.

6. Imposing penalties for organizing construction in a manner not conforming to the issued construction permit in case of new construction permit as follows:

a) A fine ranging from VND 30.000.000 to VND 40.000.000 shall be imposed in case of detached houses;

b) A fine ranging from VND 50.000.000 to VND 70.000.000 shall be imposed on construction of detached houses in sanctuaries, historical - cultural heritages, or other structures;

c) A fine ranging from VND 100.000.000 to VND 120.000.000 shall be imposed on construction of structures that require feasibility study of construction investment or economic - technical report on construction investment.

7. Impose penalties for organizing construction without construction permit when the construction permit is required as follows:

- a) A fine ranging from VND 60.000.000 to VND 80.000.000 shall be imposed in case of detached houses;
- b) A fine ranging from VND 80.000.000 to VND 100.000.000 shall be imposed on construction of detached houses in sanctuaries, historical - cultural heritages, or other structures;
- c) A fine ranging from VND 120.000.000 to VND 140.000.000 shall be imposed on construction of structures that require feasibility study of construction investment or economic - technical report on construction investment.

8. A fine ranging from VND 80.000.000 to VND 100.000.000 shall be imposed on implementing construction in a manner not conforming to the approved construction design for cases where construction permit is exempted.

9. Impose penalties for implementing construction in a manner not conforming to approved construction planning or urban planning as follows:

- a) A fine ranging from VND 80.000.000 to VND 100.000.000 shall be imposed in case of detached houses;
- b) A fine ranging from VND 100.000.000 to VND 120.000.000 shall be imposed on construction of detached houses in sanctuaries, historical - cultural heritages, or other structures;
- c) A fine ranging from VND 160.000.000 to VND 180.000.000 shall be imposed on construction of structures that require feasibility study of construction investment or economic - technical report on construction investment.

10. Impose penalties for encroaching on area or space under legal management and ownership or other organizations and individuals or public spaces or common use area as follows:

- a) A fine ranging from VND 80.000.000 to VND 100.000.000 shall be imposed in case of detached houses;
- b) A fine ranging from VND 100.000.000 to VND 120.000.000 shall be imposed on construction of detached houses in sanctuaries, historical - cultural heritages, or other structures;
- c) A fine ranging from VND 180.000.000 to VND 200.000.000 shall be imposed on construction of structures that require feasibility study of construction investment or economic - technical report on construction investment.

11. For structure built on land against land's intended purposes as per land laws, impose penalties in accordance with decrees of the Government on imposing penalties for administrative violations in land.

12. Offenders who continue the administrative violations mentioned under Clause 4, Clause 6, Clause 7, Clause 8, Clause 9, and Clause 10 of this Article (before decisions imposing penalties are issued) after receiving the offense notice despite being requested by competent individuals to cease the administrative violations shall be met with fines as follows:

- a) A fine ranging from VND 100.000.000 to VND 120.000.000 shall be imposed in case of detached houses;
- b) A fine ranging from VND 120.000.000 to VND 140.000.000 shall be imposed on construction of detached houses in sanctuaries, historical - cultural heritages, or other structures;
- c) A fine ranging from VND 400.000.000 to VND 500.000.000 shall be imposed on construction of structures that require feasibility study of construction investment or economic - technical report on construction investment.

13. Offenders who repeat the administrative violations under Clause 4, Clause 6, Clause 7, Clause 8, Clause 9, and Clause 10 of this Article after having been met with penalties for previous violation and are not liable for criminal prosecution shall be met with fines as follows:

- a) A fine ranging from VND 120.000.000 to VND 140.000.000 shall be imposed in case of detached houses;
- b) A fine ranging from VND 140.000.000 to VND 160.000.000 shall be imposed on construction of detached houses in sanctuaries, historical - cultural heritages, or other structures;
- c) A fine ranging from VND 950.000.000 to VND 1.000.000.000 shall be imposed on construction of structures that require feasibility study of construction investment or economic - technical report on construction investment.

14. Additional forms of penalty:

- a) Suspension of construction permit for 3 to 6 months (if any) for violations under Point a Clause 12 and Point a Clause 13 of this Article;
- b) Suspension of construction permit for 6 to 9 months (if any) for violations under Point b Clause 12 and Point b Clause 13 of this Article;
- c) Suspension of construction permit for 9 to 12 months (if any) for violations under Point c Clause 12 and Point c Clause 13 of this Article;
- d) Confiscation of exhibits and instrument of administrative violations for violations under Clause 12 and Clause 13 of this Article.

15. Remedial measures:

a) Mandated installation of safety nets as per the law and rectification of environmental pollution (if any) for violations under Clause 1 of this Article;

b) Mandated adoption of procedures for revision or extension of construction permit or disclosure of construction permit for violations under Clause 2 and Clause 3 of this Article;

c) Mandated dismantlement of structure, or parts of structure that violate regulations for violations under Clause 4, Clause 6, Clause 7, Clause 8 (if the violations have concluded), Clause 9, Clause 10, Clause 12, and Clause 13 of this Article.

16. For violations under Clause 4, Clause 6, Clause 7, and Clause 8 of this Article where construction is in progress, offenders must also comply with procedures under Article 81 hereof in addition to the fine.

17. The case where construction is implemented in a manner inconsistent with the issued construction permit and construction permit is not required to be revised as per the Law on Construction shall not be considered as construction against the issued construction permit.

#### **Article 17. Violation of regulations on construction execution**

1. Impose warnings for:

a) Failing to notify relevant contractors about tasks and powers of individuals in quality management system of investors or construction supervisor contractors (if any);

b) Failing to produce adequate construction completion dossiers as per the law.

2. A fine ranging from VND 10.000.000 to VND 20.000.000 shall be imposed on failing to install adequate construction warning signs at the construction sites as per the law.

3. A fine ranging from VND 20.000.000 to VND 40.000.000 shall be imposed on:

a) Failing to organize supervision of construction work as per the law if construction is in progress;

b) Failing to produce construction completion dossiers.

4. A fine ranging from VND 40.000.000 to VND 60.000.000 shall be imposed on:

a) Failing to inspect thereby causing insufficient capacity of personnel, construction equipment, construction laboratories, or quality management system of contractors compared to those under bidding documents;

b) Failing to produce inspection results of construction solutions, safety and environmental hygiene solutions of contractors;

c) Failing to submit reports on safety measures to construction agencies as per the law if danger zones in the construction sites pose great risk to community safety;

d) Failing to assign sufficient personnel to supervise construction progress and manage safety in construction;

dd) Allowing incompetent organizations or individuals to construct detached houses as per the law.

5. A fine ranging from VND 40.000.000 to VND 60.000.000 shall be imposed on:

a) Failing to carry out inspection thereby causing inconsistency between implementation of the contractors and approved construction solutions;

b) Failing to carry out inspection thereby causing failure of the contractors to extend contract performance security in a timely fashion as per the law;

c) Failing to carry out inspection in order to approve materials, modules, construction products, or equipment to be installed in the structure;

d) Allowing the contractors to use materials that have not been declared for conformity in construction despite being mandated by the law to be declared for conformity;

dd) Failing to purchase construction insurance as per the law;

e) Failing to organize experiments to examine and inspect quality of structure, work items, and construction as per the law.

6. A fine ranging from VND 60.000.000 to VND 80.000.000 shall be imposed on organizing construction of emergency structure without emergency order as per the law.

7. A fine ranging from VND 80.000.000 to VND 100.000.000 shall be imposed on failure to comply with regulations on use of non-baked construction materials.

8. Remedial measures:

a) Mandated notification regarding tasks and powers of individuals in quality management system of project developers or construction supervisor contractors (if any) to relevant contractors for violations under Point a Clause 1 of this Article;

b) Mandated preparation of law-compliant construction completion dossiers for violations under Point b Clause 1 and Point b Clause 3 of this Article;

c) Mandated installation of adequate warning signs at the construction sites for violations under Clause 2 of this Article;

d) Mandated organization of supervision of construction for violations under Point a Clause 3 of this Article;

dd) Mandated assignment of personnel, construction equipment, construction laboratories, or quality management system of the contractors by the contractors in a manner satisfactory to bidding documents at request of project developers for violations under Point a Clause 4 of this Article;

e) Mandated presentation of inspection results of construction solutions, safety and environmental hygiene solutions of contractors for violations under Point b Clause 4 of this Article;

g) Mandated submission of reports on safety measures to construction agencies as per the law in case danger zones of the construction pose great risk to community safety for violations under Point c Clause 4 of this Article;

h) Mandated assignment of adequate personnel to supervise construction activities and manage safety in construction for violations under Point d Clause 4 of this Article;

i) Mandated implementation of construction by contractors in a manner compliant with approved construction solution design for violations under Point a Clause 5 of this Article;

k) Mandated submission of contract performance security of the contractors for violations under Point b Clause 5 of this Article at request of project developers;

l) Mandated examination of materials, modules, construction products or equipment installed in the structure as per construction design and contract carried out by project developers for violations under Point c Clause 5 of this Article;

m) Mandated examination and re-verification of construction quality carried out by project developers for work items which contain materials that have not been declared for conformity for violations under Point d Clause 5 of this Article;

n) Mandated purchase of construction insurance for violations under Point dd Clause 5 of this Article for construction in progress;

o) Mandated organization of experiments for examining and inspecting quality of structural components, work items, and construction for violations under Point e Clause 5 of this Article;

p) Mandated application for order for construction of emergency structure for violations under Clause 6 of this Article;

q) Mandated assurance of the percentage of non-baked materials for the remaining unimplemented sections of the structure for violations under Clause 7 of this Article.

## **Article 18. Violation of regulation on construction commissioning**

1. A fine ranging from VND 20.000.000 to VND 40.000.000 shall be imposed on:
  - a) Failing to commission in the right procedures as per the law;
  - b) Failing to request construction agencies to examine the commissioning affairs as per the law.
2. A fine ranging from VND 80.000.000 to VND 100.000.000 shall be imposed on bringing structural components, work items, or construction into use without organizing commission as per the law.
3. A fine ranging from VND 100.000.000 to VND 120.000.000 shall be imposed on:
  - a) Commissioning workload which have not been implemented or workload which is greater than the workload which has been implemented for construction utilizing public investment, non-public investment state capital, public-private partnership projects;
  - b) Failing to guarantee quality of structure which has been commissioned.
4. Remedial measures:
  - a) Mandated submission of request of project developers to competent authorities for inspection of commissioning affairs within 10 days from the date on which decisions imposing penalties for administrative violations for violations under Point b Clause 1 of this Article;
  - b) Mandated organization of commissioning of structural components and work items brought into use for within 1 to 3 months for violations under Clause 2 of this Article;
  - c) Mandated organization of commissioning for actual workload implemented and recall of the incorrectly commissioned or paid amount of money to accounts of project developers for violations under Point a Clause 3 of this Article;
  - d) Mandated rectification of structure quality as per the law for violations under Point b Clause 3 of this Article.

**Article 19. Violation of regulation on construction contract for projects utilizing public investment, non-public investment state capital, PPP projects, and preparation of construction investment estimates**

1. A fine ranging from VND 30.000.000 to VND 40.000.000 shall be imposed on failing to use Vietnamese language in construction contract as per the law.
2. A fine ranging from VND 80.000.000 to VND 100.000.000 shall be imposed on:
  - b) The case where the price under signed contract exceeds the winning bid price or the price according to negotiation results (except for workload outside of the contract package permitted by individuals deciding to invest);

b) Revising contracts in a manner disregarding procedures, entitlement, and conditions for revising construction contracts;

c) The case where contract advance exceeds the regulated percentage or contract advance is made without advance payment bond as per the law;

d) The case payment for construction contract is made with incorrect number of installments, incorrect stage of payment, incorrect payment date, or incorrect payment deadline unless otherwise agreed upon by the parties;

dd) The case where statement or finalization of construction contract is not made in a timely manner as per the law.

3. A fine ranging from VND 100.000.000 to VND 120.000.000 shall be imposed on failing to submit settlement documents for construction investment to individuals deciding to invest for approval in a timely manner from the date on which the commissioning record of the structure has been signed and the structure has been brought into operation.

#### 4. Remedial measures:

a) Mandated the use of Vietnamese language when signing construction contract for violation under Clause 1 of this Article if the contract is in effect;

b) Mandated compliance with the winning when the price under signed contract exceeds the successful bid or construction contract negotiation for violation under Point a Clause 2 of this Article if the contract is in effect;

c) Mandated contract revision for violations under Point b Clause 2 of this Article if the contract is in effect;

d) Mandated retrieval of contract advance that exceeds the percentage or retrieval of the entire contract advance to account of project developers for violations under Point c Clause 2 of this Article if the contract is in effect;

dd) Mandated payment, settlement, and finalization of contract as per the law for violations under Point d and Point dd Clause 2 of this Article;

e) Mandated completion of settlement documents of construction investment and submission to individuals deciding to invest for approval within 1 month for violations under Clause 3 of this Article.

### **Article 20. Violation of regulations on maintenance, operation, and utilization of structure**

1. A fine ranging from VND 10.000.000 to VND 20.000.000 shall be imposed on:

a) Failing to determine sufficient maintenance time as per the law;



- b) Failing to approve structure maintenance procedures as per the law;
- c) Failing to organize supervision and commissioning of rectification and repair of construction contractors and/or construction material supplier contractors.

2. A fine ranging from VND 30.000.000 to VND 40.000.000 shall be imposed on:

- a) Failing to verify completion of maintenance responsibility of the contractors;
- b) Failing to organize preparation of structure maintenance procedures or failing to maintain structure in accordance with approved procedures;
- c) Failing to produce annual structure maintenance plan as per the law;
- d) Failing to produce structure repair dossiers as per the law;
- dd) Failing to adequately and promptly transfer approved structure maintenance procedures to structure owners or entities managing, utilizing the structure;
- e) Failing to produce maintenance estimates in approved maintenance plan as per the law for construction utilizing public investment, non-public investment state capital, PPP projects.

3. A fine ranging from VND 40.000.000 to VND 60.000.000 shall be imposed on:

- a) Failing to examine, assess, control quality, or report to the authorities for consideration and approval of extension of useful life of structure whose useful life has expired as per the design;
- b) Failing to perform construction monitoring as per the law;
- c) Using expired technical regulations as the basis for maintenance work;
- d) Failing to organize periodic assessment regarding load-bearing safety, operational safety, or failing to submit said assessment results to the authorities as per the law;
- dd) Failing to examine, repair, adopt emergency measures, or report as per the law after discovering signs of danger, lack of safety in the structure or work items;
- e) Failing to: reinforce, renovate, repair any damage (if any) prior to considering and deciding on continuous use of the structure, failing to submit inspection, assessment, quality control, or repair results of the structures (if any) to competent authorities if the useful life of the structures have expired;
- g) Failing to organize dismantlement of temporary structure once the primary structure of a project is brought into operation or once the registered period of the structure expires.

4. Remedial measures:

- a) Mandated law compliant approval of structure maintenance procedures for violations under Point b Clause 1 of this Article;
- b) Mandated supervision and commissioning of rectification and repair work of construction contractors, construction material supplier contractors for violations under Point c Clause 1 of this Article;
- c) Mandated verification of completion of maintenance responsibility of contractors for violations under Point a Clause 2 of this Article;
- d) Mandated development of maintenance procedures or mandated law compliant maintenance for violations under Point b Clause 2 of this Article;
- dd) Mandated development of annual structure maintenance and construction plans for violations under Point c Clause 2 of this Article;
- e) Mandated law compliant development of structure repair dossiers for violations under Point d Clause 2 of this Article;
- g) Mandated full transfer of the approved structure maintenance procedures implemented by the project developers for violations under Point dd Clause 2 of this Article;
- h) Mandated preparation of maintenance estimates conducted by owners or entities managing and using the structure within the approved maintenance plans for violations under Point e Clause 2 of this Article;
- i) Mandated organization of load-bearing safety assessment and operational safety assessment or mandated submission of assessment results to the authorities for violations under Point d Clause 3 of this Article;
- k) Mandated inspection, repair, adoption of emergency measures, or mandated submission of law compliant reports upon discovering signs of danger or lack of safety of the structure or work items for violations under Point dd Clause 3 of this Article;
- l) Mandated reinforcement, renovation, or repair of any damage (if any) prior to considering and deciding on continuous use of the structure, submission of structure quality inspection, assessment, examination, and repair results (if any) to the authorities for violations under Point e Clause 3 of this Article;
- m) Mandated dismantlement of temporary structure carried out by project developers for violations under Point g Clause 3 of this Article.

## **Article 21. Violation of regulation on document management and storage**

1. A fine ranging from VND 20.000.000 to VND 40.000.000 shall be imposed on:

- a) Failing to adequately store scheme dossiers as per construction laws;
  - b) Failing to store structure completion dossiers or failing to adequately store documents as per the law.
2. Remedial measures: mandated storage or addition to documents in store for violations under Clause 1 of this Article.

## **Article 22. Violation of regulations in case of incidents**

1. A fine ranging from VND 10.000.000 to VND 20.000.000 shall be imposed on:
- a) Failing to report construction incidents or occupational safety incidents in a timely manner;
  - b) Failing to produce law compliant structure incident dossiers.
2. A fine ranging from VND 40.000.000 to VND 60.000.000 shall be imposed on:
- a) Failing to organize protection of incident site or dismantling, cleaning up site of incident without permission of the authorities;
  - b) Failing to rectify and remediate consequences in case of construction incidents or incidents that cause lack of occupational safety.
3. Remedial measures:
- a) Mandated submission of written reports to the authorities for violations under Point a Clause 1 of this Article;
  - b) Mandated preparation of structure incident dossiers for violations under Point b Clause 1 of this Article;
  - c) Mandated protection of structure incident site for violations under Point a Clause 2 of this Article;
  - d) Mandated handling and remediation for violations under Point b Clause 2 of this Article.

## **Article 23. Violation of regulations on management of construction investment project**

If consulting contractors for project management, project management boards for specialized construction projects, project management boards for area construction project act as project developers, depending on the assigned task, consulting contractors for project management and project management boards shall be met with penalties for administrative violations mentioned under Article 7 through Article 22 hereof.

**Section 2. FOR CONTRACTORS, PROJECT DEVELOPERS (THAT IMPLEMENT CONSTRUCTION WORK BY THEMSELVES), AND OTHER ORGANIZATIONS, INDIVIDUALS ENGAGING IN CONSTRUCTION WORK**

**Article 24. Violation of regulation on construction eligibility**

1. A fine ranging from VND 10.000.000 to VND 20.000.000 shall be imposed on individuals engaging in construction work who:

- a) Engage in construction work with insufficient eligibility for operation as per the law;
- b) Engage in construction work without valid license of operation or engage in construction work in a manner contradicting the license of operation;
- c) Are foreigners or overseas Vietnamese and engage in construction work in Vietnam without converting license of operation as per the law.

2. A fine ranging from VND 30.000.000 to VND 50.000.000 shall be imposed on organizations engaging in construction work which:

- a) Assign individuals who lack the appropriate license of operation or eligibility to work on certain type, level of construction;
- b) Engage in construction work without the appropriate eligibility as per the law;
- c) Engage in construction work without valid certificate of eligibility as per the law.

3. In addition to the penalties under Clause 2 of this Article, the foreign contractors must also incur fines ranging from VND 50.000.000 to VND 70.000.000 for:

- a) Borrowing, lending, hiring, or leasing license of operation for construction work;
- b) Engaging in construction work in Vietnam without construction permit;
- c) Refusing to establish joint venture with Vietnamese contractors or refusing to utilize Vietnamese secondary contractors as per the law;
- d) Refusing to establish coordinating office after obtaining the construction permit; Refusing to register or disclose address, phone number, fax number, e-mail, seal, account, or TIN of the coordinating office as per the law;
- dd) Employing foreign workers who are not experts in economic management, technical management or very high skilled workers which Vietnam cannot provide to do construction work in Vietnam;

e) Failing to execute joint venture contracts signed with Vietnamese contractors or failing to utilize Vietnamese secondary contractors which have been defined under the application for issuance of license for construction operation;

g) Failing to clearly define contents, workload, or value of workload of the Vietnamese contractors in a joint venture or Vietnamese secondary contractors;

h) Failing to perform quality register for imported materials, equipment as per the contracts or failing to perform safety register for construction equipment and traffic relating to business activities of the foreign contractors as per Vietnamese laws;

i) Violating report policies dictated in the construction permit.

#### 4. Additional forms of penalty:

a) Suspension of construction work for 3 to 6 months for violations under Point b Clause 2 of this Article;

b) Suspension of construction work for 6 to 12 months for cases where certificate of eligibility is not available, suspension of construction work for 3 to 6 months for cases where certificate of eligibility expires for violations under Point c Clause 2 of this Article;

c) Suspension of license of operation for 6 to 12 months for violations under Point a Clause 3 of this Article;

d) Suspension of construction work in Vietnam for 12 to 24 months for violations under Point b Clause 3 of this Article.

#### 5. Remedial measures (for construction that has not commenced or is in progress):

a) Mandated law compliant construction work for violations under Point a Clause 1 of this Article;

b) Mandated assignment of individuals with sufficient capacity or license of operation for violations under Point a Clause 2 of this Article;

c) Mandated adoption of procedures for issuance of construction permit for violations under Point b Clause 3 of this Article;

d) Mandated establishment of coordinating office implemented by foreign contractors once construction permit has been issued or mandated additional registration or information disclosure for violations under Point d Clause 3 of this Article;

dd) Mandated adoption of outbound procedures for foreign workers carried out by project developers for violations under Point dd Clause 3 of this Article;

e) Mandated compliance of the project developers with construction permit for violations under Point e Clause 3 of this Article;

g) Mandated addition implemented by foreign contractors of contents, workload, or specific value of workload of Vietnamese contractors in joint venture or Vietnamese secondary contractors for violations under Point g Clause 3 of this Article;

h) Mandated law compliant registration for violations under Point h Clause 3 of this Article;

i) Mandated compliance of contractors with report policies for violations under Point i Clause 3 of this Article.

#### **Article 25. Violation of details of bid or contracts**

1. A fine ranging from VND 30.000.000 to VND 50.000.000 shall be imposed on contractors who fail to adequately comply with the bid or contracts.

2. Remedial measures: Mandated compliance with the bid or contracts for violations under Clause 1 of this Article if the contract is being implemented.

#### **Article 26. Violation of regulations on national technical regulations, applied standards, use of data and documents in construction activities**

1. A fine ranging from VND 20.000.000 to VND 30.000.000 shall be imposed on using foreign standards without consent of individuals deciding on investment.

2. A fine ranging from VND 30.000.000 to VND 40.000.000 shall be imposed on using experiment results of construction experimenting organizations that are ineligible as per the law.

3. A fine ranging from VND 40.000.000 to VND 50.000.000 shall be imposed on using data or documents that lack the legal basis.

4. A fine ranging from VND 50.000.000 to VND 60.000.000 shall be imposed on failing to employ or failing to employ the appropriate technical regulations, standards or failing to employ valid standards.

5. Remedial measures:

a) Mandated termination of experiment results or data, documents that lack legal basis for violations under Clause 2 and Clause 3 of this Article if construction has not been commenced or is in progress;

b) Mandated compliance with technical regulations for violations under Clause 4 of this Article if construction has not been commenced or is in progress.

#### **Article 27. Violation of regulation on construction surveying**

1. A fine ranging from VND 30.000.000 to VND 40.000.000 shall be imposed on:

- a) Utilizing personnel, equipment, or laboratories in a manner not suitable for the approved technical measures for construction surveying;
- b) Producing inadequate experiment result forms;
- c) Failing to store surveying samples or surveying documents as per the law.

2. A fine ranging from VND 40.000.000 to VND 50.000.000 shall be imposed on:

- a) Failing to produce surveying tasks or technical measures for surveying;
- b) Producing technical measures for construction surveying not suitable for construction surveying tasks or not suitable for applied standards, technical regulations on construction surveying;
- c) Producing surveying tasks or technical measures for construction surveying not suitable for type, class of construction or surveying model;
- d) Surveying without approved surveying task or technical measures for construction surveying;
- dd) Surveying without complying with approved surveying tasks or technical measures for construction surveying or violating the surveying procedures;
- e) Failing to purchase professional liability insurance;
- g) Failing to use geography map suitable for specific construction planning schemes;
- h) Failing to conduct additional surveying when geography surveying maps are not appropriate or not produced by agencies with juridical person at the time in which construction planning is produced or when only cadastral maps are available.

3. A fine ranging from VND 50.000.000 to VND 60.000.000 shall be imposed on producing reports on surveying data, documents in a manner not consistent with the surveyed facts or not compliant with regulations and law thereby requiring the design to be revised.

4. Remedial measures:

- a) Mandated the use of personnel, equipment, and laboratories suitable for approved technical measures for construction surveying for violations under Point a Clause 1 of this Article if construction has not been commenced or is in progress;
- b) Mandated repetition of experiment with experiment result form containing adequate information for violations under Point b Clause 1 of this Article;

c) Mandated production of surveying tasks, technical measures for construction surveying for violations under Point a Clause 2 of this Article if construction has not been commenced or is in progress;

d) Mandated production of surveying tasks, technical measures for construction measures and repeated survey for violations under Points b, c, d, and đ Clause 2 of this Article if construction has not been commenced or is in progress;

dd) Mandated purchase of professional liability insurance for violations under Point e Clause 2 of this Article if project developers have not commissioned surveying results.

### **Article 28. Violation of regulations on producing construction planning**

1. A fine ranging from VND 10.000.000 to VND 20.000.000 shall be imposed on failing to meet the deadline for planning.

2. A fine ranging from VND 30.000.000 to VND 40.000.000 shall be imposed on:

- a) Failing to ensure compliance with regulations and law of drawing layout or legends;
- b) Using geography maps in a manner contradicting the law for producing planning schemes.

3. A fine ranging from VND 40.000.000 to VND 50.000.000 shall be imposed on:

- a) Failing to produce adequate planning tasks as per the law;
- b) Failing to consult adequate entities in adequate form and in adequate time about planning;
- c) Failing to produce adequate documents for approval, inspection or documents consulting about planning tasks, schemes;
- d) Failing to obtain seal of planning inspection authorities on the planning schemes once decisions on approval have been issued;

dd) Failing to submit approved planning dossiers to construction planning authority for storage as per the law.

4. A fine ranging from VND 60.000.000 to VND 80.000.000 shall be imposed on:

- a) Failing to ensure adequacy of presentation or components of drawings in the planning schemes;
- b) Failing to produce urban planning design with adequate drawings and details and management regulations as per the law;



c) Failing to produce construction planning in a manner consistent and conforming to planning of higher levels.

5. Remedial measures:

a) Mandated law compliant use of geography maps for preparation of planning schemes for violations under Point b Clause 2 of this Article if planning has not been approved;

b) Mandated preparation of planning tasks, documents for inspection, approval or documents on consultation for violations under Point a and Point c Clause 3 of this Article if planning has not been approved;

c) Mandated consultation with relevant agencies, organizations, individuals, or community for violations under Point b Clause 3 of this Article if planning has not been approved;

d) Mandated submission of approved construction planning documents to planning authorities for storage for violations under Point dd Clause 3 of this Article if planning has not been approved;

dd) Mandated preparation of presentation, drawings of construction planning schemes, and urban design dossiers for violations under Clause 4 of this Article if planning has not been approved.

**Article 29. Violation of regulations on inspection of construction investment projects, construction design and estimates**

1. A fine ranging from VND 20.000.000 to VND 30.000.000 shall be imposed on:

a) Appraisal of projects carried out by the creators or appraisal of structure carried out by the designers;

b) Submission of reports on incorrect appraisal results.

2. Remedial measures:

a) Mandated termination of appraisal results for violations under Point a Clause 1 of this Article;

b) Mandated repeated production of appraisal results for violations under Point b Clause 1 of this Article if construction is in progress.

**Article 30. Violation of regulations on construction design (design implemented following fundamental design, one-step design) and estimates**

1. A fine ranging from VND 20.000.000 to VND 30.000.000 shall be imposed on:

a) Failing to produce law-compliant construction design dossiers;

- b) Failing to revise construction design in a law-compliant manner;
- c) Failing to execute subsequent design steps in a manner conforming to previous approved design steps.

2. A fine ranging from VND 30.000.000 to VND 50.000.000 shall be imposed on:

- a) Designating producers and/or suppliers of construction materials, parts, and equipment to engage in construction design work of construction utilizing public investment, non-public investment state budget;
- b) Failing to regulate the use of non-baked materials in design dossiers for construction that mandates the use of non-baked materials or failing to guarantee the percentage of non-baked materials as per the law or failing to fulfill regulations on the use of other materials for the construction;
- c) Exceeding the budget for safety design for construction utilizing public investment, non-public investment state capital, PPP projects;
- d) Granting earth and rock in a manner not suitable for geological surveying results or calculating transport distance in a manner not suitable for surveying results for construction utilizing public investment, non-public investment state capital, PPP project;
- dd) Applying cost estimates which contain details or norms not suitable for work or contain data inconsistent with applied norms thereby increasing the cost estimates for construction utilizing public investment, non-public investment state capital, PPP projects;
- e) Determining costs for materials, parts, personnel, construction machinery in a manner not conforming to applicable regulations and law to construction price management, regulations applicable at the time in which construction estimates are determined and market price where construction occurs for projects utilizing public investment, non-public investment state capital, PPP projects;
- g) Miscalculating the quantity, producing estimates which contain quantity inconsistent with the quantity calculated from design drawings, or including quantity in calculation for construction cost estimates despite failing to produce design drawings for auxiliary works for projects utilizing public investment, non-public investment state capital, PPP projects.

3. A fine ranging from VND 50.000.000 to VND 70.000.000 shall be imposed on:

- a) Failing include all standards and features of equipment, materials, and parts in design dossiers;
- b) Failing to include geography surveying results in construction design dossiers, failing to rely on geography surveying results for development of construction design dossiers, or failing to ensure consistency between surveying results and construction design dossiers;

c) Failing to utilize sample design or typical design in construction as mandated by the law;

d) Failing to fulfill regulations on environmental protection, fire safety, climate change adaptation, and other safety conditions in the design;

dd) Failing to adequately perform designer's supervision as per the law;

e) Failing to purchase professional liability insurance.

#### 4. Remedial measures:

a) Mandated preparation of law compliant construction design dossiers for violations under Point a Clause 1 of this Article if construction has not been commenced or is in progress;

b) Mandated revision of construction design dossiers for violations under Point b Clause 1 of this Article if construction has not been commenced or is in progress;

c) Mandated implementation of subsequent steps suitable for the preceding design steps for violations under Point c Clause 1 of this Article if construction has not been commenced or is in progress;

d) Mandated inclusion of types, percentage of non-baked construction materials in design and estimates for violations under Point b Clause 2 of this Article if construction has not been commenced or is in progress;

dd) Mandated preparation of law compliant estimates for violation under Point d, Point dd, Point e, and Point g Clause 2 of this Article for structure, work items for which the contractors have not been selected or economic contracts have not been signed;

e) Mandated law compliant design using geography surveying results for violations under Point b Clause 3 of this Article if construction has not been commenced or is in progress;

g) Mandated law compliant designer's supervision for violations under Point dd Clause 3 of this Article if construction has not been commenced or is in progress;

h) Mandated purchase of professional liability insurance for violations under Point e Clause 3 of this Article if construction has not been commenced or is in progress.

### **Article 31. Violation of regulation on construction order**

1. Imposing penalties for failing to install adequate safety net during construction process which leads to construction materials falling down neighboring areas or failing to place construction materials in the right place, to be specific:

a) A fine ranging from VND 3.000.000 to VND 5.000.000 shall be imposed in case of detached houses or other structures;

b) A fine ranging from VND 15.000.000 to VND 20.000.000 shall be imposed in case of structures that require feasibility study of construction investment or economic - technical report on construction investment.

2. Impose penalties for organizing construction in a manner violating regulations on construction quality assurance thereby causing depression, crack, or damage to technical infrastructure or neighboring structure or causing or potentially causing neighboring structure to collapse without causing damage to health or lives of other people as follows:

a) A fine ranging from VND 30.000.000 to VND 40.000.000 shall be imposed in case of detached houses;

b) A fine ranging from VND 50.000.000 to VND 60.000.000 shall be imposed on construction of detached houses in sanctuaries, historical - cultural heritages, or other structures;

c) A fine ranging from VND 80.000.000 to VND 100.000.000 shall be imposed on construction of structures that require feasibility study of construction investment or economic - technical report on construction investment.

3. Impose penalties on contractors who continue the construction for which the project developers have previously been met with offense notices for administrative violations under Clause 4, Clause 6, Clause 7, Clause 8, Clause 9, Clause 10 Article 16 hereof:

a) A fine ranging from VND 80.000.000 to VND 100.000.000 shall be imposed in case of detached houses;

b) A fine ranging from VND 100.000.000 to VND 120.000.000 shall be imposed on construction of detached houses in sanctuaries, historical - cultural heritages, or other structures;

c) A fine ranging from VND 160.000.000 to VND 180.000.000 shall be imposed on construction of structures that require feasibility study of construction investment or economic - technical report on construction investment.

4. Additional forms of penalty:

a) Revocation of certificate of eligibility or license of operation for 3 to 6 months for violations under Clause 3 of this Article;

b) Confiscation of exhibits and instrument of violations under Clause 3 of this Article.

5. Remedial measures: Mandated installation of safety nets as per the law and rectification of environmental pollution (if any) for violations under Clause 1 of this Article.

## **Article 32. Violation of regulations on safety in construction**

1. A fine ranging from VND 10.000.000 to VND 20.000.000 shall be imposed on failing to keep a record of occupational safety conditions which must be fully recorded as per the law.

2. A fine ranging from VND 30.000.000 to VND 50.000.000 shall be imposed on:

a) Allowing employees to disregard safety measures or violate regulations on using tools and personal protective equipment in construction;

b) Failing to produce occupational safety inclusive plans, failing to establish detail safety measures for occupations with high possibility of occupational safety loss;

c) Using construction machinery without circulation, operation documents or using construction machinery which has not been registered or expired the registration period or failing to adequately comply with details specified under circulation license, operation, and registration documents;

d) Failing to install warning signs to prevent incidents or failing to assign instructors at dangerous spots on construction sites;

dd) Failing to assign employees who must be trained in occupational safety or construction engineering and meeting other regulations on occupational safety and hygiene;

e) Failing to instruct employees to identify risks that potentially lead to accidents and solutions for preventing accidents on construction sites;

g) Failing to produce and request project developers to approve safety measures for humans, construction, assets, equipment, and instruments within danger zones during construction;

h) Failing to elaborate safety and environmental hygiene measures for construction solutions.

3. A fine ranging from VND 50.000.000 to VND 70.000.000 shall be imposed on:

a) Violating regulations on construction dismantlement solutions or measures;

b) Failing to purchase insurance for employees working on construction sites and civil liability insurance for third parties as per the law.

4. Remedial measures (if construction is in progress):

a) Mandated preparation of occupational safety inclusive plans, establishment of detail safety measures for work with high possibility of occupational safety loss for violations under Point b Clause 2 of this Article;

b) Mandated use of construction machinery with adequate circulation, operation documents and registered as per the law for violations under Point c Clause 2 of this Article;

- c) Mandated installation of warning signs for accidents, assignment of instructors at dangerous spots on construction sites for violations under Point d Clause 2 of this Article;
- d) Mandated assignment of persons who will engage in management of occupational safety, provide training and guidelines on occupational safety for employees for violations under Point dd and Point e Clause 2 of this Article;
- dd) Mandated preparation and submission of safety measures for humans, construction, assets, equipment, and instruments located within danger zones on construction sites during construction to project developers for approval for violations under Point g Clause 2 of this Article;
- e) Mandated elaboration on safety and environmental hygiene measures in construction measures for violations under Point h Clause 2 of this Article;
- g) Mandated adequate compliance with dismantlement measures, solutions for violations under Point a Clause 3 of this Article;
- h) Mandated purchase of insurance for violations under Point b Clause 3 of this Article;

### **Article 33. Violation of regulations on construction execution**

1. A fine ranging from VND 10.000.000 to VND 20.000.000 shall be imposed on:

- a) Failing to return premise, move materials, machinery, equipment, and other assets of contractors out of construction sites once the construction has been commissioned and transferred (except otherwise agreed upon in the contracts);
- b) Failing to keep adequate construction record as per the law;
- c) Failing to receive and manage construction premise, failing to manage coordinate and boundary markers, failing to manage construction site as per the law;
- d) Failing to use occupational safety-related expenditure in a law compliant manner;
- dd) Failing to report to project developers regarding progress, quality, workload, occupational safety, and construction environmental hygiene in accordance with construction contracts and other relevant law provisions;
- e) Failing to produce and store construction management dossiers in a law compliant manner or failing to produce construction management dossiers corresponding to actual time to implementation on construction sites.

2. A fine ranging from VND 20.000.000 to VND 40.000.000 shall be imposed on failing to request project developers to approve:

a) Plans for experimenting, inspection, assessing, testing, implementing test run, and measuring technical configurations of the structure depending on technical design and specification demands;

b) Solutions for inspection, controlling quality of materials, products, components, equipment used for construction and construction measures;

c) Plans for inspecting, commissioning construction affairs, commissioning construction stages or construction work items, commissioning completion of work items and construction;

d) Construction progress.

3. A fine ranging from VND 40.000.000 to VND 60.000.000 shall be imposed on:

a) Failing to produce law compliant as-built drawing;

b) Failing to identify danger zones in construction as per the law;

c) Failing designate personnel and construction machinery in accordance with construction contracts and relevant law provisions;

d) Failing to organize experiments, inspection, tests, and assessment for materials, components, construction products, construction equipment, and technological equipment before and during construction process depending on design and regulations on construction contracts;

dd) Failing to utilize capable construction laboratories for conducting experiment or failing to directly conduct experiments as per the law.

4. A fine ranging from VND 50.000.000 to VND 70.000.000 shall be imposed on:

a) Failing to use materials and components with adequate quality control dossiers;

b) Failing to adhere to construction contracts, construction permit, approved construction design, or technical specifications;

c) Lacking experiment, assessment results of materials, products, components, and equipment serving construction as required by technical regulations, applied standards, and requirements of design during construction;

d) Failing to survey and monitor construction as required by the design approved by project developers or failing to conduct experiment or off-line testing, on-line testing according to plans approved by project developers prior to requesting for commissioning.

5. A fine ranging from VND 70.000.000 to VND 80.000.000 shall be imposed on:

- a) Failing to produce and inform project developers and relevant entities about construction management system of the contractors or failing to produce construction management system in a manner satisfactory to the scale and nature of the construction;
- b) The construction management system of the contractor when it fails to specify organizational structure and responsibilities of each individual and department related to construction quality assurance;
- c) Failing to cease construction work in case of any defect, error in construction quality or in case of construction incident;
- d) Failing to suspend construction work immediately upon discovering risk of occupational accidents or incidents causing loss of occupational safety;
- dd) Failing to rectify occupational accidents or incidents causing loss of occupational safety during construction process.

#### 6. Remedial measures:

- a) Mandated return of premise, relocation of materials, machinery, equipment, and other assets of the contractors from the construction site for violations under Point a Clause 1 of this Article;
- b) Mandated law-compliant construction record for violations under Point b Clause 1 of this Article if construction is in progress;
- c) Mandated receive and management of construction premise, preservation of coordinate markers and construction markers for violations under Point c Clause 1 of this Article if construction is in progress;
- d) Mandated law-compliant use of occupational safety expenses for violations under Point d Clause 1 of this Article if construction is in progress;
- dd) Mandated submission of reports on progress, quality, workload, occupational safety, and environmental hygiene conditions in construction to project developers for violations under Point dd Clause 1 of this Article if construction is in progress;
- e) Mandated preparation of law-compliant construction management dossiers matching with actual construction time on the construction site for violations under Point e Clause 1 of this Article;
- g) Mandated presentation of plans for organizing experiments, inspecting, appraising, testing, carrying out a test run of monitor and measurement of technical parameters of construction to project developers for approval for violations under Point a Clause 2 of this Article if construction is in progress;



- h) Mandated presentation of solutions for inspecting and controlling quality of materials, products, components, equipment used for the structures, and construction solutions to the project developers for approval for violations under Point b Clause 2 of this Article if construction is in progress;
- i) Mandated presentation of plans for inspecting and commissioning construction work, commissioning construction stages or work items, commissioning completion of work items or structures to project developers for approval for violations under Point c Clause 2 of this Article if construction is in progress;
- k) Mandated presentation of construction progress to project developers for approval for violations under Point d Clause 2 of this Article if construction is in progress.
- l) Mandated preparation of as-built drawings for violations under Point a Clause 3 of this Article if construction is in progress;
- m) Mandated identification of danger zones in construction for violations under Point b Clause 3 of this Article if construction is in progress;
- n) Mandated assignment of personnel and construction equipment conforming to construction contracts and applicable regulations for violations under Point c Clause 3 of this Article if construction is in progress;
- o) Mandated organization of experimentation, inspection, test, and assessment of materials, structures, construction products, construction equipment, and technology equipment before and during construction process according to the design and construction contracts for violations under Point d Clause 3 of this Article if construction is in progress;
- p) Mandated the use of construction laboratories eligible for conducting experiments and mandated carrying out of experimentation for violations under Point dd Clause 3 of this Article if construction is in progress;
- q) Mandated completion of quality control dossiers for violations under Point a Clause 4 of this Article if construction has not been commenced or is in progress;
- r) Mandated assignment as per construction contracts, construction permit, construction design, and technical specifications for violations under Point b Clause 4 of this Article;
- s) Mandated surveying and monitoring of construction or mandated carrying out of experiments and off-line, on-line test run prior to requesting commissioning for violations under Point d Clause 4 of this Article if construction is in progress;
- t) Mandated establishment of quality control system appropriate for construction scale for violations under Point a Clause 5 of this Article if construction is in progress;

u) Mandated establishment of quality control system that clarifies organizational structures and responsibilities of individuals and departments related to construction quality control for violations under Point b Clause 5 of this Article if construction is in progress;

v) Mandated suspension of construction and rectification of errors, defects, and incidents in order to ensure safety prior to continuing with the construction for violations under Point c and Point d Clause 5 of this Article;

x) Mandated rectification of occupational accidents, incidents causing loss of occupational safety during construction for violations under Point d Clause 5 of this Article.

#### **Article 34. Violation of regulation on management of machinery and equipment that requires strict occupational safety during construction**

1. A fine ranging from VND 60.000.000 to VND 80.000.000 shall be imposed on:

a) Failing to inspect for technical occupational safety of machinery and equipment that requires strict occupational safety as per the law;

b) Failing to use online software for managing inspection database in order to update data of machinery and equipment that requires strict occupational safety during construction and has been inspected.

2. Remedial measures:

a) Mandated inspection for technical occupational safety for equipment and machinery that requires strict occupational safety for violations under Point a Clause 1 of this Article if construction is in progress;

b) Mandated the use of online software for managing inspection database to update the database for violations under Point b Clause 1 of this Article.

#### **Article 35. Violation of regulation on construction supervision**

1. A fine ranging from VND 30.000.000 to VND 40.000.000 shall be imposed on:

a) Failing to conduct construction supervision;

b) Signing commissioning dossiers without certificate for construction supervision or without having appropriate sector, type of structures, class or period of practice according to the issued license;

c) Failing to produce report on construction supervision as per the law.

2. A fine ranging from VND 40.000.000 to VND 60.000.000 shall be imposed on:

- a) Fabricating supervision results;
- b) Letting construction contractors to build without adhering to construction permit or approved design or use the incorrect type, forms of materials or build without adhering to approved construction solutions;
- c) Letting construction contractors to not use non-baked materials as per the law;
- d) Commissioning construction work in a manner not conforming to regulations and law;
- dd) Failing to ensure that construction supervision contractors are separate from construction contractors, manufacturing, production, and supply contractors for construction materials, components, equipment for structures invested with public investment, non-public investment state capital, and PPP projects.

### 3. Remedial measures:

- a) Mandated supervision of construction for violations under Point a Clause 1 of this Article if construction is in progress;
- b) Mandated preparation of reports on construction supervision for violations under Point c Clause 1 of this Article if construction is in progress;
- c) Mandated disposal and re-preparation of supervision results adhering to facts for violations under Point a Clause 2 of this Article if construction is in progress;
- d) Mandated adherence by construction contracts to construction permit, approved design, or use of the correct construction material type or forms or adherence to approved construction solutions for violations under Point b Clause 2 of this Article if construction is in progress;
- dd) Mandated the use of non-baked construction materials for the remaining sections of construction for violations under Point c Clause 2 of this Article if construction is in progress;
- e) Mandated commissioning of construction work for violations under Point d Clause 2 of this Article;
- g) Mandated replacement of construction supervision contractors independent of other contractors for violations under Point dd Clause 2 of this Article if construction package is being implemented.

### **Article 36. Violation of regulation on commissioning and settlement of construction workload**

- 1. A fine ranging from VND 20.000.000 to VND 30.000.000 shall be imposed on prolonging completion time of dossiers and documents serving commissioning, settlement, and finalization of construction.

2. A fine ranging from VND 50.000.000 to VND 60.000.000 shall be imposed on:

- a) Commissioning workload that has not been implemented or commissioning more workload than the amount of workload actually implemented;
- b) Commissioning without ensuring quality or conforming to applied standards, technical regulations or conforming to construction design requirements;
- c) Commissioning completion of work items or construction without commissioning fire safety, environmental protection, and compliance with other regulations and law.

3. A fine ranging from VND 100.000.000 to VND 120.000.000 shall be imposed on transferring structures to owners or managing and using entities without organizing commissioning.

4. Remedial measures:

- a) Mandated disposal of commissioning results for violations under Point a and Point b Clause 2 of this Article and recall of excessive payment to accounts of project developers for violations under Point a Clause 2 of this Article;
- b) Mandated production of written fire safety commissioning record for violations under Point c Clause 2 of this Article;
- c) Mandated commissioning for violations under Clause 3 of this Article.

### **Article 37. Violation of regulation on construction contracts**

1. A fine ranging from VND 40.000.000 to VND 60.000.000 shall be imposed on:

- a) Signing secondary contractor contracts in a manner not adhering to regulations and law for construction utilizing public investment, non-public investment state capital, PPP projects;
- b) Failing to use Vietnamese language in construction contracts.

2. Remedial measures:

- a) Mandated signing of secondary contractor contracts for violations under Point a Clause 1 of this Article;
- b) Mandated the use of Vietnamese language in construction contracts for violations under Point b Clause 1 of this Article.

### **Article 38. Violation of regulation on maintenance of construction**

1. A fine ranging from VND 20.000.000 to VND 30.000.000 shall be imposed on failing to produce report on completion of maintenance work and submit to project developers.

2. A fine ranging from VND 30.000.000 to VND 40.000.000 shall be imposed on failing to produce maintenance procedures containing all basic details.

3. A fine ranging from VND 40.000.000 to VND 60.000.000 shall be imposed on failing to fulfill maintenance obligations.

4. Remedial measures:

a) Mandated submission of reports on completion of maintenance work to project developers for violations under Clause 1 of this Article;

b) Mandated production of maintenance procedures for violations under Clause 2 of this Article;

c) Mandated fulfillment of maintenance obligations for violations under Clause 3 of this Article.

#### **Article 39. Violation of regulation on storage**

1. A fine ranging from VND 20.000.000 to VND 40.000.000 shall be imposed on:

a) Surveying, design contractors which fail to store construction surveying, design dossiers in a manner adhering to regulations and law;

b) Supervision contractors which fail to store construction dossiers relating to supervision work in a manner adhering to regulations and law;

c) Construction contractors which fail to store quality control dossiers in a manner adhering to regulations and law;

d) Organizing construction experiments without storing experimentation documents, sampling records, and experiment result records;

dd) Organizing professional construction training without storing adequate course dossiers.

2. Remedial measures: mandated storage of dossiers in a manner adhering to regulations and law for violations under Clause 1 of this Article.

#### **Article 40. Violation of regulation on inspection, experimentation, and training in construction**

1. A fine ranging from VND 40.000.000 to VND 50.000.000 shall be imposed on:

a) Conducting quality control without adhering to procedures;

b) Submitting reports on incorrect inspection results;

c) Conducting quality control for construction under the offender's supervision for construction utilizing public investment, non-public investment state capital, PPP projects.

2. A fine ranging from VND 50.000.000 to VND 60.000.000 shall be imposed on:

a) Conducting experiments without obtaining certificate of eligibility for conducting construction experiments from competent authorities or without being eligible for doing so;

b) Providing incorrect or inadequate experiment result records;

c) Fabricating experiment results or providing incorrect experiment results.

3. Remedial measures:

a) Mandated production of inspection results adhering to facts for violations under Point b Clause 1 of this Article;

b) Mandated adequate execution of experiments and provision of adequate experiment results for violations under Point b and Point c Clause 2 of this Article.

### **Chapter III**

#### **ADMINISTRATIVE VIOLATIONS, PENALTIES, AND REMEDIAL MEASURES IN CONSTRUCTION MATERIAL PRODUCTION**

##### **Article 41. Violation of regulation on production of construction materials utilizing white asbestos of serpentine group (hereinafter referred to as "chrysotile")**

1. A fine ranging from VND 60.000.000 to VND 80.000.000 shall be imposed on using chrysotile to produce construction materials as follows:

a) Using chrysotile with unclear origin to produce roofing materials;

b) Using too much chrysotile in production areas.

2. A fine ranging from VND 100.000.000 to VND 120.000.000 shall be imposed on investing in new construction or expanding construction material manufacturing facilities that utilize chrysotile.

3. Remedial measures:

a) Mandated disposal of commodities with unsatisfactory quality for violations under Point a Clause 1 of this Article;

b) Mandated adoption of environmental pollution remedial measures for violations under Point b Clause 1 of this Article;

c) Mandated restoration to original state or dismantlement of construction, parts of construction, and all equipment involved in the violation for violations under Clause 2 of this Article.

## **Chapter IV**

### **ADMINISTRATIVE VIOLATION, PENALTIES, AND REMEDIAL MEASURES IN MANAGEMENT OF TECHNICAL INFRASTRUCTURE**

#### **Section 1. VIOLATION OF REGULATION ON WATER SUPPLY AND DRAINAGE**

##### **Article 42. Violation of regulation on protection of safety zones of groundwater extraction wells, water sources serving clean water production, safety corridor of raw water pipelines, clean water transport pipelines, and technical infrastructure**

1. A fine ranging from VND 40.000.000 to VND 60.000.000 shall be imposed on:

- a) Violating regulations on protection of safety zones of groundwater extraction wells;
- b) Violating regulations on protection of safety corridor of raw water pipelines and clean water pipelines;
- c) Violating regulations on protection of technical structures within water supply system.

2. A fine ranging from VND 60.000.000 to VND 80.000.000 shall be imposed on violation of regulations on protection of water supply sources, failure to construct water supply safeguard zones or water supply structure.

3. Remedial measures:

- a) Mandated restoration to original state for violations under Clause 1 of this Article;
- b) Mandated protection of water supply sources, construction of water supply safeguard zones and water supply structures for violations under Clause 2 of this Article.

##### **Article 43. Violation of regulations on signing water supply service agreements or water supply development plans**

1. A fine ranging from VND 50.000.000 to VND 60.000.000 shall be imposed on:

- a) Failing to sign water supply service agreement with the authority as per the law;
- b) Failing to produce and request competent authority to approve annual and long-term water supply development plan of the region as per the law.

2. Remedial measures:

a) Mandated signing of water supply service agreement with the authorities for violations under Point a Clause 1 of this Article;

b) Mandated production and submission for approval of annual and long-term water supply development plan for violations under Point b Clause 1 of this Article.

#### **Article 44. Violation of regulations on protection and use of water supply network**

1. A fine ranging from VND 10.000.000 to VND 20.000.000 shall be imposed on failing to submit irregular report at request or periodic report to local governments and water supply authorities in central and local governments.

2. A fine ranging from VND 20.000.000 to VND 40.000.000 shall be imposed on:

a) Failing to promptly inform customers to preserve water during the period in which water supply service is to be restored;

b) Failing to ensure adherence to regulations or technical standards when designing, installing, maintaining, using, or inspecting equipment of customers which is connected to the water supply network of the water supply service providers;

c) Violating quality of service at the point of connection for clean water serving domestic purposes;

d) Violating regulations on protection and use of water supply network.

3. A fine ranging from VND 40.000.000 to VND 60.000.000 shall be imposed on:

a) Failing to maintain minimum water pressure of hydrants according to calculation of the pipeline network;

b) Failing to ensure quality of clean water according to technical regulations when supplying clean water for domestic purposes.

4. A fine ranging from VND 60.000.000 to VND 80.000.000 shall be imposed on:

a) Failing to adopt temporary water supply measures in a manner sufficient for basic routines of inhabitants living in affected areas during the period in which incidents are being remediated;

b) Failing to install hydrant system in a law-compliant manner.

5. A fine ranging from VND 100.000.000 to VND 120.000.000 shall be imposed on:

a) Polluting clean and unused water, spreading toxic substances or infectious diseases or diseases that are infectious within water supply network;



b) Partially or wholly transferring the right to provide water supply service without consent of competent authorities as per the law.

6. Remedial measures:

a) Mandated submission of reports for violations under Clause 1 of this Article;

b) Mandated compliance with regulations and technical standards when designing, installing, maintaining, using, and inspecting equipment of customers which is connected to water supply network of water supply service providers for violations under Point b Clause 2 of this Article;

c) Mandated assurance of quality service at points of connection for violations under Point c Clause 2 of this Article;

d) Mandated restoration to original state for violation under Point d Clause 2 of this Article;

dd) Mandated maintenance of minimum water pressure of fire hydrants according to calculation of pipeline network for violations under Point a Clause 3 of this Article;

e) Mandated supply of clean water complying with technical regulations for violations under Point b Clause 3 of this Article;

g) Mandated adoption of temporary water supply measures in order to satisfy basic routines of inhabitants of affected areas as per applicable laws for violations under Point a Clause 4 of this Article;

h) Mandated installation of law-compliant fire hydrants for violations under Point b Clause 4 of this Article;

i) Mandated restoration to original state of clean water supply system for violations under Point a Clause 5 of this Article;

k) Mandated law-compliant application for approval of competent authorities regarding transfer of the right to provide water supply services for violations under Point b Clause 5 of this Article.

**Article 45. Violation of regulations on water supply planning and plans**

1. A fine ranging from VND 40.000.000 to VND 50.000.000 shall be imposed on engaging in water supply-related activities without complying with water supply planning approved by competent authorities.

2. A fine ranging from VND 60.000.000 to VND 80.000.000 shall be imposed on:

a) Investing in construction of water supply structures without conforming to approved water supply development plans;

b) Failing to invest in development of network for distributing and connecting with customers when water supply development plans have been approved by competent authorities.

3. Remedial measures:

a) Mandated compliance with water supply planning approved by competent authorities for violations under Clause 1 of this Article;

b) Mandated investment in water supply structures conforming to approved water supply plans for violations under Point a Clause 2 of this Article;

c) Mandated investment in development of network distributing, connecting with customers for violations under Point b Clause 2 of this Article.

**Article 46. Violation of regulations on water supply service agreement**

1. A fine ranging from VND 40.000.000 to VND 60.000.000 shall be imposed on failing to organize inspection of water measurement instrument at request within the time limit prescribed by measurement authorities as per the law.

2. A fine ranging from VND 60.000.000 to VND 80.000.000 shall be imposed on utilizing water supply service agreements between water wholesalers and retailers without consideration and written consent of competent authorities.

3. Remedial measures:

a) Mandated inspection of water measurement instrument for violations under Clause 1 of this Article;

b) Mandated submission of water supply agreement to competent authorities for consideration and written approval for violations under Clause 2 of this Article.

**Article 47. Violation of regulation on use of water drainage system**

1. A fine ranging from VND 60.000.000 to VND 80.000.000 shall be imposed on connecting water drainage system of the structure to general water drainage structure without adhering to connection agreement.

2. A fine ranging from VND 80.000.000 to VND 100.000.000 shall be imposed on:

a) Failing to manage assets invested from funding sources of owners of water drainage and treatment structures in a manner conforming to the signed contracts for managing, operating water drainage systems;

b) Failing to ensuring safety, efficiency, and effectiveness in managing and operating water drainage and treatment systems as per the law;

- c) Failing to develop and organize implementation of procedures for managing and operating water drainage systems;
- d) Failing to establish database and managing households connecting to water drainage system under their management or failing to cooperate with water supply service providers or failing to charge for drainage service as per the law;
- dd) Failing to provide information on connection agreement for requesting entities;
- e) Failing to maintain stability of water drainage service in a law-compliant manner;
- g) Failing to submit periodic report in a law-compliant manner to owners and regulatory authorities regarding water drainage in central and local governments.

### 3. Remedial measures:

- a) Mandated law-compliant connection for violations under Clause 1 of this Article;
- b) Mandated development and implementation of procedures for managing and operating water drainage structures for violations under Point c Clause 2 of this Article;
- c) Mandated establishment of database and managing households connecting to water drainage system under the offender's management or mandated cooperate with water supply service providers or mandated collection of service fees for violations under Point d Clause 2 of this Article;
- d) Mandated provision of agreement information for requesting entities for violations under Point d Clause 2 of this Article;
- dd) Mandated maintenance of water drainage service for violations under Point e Clause 2 of this Article;
- e) Mandated submission of periodic reports to owners and water drainage authorities in local and central governments for violations under Point g Clause 2 of this Article.

## **Article 48. Violation regarding management of elevation related to water drainage**

1. A fine ranging from VND 10.000.000 to VND 20.000.000 shall be imposed on water drainage service providers that fail to provide information on elevation of water drainage system to requesting organizations and individuals.
2. A fine ranging from VND 30.000.000 to VND 40.000.000 shall be imposed on:
  - a) Organizations, individuals, and households which invest in construction without complying with basic urban level that has been provided;

b) Failing to identify and failing to manage water elevation of detention basins, drainage canals in order to maximize rainwater drainage and regulation capacity, prevent flooding, and protect the environment;

c) Failing to manage elevation of primary sewers and rainwater, wastewater sewer.

3. Remedial measures:

a) Mandated provision of information on elevation of water drainage system carried out by water drainage service providers for violations under Point 1 of this Article;

b) Mandated law-compliant management of elevation for violations under Point b and Point c Clause 2 of this Article.

**Article 49. Violation of regulations on management of detention basin system**

1. A fine ranging from VND 10.000.000 to VND 20.000.000 shall be imposed on:

a) Failing to dredge the basin and clean the lake bed or banks on a periodic basis;

b) Failing to produce management procedures and regulations on utilizing detention basis;

c) Failing to obtain permission of competent authorities for using detention basis for recreational, aquaculture, tourism purposes, or other purposes.

2. A fine ranging from VND 40.000.000 to VND 60.000.000 shall be imposed on failing to maintain a stable water level of detention basins.

3. Remedial measures:

a) Mandated periodic dredging of lake bed, cleaning of lake bed and banks for violations under Point a Clause 1 of this Article;

b) Mandated preparation of procedures for managing and utilizing detention basis for violations under Point b Clause 1 of this Article.

**Article 50. Violation of regulations on management and operation of wastewater drainage system**

1. A fine ranging from VND 10.000.000 to VND 20.000.000 shall be imposed on failing to periodically inspect and assess quality of typical structures, structures on water drainage network, air tightness, residues at joints, manholes, and sewers in order to ensure continuous operation of the system or failing to propose solutions for replacing, repairing, dredging, maintaining, and plans for developing water drainage system as per the law.

2. Remedial measures: Mandated periodic inspection and assessment for violations under Clause 1 of this Article.

#### **Article 51. Violation of regulations on management of rainwater drainage and reuse system**

1. A fine ranging from VND 60.000.000 to VND 80.000.000 shall be imposed on entities managing rainwater drainage and reuse systems which:

a) Fail to ensure that sewers, canals, manholes are dredged, maintained, preserved on a periodic basis, allow the flow as per design or fail to regularly inspect, maintain manhole covers, rainwater drainage and discharge gates, or fail to periodically inspect, assess quality of sewers, structures within the network to propose plans for replacement and repair;

b) Fail to establish management procedures for rainwater drainage system satisfactory to management and operation demands;

c) Reuse rainwater for different purposes without satisfying appropriate technical standards and regulations on water quality.

2. Remedial measures:

a) Mandated periodic dredging, maintenance, preservation of sewers, canals, manholes, assurance of flow by design or mandated inspection, maintenance of manhole covers, rainwater drainage and discharge gates or mandated inspection, assessment of sewers, structures within the network to propose plans for replacement and repair for violations under Point a Clause 1 of this Article;

b) Mandated establishment of management procedures for rainwater drainage and reuse system for violations under Point b and Point c Clause 1 of this Article.

#### **Article 52. Violation regarding collection, transport, and treatment of sludge of water drainage system at urban areas and rural residential areas**

1. A fine ranging from VND 10.000.000 to VND 20.000.000 shall be imposed on failing to collect, store, and transport sludge to treatment facilities as per planning or locations permitted by the authorities to treat in a manner satisfactory to environmental hygiene.

2. A fine ranging from VND 20.000.000 to VND 40.000.000 shall be imposed on treating and reusing sludge without complying with regulations on sludge management and use issued by competent authorities and regulations on environmental protection.

3. In case violations involve discharging untreated sludge into the environment or failing to assure compliance with applicable regulations on discharge into the environment after treating or failing to manage hazardous waste in accordance with regulation on managing hazardous waste for sludge containing hazardous components or failing to adopt suitable solutions for collecting and treating sludge when investing in construction of wastewater treatment plants, impose

penalties in accordance with the Decree imposing penalties for administrative violations in environmental protection.

4. Remedial measures:

a) Mandated collection, store, and transport of sludge to treatment locations as per planning or locations permitted by the authorities to carry out treatment in a manner satisfactory to environmental hygiene for violations under Clause 1 of this Article;

b) Mandated adoption of environmental pollution remedial measures for violations under Clause 2 of this Article.

**Section 2. VIOLATION OF REGULATIONS ON LIGHTING, PUBLIC TREE, CEMETERY, CREMATORIUM MANAGEMENT**

**Article 53. Violation of regulations on management, operation, and use of the public lighting system**

1. A fine ranging from VND 5.000.000 to VND 10.000.000 shall be imposed on entities managing and operating public urban lighting system that fail to submit periodic reports on management and operation of public lighting system under their management to urban governments and specialized agencies.

2. A fine ranging from VND 10.000.000 to VND 20.000.000 shall be imposed on:

a) Failing to periodically inspect and assess quality of light sources and equipment of the public lighting system in order to propose timely solutions for replacement and repair;

b) Failing to use light sources and lighting equipment licensed with Energy efficient certificate or labeled with energy efficient label issued by competent authorities when repairing, replacing, installing new light sources and lighting equipment at construction sites and urban lighting structures that utilize state budget;

c) Providing urban public lighting in a manner not complying with technical procedures for lighting, not guaranteeing safety and electricity efficiency, fire safety, and operation time of the urban public lighting system as per the law.

3. Remedial measures:

a) Mandated compliance with reporting policies for violations under Clause 1 of this Article;

b) Mandated the use of light sources and lighting equipment licensed with Energy efficient certificate or labeled with energy efficient label of competent authorities for violations under Point b Clause 2 of this Article;

c) Mandated provision of urban public lighting in a manner complying with technical procedures for lighting, guaranteeing safety and electricity efficiency, fire safety, and operation time of the urban public lighting system as per the law for violations under Point c Clause 2 of this Article.

#### **Article 54. Violation of regulation on tree, park, and flower bed protection**

1. A warning shall be issued for:

- a) Carving, nailing trees, cutting trunks, peeling barks, defecating around trees;
- b) Caring or trimming trees without complying with technical procedures.

2. A fine ranging from VND 20.000.000 to VND 30.000.000 shall be imposed on:

- a) Disposing of toxic substances or construction materials around trees; cooking, burning, building platforms or steps around tree trunks;
- b) Planting trees on sidewalks, median strips, roads, traffic junctions, or public areas in a manner not complying with regulations and law;
- c) Planting trees under list of prohibited trees or list of trees planted in limited number without permission of competent authorities;
- d) Obstructing the planting of trees.
- dd) Planting urban trees without complying with technical procedures, without planting the right cultivars, standards, and safety regulations.

3. A fine ranging from VND 30.000.000 to VND 50.000.000 shall be imposed on felling, relocating, digging around urban public trees or trimming roots without permission.

4. Remedial measures:

- a) Mandated restoration to original state for violations under Point a, Point b, Point c Clause 2 of this Article;
- b) Mandated planting of urban trees in accordance with technical procedures, with appropriate cultivars and standards for violations under Point dd Clause 2 of this Article.

#### **Article 55. Violation of regulation on construction, management, and use of cemeteries and crematoriums**

1. A fine ranging from VND 10.000.000 to VND 20.000.000 shall be imposed on:

- a) Failing to install surrounding walls or trees according to approved design for cemeteries situated in urban areas or rural residential areas;

- b) Transferring personal burial plots for cases where such a transfer is not allowed;
- c) Failing to produce and keep adequate cemetery dossiers as per the law;
- d) Failing to submit report on management and use of cemeteries in an adequate and timely manner;
- dd) Failing to issue and publicize fees of cemetery service and crematorium service as per applicable laws;
- e) Failing to store ashes in appropriate locations or locations not approved by competent authorities.

2. A fine ranging from VND 20.000.000 to VND 40.000.000 shall be imposed on:

- a) Failing to ensure safety clearance from outer walls of cemeteries and crematoriums to residential areas and other public structures as per technical regulations regarding construction planning;
- b) Failing to close cemeteries when there are no vacancies left, causing environmental pollution;
- c) Using more land for individual grave plots than permitted.

3. A fine ranging from VND 40.000.000 to VND 60.000.000 shall be imposed on cremation service providers which:

- a) Operate without being eligible as per the law;
- b) Assign ineligible personnel to operate the crematoriums;
- c) Fail to produce management procedures for crematoriums or fail to adhere to the approved management procedures;
- d) Fail to produce log of cases of cremation as per the law;
- dd) Fail to submit reports on operation of crematoriums to competent authorities.

4. A fine ranging from VND 60.000.000 to VND 80.000.000 shall be imposed on project developers which:

- a) Bring unqualified cemeteries or crematoriums into use;
- b) Fail to ensure minimum safety clearance from crematoriums constructed outside of cemeteries to residential areas and public structures.

5. Additional forms of penalties:



Suspension from 9 to 12 months for violations under Point b Clause 2 and Point a Clause 4 of this Article.

6. Remedial measures:

- a) Mandated construction of surrounding walls or trees according to approved design for cemeteries in urban areas or in rural urban areas for violations under Point a Clause 1 of this Article if construction is in progress;
- b) Mandated recall of personal burial plots that have been transferred for violations under Point b Clause 1 of this Article;
- c) Mandated preparation of cemetery logs for violations under Point c Clause 1 of this Article.
- d) Mandated submission of adequate and timely reports on management and use of cemeteries for violation under Point d Clause 1 of this Article;
- dd) Mandated issuance and public posting of fees of cemetery service and cremation service for violations under Point d Clause 1 of this Article;
- e) Mandated store of ashes for violations under Point e Clause 1 of this Article;
- g) Mandated close down of cemeteries for violations under Point b Clause 2 of this Article;
- b) Mandated adherence to permitted land area for violations under Point c Clause 2 of this Article;
- i) Mandated assurance of eligibility for violations under Point a and Point b Clause 3 of this Article;
- k) Mandated preparation of management procedures of crematoriums or mandated adoption of approved management procedures of crematoriums for violations under Point c Clause 3 of this Article;
- l) Mandated preparation of logs of cremation cases for violations under Point d Clause 3 of this Article;
- m) Mandated submission of reports on operation of crematoriums to competent authorities for violations under Point dd Clause 3 of this Article;
- n) Mandated satisfaction of qualification for violations under Point a Clause 4 of this Article;
- o) Mandated assurance of safety clearance from crematoriums constructed outside of cemeteries to residential areas and public structures for violations under Point b Clause 4 of this Article.

### **Section 3. VIOLATION OF REGULATION ON MANAGEMENT AND USE OF URBAN UNDERGROUND STRUCTURES, AND MANAGEMENT, COMMON USE OF TECHNICAL INFRASTRUCTURE**

#### **Article 56. Violation of regulation on management and use of urban underground structure**

1. A fine ranging from VND 10.000.000 to VND 20.000.000 shall be imposed on:

- a) Project developers who fail to notify agencies and parties to the agreement of plans and connection progress prior to making connection;
- b) Construction contractors who fail to notify project developers or managing and using entities and design authorities for promptly solutions upon detecting any irregularity during monitoring.

2. A fine ranging from VND 40.000.000 to VND 60.000.000 shall be imposed on:

- a) Making technical connection and spatial connection without meeting requirements;
- b) Project developers of underground construction who do not negotiate with urban technical infrastructure coordinators or owners or managers and users of structures that are spatially connected (if any) when designing underground construction;
- c) Project developers or managers and users which fail to perform technical surveying during construction, extraction, and use of underground structures;
- d) Using technical tunnels and trenches without license or for the incorrect purposes;
- d) Violating regulation on management, extraction, use, and maintenance of underground structure.

3. A fine ranging from VND 60.000.000 to VND 80.000.000 shall be imposed on:

- a) Project developers of new urban area projects, housing projects which do not invest in sewers, technical tanks, tunnels, trenches in order to situate and install technical lines and pipelines as per approved pipelines;
- b) Violating safety corridor and underground structure protection clearance.

4. Remedial measures:

- a) Mandated submission of notice regarding plans, and connection progress to agencies and parties to the agreements for violations under Point a Clause 1 of this Article;
- b) Mandated restoration to original state for violations under Point a Clause 2 and Point b Clause 3 of this Article;

c) Mandated reaching of agreement with technical infrastructure coordinators of urban areas or owners or managers, users of structures that have been spatially connected (if any) for violations under Point b Clause 2 of this Article;

d) Mandated implementation of technical surveying for violations under Point c Clause 2 of this Article;

dd) Mandated the use of technical tunnel and trench systems with license or for the right purposes for violations under Point d Clause 2 of this Article;

e) Mandated compliance with regulations on management, extraction, and maintenance of underground structures for violations under Point dd Clause 2 of this Article;

g) Mandated law-compliant construction activities of project developers of new urban, housing projects for violations under Point a Clause 3 of this Article.

#### **Article 57. Violation of regulation on management and common use of technical infrastructure**

1. A fine ranging from VND 20.000.000 to VND 40.000.000 shall be imposed on:

a) Obstructing the installation, operation, maintenance, or upgrade of equipment;

b) Violating regulations on management, extraction, use, and maintenance of common technical infrastructure.

2. A fine ranging from VND 40.000.000 to VND 60.000.000 shall be imposed on installing, managing, operating telecommunication, electricity, public lighting lines, wires, water supply and drainage pipes, energy pipes, or equipment attached to common technical infrastructure in a manner unsatisfactory to regulations and law.

3. A fine ranging from VND 60.000.000 to VND 80.000.000 shall be imposed on constructing common technical infrastructure without complying with urban planning, without construction permit, or without complying with construction permit.

4. Remedial measures:

a) Mandated compliance with regulation on installation, operation, maintenance, and upgrade of equipment for violations under Point a Clause 1 of this Article;

b) Mandated adherence to regulation on management, operation, use, and maintenance of common technical infrastructures for violations under Point b Clause 1 of this Article;

c) Mandated law-compliant installation, management, and operation of telecommunication, electricity, public lighting lines, wires, water supply and drainage pipes, energy pipes, or

equipment attached to common technical infrastructure for violations under Clause 2 of this Article;

d) Mandated dismantlement of structures or part of structures for violations under Clause 3 of this Article.

## **Chapter V**

### **ADMINISTRATIVE VIOLATIONS, PENALTIES, AND REMEDIAL MEASURES IN IMMOVABLE PROPERTY TRADING, HOUSING MANAGEMENT AND DEVELOPMENT**

#### **Section 1. VIOLATION OF REGULATION ON IMMOVABLE PROPERTY TRADING**

##### **Article 58. Violation of regulation on immovable property trading**

1. A fine ranging from VND 100.000.000 to VND 120.000.000 shall be imposed on:

a) Failing to establish enterprises or cooperatives as required by the law when trading immovable properties;

b) Failing to publicize adequate details regarding immovable property projects or housing construction projects as per the law;

c) Failing to transform immovable property trading agreement to a physical form which contains all basic details conforming to the law;

d) Failing to provide information on construction progress or the use of advance upon being requested; failing to permit the buyer or lease buyer to inspect construction progress and/or quality as per the law;

dd) Charging fees related to immovable property transfer in a manner not conforming to regulations and law.

2. A fine ranging from VND 120.000.000 to VND 160.000.000 shall be imposed project developers or owners of buildings, structures who:

a) Sign contracts for sale or lease purchase of buildings, structures without attaching land use right with the buildings or structures;

b) Fail to notify the buyer about restrictions to ownership of buildings and structures (if any).

3. A fine ranging from VND 400.000.000 to VND 600.000.000 shall be imposed on:

a) Trading immovable properties that are not qualified as per the law or not permitted to be traded as per the law;

- b) Trading immovable properties in the incorrect scope of trade;
- c) Carrying out construction of immovable property trading projects, housing construction investment projects that are behind on progress approved by competent authorities;
- d) Selling or leasing purchase off-plan houses without contracts with commercial banks capable enough to provide guarantee for financial obligations of project developers when the project developers fail to transfer houses according to progress agreed upon with the customers or when guarantee contracts are incorrect or inadequate as per the law;
- dd) Charging the buyers, the lease buyers of off-plan immovable properties at the incorrect progress of the projects according to agreements of the parties or charging more than the percentage of contract value;
- e) Authorizing or assigning parties of cooperated investment, joint venture, connection, joint business, or capital contribution to sign contracts for sale, transfer, or lease purchase of immovable properties;
- g) Refusing verification without justifiable reasons or failing to verify in the documents on transfer of contracts for sale, lease purchase of off-plan immovable properties;
- h) Transferring contracts for lease purchase of built buildings, structures or transferring contracts for sale, lease purchase of off-plan houses in a manner not complying with regulations and law;
- i) Failing to comply with applicable regulations on sale price, transfer price, lease price, lease purchase price of immovable properties;
- k) In case the violations involve failing to adopt procedures for issuing certificate for land use right, ownership of houses and other assets attached to land to the buyers, the lease buyers or failing to provide relevant documents and legal instruments to the buyers, lease buyers as per the law, impose penalties for administrative violations in accordance with Decree imposing penalties for administrative violations in land.

4. A fine ranging from VND 800.000.000 to VND 1.000.000.000 shall be imposed on project developers of immovable property trading projects which:

- a) Failing to adhere to procedures when transferring projects in part or in whole;
- b) Failing to satisfy all requirements or conditions when transferring projects in part or in whole;
- c) In case violations involve transferring projects in part or in whole without certificate of land use right or when the land use right is being disputed or used as attachment for enforcing judgment or when the transferee is not an immovable property trading enterprise or is not financially capable as per the law, impose penalties in accordance with Decree of the Government imposing penalties for administrative violations in land;

d) Transferring buildings, structures to customers without finishing houses, structures, technical infrastructures and social infrastructures according to progress specified in the approved projects, without connecting to the general infrastructure of the area, without finishing the surface area (when transferring basic buildings and structures), without commissioning or obtaining written approval of commissioning results of competent authorities for bringing houses, social infrastructures into use as per the law;

dd) Mobilizing capital in a manner not complying with regulations and law;

e) Using capital mobilized from organizations and individuals or advance of the buyers, lessees, lease buyers of off-plan immovable properties for purposes other than those in the agreement.

5. Additional forms of penalties: Suspension of immovable property trading operation for 3 to 6 months for projects where violations under Point a, Point b, and Point e Clause 3 of this Article occur.

6. Remedial measures:

a) Mandated adequate disclosure of information for violations under Point b Clause 1 of this Article;

b) Mandated law-compliant preparation of contracts for violations under Point c Clause 1 of this Article;

c) Mandated provision of information on construction progress or the use of advance upon being requested; mandated granting of permission for the buyers, lease buyers to physically inspect progress at construction site as per the law for violations under Point d Clause 1 of this Article;

d) Mandated refund of the illegal charges relating to transfer of immovable properties to the buyers for violations under Point dd Clause 1 of this Article;

dd) Mandated preparation of contracts binding land use right with buildings and construction for violations under Point a Clause 2 of this Article;

e) Mandated submission to notice to the parties regarding limitations to ownership of buildings and structures (if any) for violations under Point b Clause 2 of this Article;

g) Mandated adherence to immovable property trading scope for violations under Point b Clause 3 of this Article;

h) Mandated preparation of contracts for guaranteeing financial obligations of project developers for violations under Point d Clause 3 of this Article;

i) Mandated collection of charges from the buyers, lease buyers of off-plan immovable properties in accordance with project progress or mandated refund of the excessive contract value for violations under Point dd Clause 3 of this Article;

- k) Mandated law-compliant verification for violations under Point g Clause 3 of this Article;
- l) Mandated law-compliant transfer of contracts for violations under Point h Clause 3 of this Article;
- m) Mandated compliance with regulations and law on sale price, transfer price, lease price, and lease purchase price of immovable properties and refund of the excessive collectibles (if any) for violations under Point I Clause 3 of this Article;
- n) Mandated law-compliant transfer of projects in part or in whole for violations under Point a and Point b Clause 4 of this Article;
- o) Mandated suspension of building and structure transfer, finishing of construction or commissioning or obtaining of written approval of commissioning results issued by competent authorities for violations under Point d Clause 4 of this Article;
- p) Mandated refund of the illegally mobilized capital for violations under Point dd Clause 4 of this Article;
- q) Mandated use of mobilized capital for the right purposes under the agreements for violations under Point e Clause 4 of this Article.

#### **Article 59. Violation of regulation on provision of immovable property trading service**

1. A fine ranging from VND 40.000.000 to VND 60.000.000 shall be imposed on:

- a) Providing independent immovable property trading services without an effective real estate license as per the law;
- b) Erasing or fabricating or otherwise altering the real estate license;
- c) Leasing, lending, borrowing, or renting real estate license in order to engage in activities relating to immovable property trading;
- d) Acting as both the brokers and the parties executing the contract in an immovable property trade.

2. A fine ranging from VND 120.000.000 to VND 160.000.000 shall be imposed on:

- a) Providing immovable property trading service without establishing enterprises as per the law or not having sufficient number of employees having effective real estate license;
- b) Failing to produce physical copies of immovable property trading contracts which contain all primary details as per the law;

c) Immovable property trading broker service providers, immovable property trading platform service providers, or individuals engaging in independent immovable property trading service provision which fail to fulfill reporting policies as per the law;

d) Immovable property trading platforms that do not have operating regulations or operate against the regulations approved by competent authorities or operate without name, address or change name or address without notifying the authorities;

dd) Charging immovable property trading service fees that are not regulated by the law.

3. A fine ranging from VND 200.000.000 to VND 250.000.000 shall be imposed on:

a) Listing unqualified immovable properties on immovable properties trading platforms;

b) Failing to provide truthful documents and information on the immovable properties being brokered.

4. Additional forms of penalties:

a) Suspension of real estate license for 3 to 6 months for violations under Point c Clause 1 of this Article;

b) Suspension of operation of immovable property trading platforms for 6 to 9 months for violations under Point a Clause 2 and Point a Clause 3 of this Article.

5. Remedial measures:

a) Mandated acquisition of real estate license when providing independent immovable property trading services for violations under Point a Clause 1 of this Article;

b) Mandated submission of fabricated, erased, or otherwise altered real estate license to competent authorities that issue the license for violations under Point b Clause 1 of this Article;

c) Mandated establishment of enterprises when providing immovable property trading services or mandated maintaining of sufficient number of employees issued with real estate license for violations under Point a Clause 2 of this Article;

d) Mandated production of contracts or contracts for provision of immovable property trading services containing all basic information as per the law for violations under Point b Clause 2 of this Article;

dd) Mandated compliance with reporting policies for violations under Point c Clause 2 of this Article;

e) Mandated refund of immovable property trading fees to the payers for violations under Point dd Clause 2 of this Article;



g) Mandated provision of information on immovable properties for violations under Point b Clause 3 of this Article.

**Article 60. Violation of regulation on management, use, and declaration of information regarding houses and immovable property market**

1. A fine ranging from VND 60.000.000 to VND 80.000.000 shall be imposed on:

a) Failing to provide accurate, adequate, and timely information and data regarding immovable property trading market to agencies managing housing and real estate information systems;

b) Providing a third party data regarding houses and immovable property market received from competent authorities without permission of agencies managing housing and real estate information systems;

c) Failing to clarify, explain, and adjust information on immovable property market provided by the offenders at request of agencies managing housing and real estate information systems

d) Fabricating, damaging, or losing information or data on houses and immovable property market in the information system, national and local housing databases as per the law;

dd) Illegally appropriating or disposing information or data on housing and immovable property market within the information system, and national and local housing databases;

e) Obstructing extraction or use of information or data on housing and immovable property market within the information system, national and local housing databases;

g) Failing to promptly inform agencies managing the housing and real estate market information systems about error of provided information and system.

2. Remedial measures:

a) Mandated adequate provision of information and data on immovable property market to agencies managing the housing and real estate market information systems for violations under Point a Clause 1 of this Article;

b) Mandated clarification, explanation, and adjustment to information on immovable property market for violations under Point c Clause 1 of this Article;

c) Mandated revision to information system and data on housing and immovable property market for violations under Point d Clause 1 of this Article;

d) Mandated return or restoration of information and data on housing and immovable property market for violations under Point dd Clause 1 of this Article;

dd) Mandated compliance with regulations on extraction and use of information and data on housing and immovable property market for violations under Point e Clause 1 of this Article;

e) Mandated notification on errors of provided information and data for violations under Point g Clause 1 of this Article.

#### **Article 61. Violation of regulation on training for real estate brokerage and immovable property trading platform coordination**

1. A fine ranging from VND 5.000.000 to VND 10.000.000 shall be imposed on:

- a) Issuing the incorrect form of certificate for course completion;
- b) Failing to send information of training facilities to Ministry of Construction and Department of Construction where the head office is located in order to be uploaded on website;
- c) Failing to send information of immovable property trading platform to Ministry of Construction and Department of Construction where the head office is located in order to be uploaded on website;
- d) Failing to store training dossiers or documents relating to final exams.

2. A fine ranging from VND 20.000.000 to VND 40.000.000 shall be imposed on:

- a) Failing to organize inspection, assessment, or ranking of studying results for learners;
- b) Using final exam question sheets to issue real estate license without being approved;
- c) Allowing ineligible individuals to participate in final exams for real estate license.

3. A fine ranging from VND 60.000.000 to VND 80.000.000 shall be imposed on:

- a) Using teaching materials not suitable for framework programs;
- b) Failing to guarantee sufficient teaching and program duration before issuing real estate license.

4. A fine ranging from VND 80.000.000 to VND 100.000.000 shall be imposed on:

- a) Using examination expenditure in a manner not satisfactory to regulations and law;
- b) Failing to oversee exam questions or disclosing exam questions.

5. Remedial measures:

- a) Mandated submission of information of immovable property trading platform to Ministry of Construction and Department of Construction for violations under Point c Clause 1 of this Article;
- b) Mandated storage of training dossiers or documents relating to final exams for violations under Point d Clause 1 of this Article;
- c) Mandated approval of exam questions and re-organization of exams if the previous exam is not up to quality for violations under Point b Clause 2 of this Article;
- d) Mandated fulfillment of eligibility for participation in examination. If eligibility cannot be fulfilled, the certificate must be annulled for violations under Point c Clause 2 of this Article;
- dd) Mandated use of teaching materials suitable with framework program for violations under Point a Clause 3 of this Article;
- e) Mandated annulment of certificates, re-organization of training and re-issuance of certificate without charging additional fees for violations under Point b Clause 3 of this Article.

#### **Article 62. Violation of regulation on training for apartment building coordination**

1. A fine ranging from VND 20.000.000 to VND 40.000.000 shall be imposed on issuing the incorrect form of certificate of completion of apartment building management and coordination course
2. Remedial measures: Mandated disposal of certificates that use the incorrect form and re-issuance of certificate using the right form for violations under Clause 1 of this Article.

### **Section 2. VIOLATION OF REGULATION ON HOUSING MANAGEMENT AND DEVELOPMENT**

#### **Article 63. Violation of regulation on housing development**

1. A fine ranging from VND 80.000.000 to VND 100.000.000 shall be imposed on:
  - a) Failing to submit report, provide housing information in a truthful manner or in a manner satisfactory to regulations and law or in a manner compliant with request of competent authorities, failing to submit reports on implementation and results of housing construction projects to competent authorities;
  - b) Naming or adjusting name of housing construction projects or naming areas in the projects in a manner not conforming to regulations or not decided by competent authorities.
2. A fine ranging from VND 100.000.000 to VND 120.000.000 shall be imposed on project developers which:

a) Revise: implementation progress, type of houses to be built, total floor area, total number houses, percentage of buildings, or total investment of housing construction projects utilizing public investment, non-public investment state capital, PPP projects before competent authorities decide;

b) Fail to prioritize commercial housing in the projects for owners of cleared houses who wish to relocate in the project sites;

c) Fail to build houses to facilitate relocation in the area planned for construction of houses for employees in industrial parks or designate houses in other location for owners of cleared houses who wish to relocate when implementing industrial park infrastructure projects;

d) Fail to allocate land fund to serve individuals eligible for relocation in housing construction projects to serve relocation in rural areas;

dd) Intentionally alter standards or regulations on building relocation houses and auxiliary structures (if any) once competent authorities have approved relocation plans;

e) Fail to reserve adequate area for construction of social houses in order to lease (for social housing construction projects not located in areas where social housing investment and construction projects must be produced in order to lease);

g) Fail to pay guarantee for housing transaction in accordance with regulations and law on immovable property trading;

h) Fail to adhere to applicable standards and regulations when designing and constructing social houses;

i) Use housing area and other equipment for the purposes other than those approved and accepted by competent authorities.

3. A fine ranging from VND 120.000.000 to VND 160.000.000 shall be imposed on project developers who are slow to invest in social housing construction using the land fund reserved for social housing development in commercial housing development projects in urban areas.

4. A fine ranging from VND 160.000.000 to VND 200.000.000 shall be imposed on project developers who fail to invest in social housing construction using the land fund reserved for social housing development in commercial housing development projects in urban areas.

5. A fine ranging from VND 260.000.000 to VND 300.000.000 shall be imposed on project developers who do not reserve residential land area which has been invested for construction of technical infrastructure in the projects in order to build social houses for commercial housing investment and construction projects in urban areas.

6. Remedial measures:

- a) Mandated submission of reports on project execution to competent authorities for violations under Point a Clause 1 of this Article;
- b) Mandated law-compliant naming or revision to name of projects or areas of projects for violations under Point b Clause 1 of this Article;
- c) Mandated annulment of revision results for violations under Point a Clause 2 of this Article;
- d) Mandated prioritization of commercial housing performed by project developers for violations under Point b Clause 2 of this Article;
- dd) Mandated construction of houses to facilitate relocation for violations under Point c Clause 2 of this Article;
- e) Mandated arrangement and allocation of land fund performed by project developers to serve production for violations under Point d Clause 2 of this Article;
- g) Mandated construction of relocation houses and auxiliary structures (if any) in a manner adhering to construction standards for violations under Point dd Clause 2 of this Article if construction has not been commenced or is in progress;
- h) Mandated reservation of sufficient area for construction of social houses for violations under Point e Clause 2 of this Article;
- i) Mandated payment of guarantee for housing transaction for violations under Point g Clause 2 of this Article;
- k) Mandated adherence of project developers to design approved by competent authorities and construction standards and regulations for violations under Point h Clause 2 of this Article if construction has not been commenced or is in progress;
- l) Mandated commencement of social housing construction performed by project developers for violations under Clause 3 of this Article within 30 days from the date on which decisions imposing penalties for administrative violations;
- m) Mandated investment and construction of social houses by project developers for violations under Clause 4 of this Article;
- n) Mandated reservation of land plot by project developers to develop social houses for violations under Clause 2 of this Article.

#### **Article 64. Violation of regulation housing transaction management**

1. A fine ranging from VND 40.000.000 to VND 60.000.000 shall be imposed on:

a) Selling, leasing, lease purchasing state-owned houses with inappropriate authorization, for the incorrect buyers, or under incorrect conditions;

b) Selling, leasing, lease purchasing social houses to the incorrect buyers;

c) Selling, leasing, lease purchasing social houses without sufficient conditions as per the law.

2. A fine ranging from VND 100.000.000 to VND 120.000.000 shall be imposed on:

a) Converting, selling, subleasing without consent of the authorities when renting or rent purchasing state-owned houses;

b) Selling, subleasing, or lending social houses during rent, rent purchase, or sale while renting, rent purchasing, or purchasing social houses.

3. Penalties for violations which involve foreign factors:

a) A fine ranging from VND 20.000.000 to VND 40.000.000 shall be imposed on leasing houses without notifying housing authorities of districts in writing where the houses are located;

b) A fine ranging from VND 60.000.000 to VND 80.000.000 shall be imposed on paying for purchase, lease purchase of houses via other than credit institutions legally operating in Vietnam;

c) A fine ranging from VND 160.000.000 to VND 200.000.000 shall be imposed on leasing houses, turning houses into office, or using houses for purposes other than residential purposes.

4. A fine ranging from VND 200.000.000 to VND 260.000.000 shall be imposed project developers of social housing investment projects who sign rent agreement for off-plan social houses in a manner not conforming to regulations and law (unless otherwise regulated by the law).

5. A fine ranging from VND 260.000.000 to VND 300.000.000 shall be imposed on project developers who:

a) Sell more houses than the quantity allowed to be owned by foreign individuals and organizations;

b) Sell houses to foreigners in areas where foreign organizations and individuals are not allowed to own houses;

c) Fail to send information on houses sold to foreign organizations and individuals (via electronic or written form) in order to upload on website of Department of Construction.

6. Remedial measures:

- a) Mandated appropriation of state-owned houses which have been sold, leased, or lease purchased with inappropriate authorization, for the incorrect buyers, or under incorrect conditions for violations under Point a Clause 1 of this Article;
- b) Mandated appropriation of social houses and refund of social house purchase, lease, lease purchase price to the parties that purchase or rent purchase social houses for violations under Point b and Point c Clause 1 of this Article;
- c) Mandated appropriation of state-owned houses which have been converted, sold, or subleased without consent of the authorities for violations under Point a Clause 2 of this Article;
- d) Mandated appropriation of social houses for violations under Point b Clause 2 of this Article;
- dd) Mandated recollection of payments made via other than credit institutions legally operating in Vietnam for violations under Point b Clause 3 of this Article;
- e) Mandated cancellation of lease of the leasing parties for violations under Point c Clause 3 of this Article;
- g) Mandated appropriation of houses sold to foreign individuals, refund of all payments paid by the buyers, and payment of damages for the buyers for violations under Point a and Point b Clause 5 of this Article.

### **Section 3. VIOLATION OF REGULATION ON HOUSING MANAGEMENT AND USE**

#### **Article 65. Violation of regulation on management and use of official residence, state-owned houses, and social houses**

1. A fine ranging from VND 80.000.000 to VND 100.000.000 shall be imposed on individuals renting, rent purchasing state-owned houses, renting official residence who:
  - a) Modify, expand, renovate, or dismantle houses without permission;
  - b) Use houses for purposes other than those specified in rental agreement.
2. A fine ranging from VND 100.000.000 to VND 120.000.000 shall be imposed on individuals renting official residence who:
  - a) Fail to use houses for residential purposes and domestic needs of themselves and their family members during rental period;
  - b) Modify, renovate, or dismantle official residence without permission;
  - c) Sublease or authorize other individuals to manage official residence;

d) Fail to return official residence to the state when no longer eligible for renting houses as per the law.

3. Remedial measures:

b) Mandated restoration to original state for violations under Point a Clause 1 and Point b Clause 2 of this Article;

b) Mandated the use of official residence for the right purposes for violations under Point b Clause 1 and Point a Clause 2 of this Article;

c) Mandated recall of official residence for violations under Point c and Point d Clause 2 of this Article.

**Article 66. Violation of regulation on management and use of villas**

1. A fine ranging from VND 250.000.000 to VND 300.000.000 shall be imposed on:

a) Altering any of the following factors of a group 1 villa: exterior shape or architecture, interior structure, building intensity, number of storey, or height;

b) Altering exterior architecture of a group 2 villa.

2. Remedial measures: Mandated restoration to original state for violations under Clause 1 of this Article.

**Article 67. Violation of regulation management and use of apartment buildings of project developers**

1. A fine ranging from VND 80.000.000 to VND 100.000.000 shall be imposed on:

a) Operating dance bars;

b) Failing to open accounts for maintenance expenditure of common areas in apartment buildings in a manner conforming to regulations and law;

c) Fail to promptly request Chairpersons of People's Committees of communes in writing to organize apartment building meeting when the first apartment building meeting did not have enough participants as per the law;

d) Failing to adequately inform Departments of Construction where projects take place in writing about name accounts, number of accounts, credit institutions where the accounts are opened, and term of maintenance expenditure deposit;

dd) Failing to produce annual maintenance plans conforming to regulations and law;



e) Failing to inform Departments of Construction where apartment buildings are located in order to monitor after maintenance expenditure has been transferred to the elected Board of directors.

2. A fine ranging from VND 160.000.000 to VND 200.000.000 shall be imposed on:

- e) Miscalculating maintenance expenditure of common areas of apartment buildings;
- b) Failing to specify accounts for maintenance expenditure of common areas of apartment buildings in the contracts for sale, lease purchase of houses or other areas of apartment buildings;
- c) Failing to make term deposit of maintenance expenditure for common areas of apartment buildings at local credit institutions where sold, purchased, or lease purchased houses are located;
- d) Failing to close accounts for maintenance expenditure after transferring all maintenance expenditure to the elected Board of directors of apartment buildings;
- d) Failing to publicize and disclose the use of operation expenditure, maintenance expenditure for common areas of apartment buildings;
- e) Failing to transfer maintenance expenditure and interest thereof for common areas of apartment buildings in a timely, adequate manner to the right beneficiaries;
- g) Choosing ineligible or incompetent entities to manage and operate apartment buildings;
- h) Selling or leasing motor vehicle parking lots in apartment buildings in a manner not conforming to regulations and law.

3. A fine ranging from VND 200.000.000 to VND 260.000.000 shall be imposed on project developers who:

- a) Fail to reserve area to use as community houses in accordance with standards and regulations;
- b) Manage and use maintenance expenditure in a manner not conforming to regulations;
- c) Fail to organize first-time apartment building meeting;
- d) Fail to produce settlement record of maintenance expenditure.

4. A fine ranging from VND 260.000.000 to VND 300.000.000 shall be imposed on:

- a) Repurposing common areas or repurposing non-residential areas in apartment buildings that serve mixed purposes;
- b) Adopting incorrect calculations for flat area or areas in apartment buildings other than common areas;

c) Failing to make adequate deposit to accounts for maintenance expenditure of common areas for flat area and other areas reserved by the project developers without being sold or lease purchased by the time the apartment buildings are transferred and brought into use;

d) Failing to transfer apartment building dossiers in an adequate or timely manner to the elected Boards of directors;

dd) Failing to use maintenance expenditure.

#### 5. Remedial measures:

a) Mandated operation conforming to regulations and law for violations under Point a Clause 1 of this Article;

b) Mandated opening of maintenance expenditure of common areas of apartment buildings conforming to regulations and law for violations under Point b Clause 1 of this Article;

c) Mandated request for reorganization of apartment building meeting implemented by People's Committees of communes for violations under Point c Clause 1 of this Article;

d) Mandated submission of documents notifying the opening of accounts for maintenance expenditure to Departments of Construction for violations under Point d Clause 1 of this Article;

dd) Mandated preparation of annual maintenance plans conforming to regulations for violations under Point dd Clause 1 of this Article;

e) Mandated submission of documents notifying Departments of Construction where apartment buildings are located for monitor after all maintenance expenditure has been transferred to the elected Board of directors of apartment buildings for violations under Point e Clause 1 of this Article;

g) Mandated calculation of maintenance expenditure of common areas of apartment buildings conforming to regulations and law for violations under Point a Clause 2 of this Article;

h) Mandated inclusion of details about accounts for maintenance expenditure of common areas of apartment buildings in the contracts for violations under Point b Clause 2 of this Article;

i) Mandated submission of maintenance expenditure of common areas of apartment buildings conforming to regulations and law for violations under Point c Clause 2 of this Article;

k) Mandated closure of accounts for maintenance expenditure for violations under Point d Clause 2 of this Article;

l) Mandated disclosure of the use of operation expenditure and maintenance expenditure of common areas of apartment buildings for violations under Point d Clause 2 of this Article;

- m) Mandated transfer of maintenance expenditure of common areas of apartment buildings conforming to regulations and law for violations under Point e Clause 2 of this Article;
- n) Mandated selection of eligible and competent entities for managing and operating apartment buildings for violations under Point g Clause 2 of this Article;
- o) Mandated selling, leasing of motor vehicle parking lots in apartment buildings conforming to regulations and law for violations under Point h Clause 2 of this Article;
- p) Mandated reservation of area serving as community houses in accordance with standards and regulations for violations under Point a Clause 3 of this Article;
- p) Mandated management and use of maintenance expenditure of apartment buildings conforming to regulations and law for violations under Point b Clause 3 of this Article;
- r) Mandated organization of first-time apartment building meetings for violations under Point c Clause 3 of this Article;
- s) Mandated production of settlement record of maintenance expenditure for violations under Point d Clause 3 of this Article;
- t) Mandated restoration to original state or mandated dismantlement of structures, parts of structures violating the law for violations under Point a Clause 4 of this Article;
- u) Mandated adoption of calculation of flat area or areas in apartment buildings other than common areas for violations under Point b Clause 4 of this Article;
- v) Mandated adequate deposit of maintenance expenditure of common areas of apartment buildings to opened accounts for violations under Point c Clause 4 of this Article;
- x) Mandated adequate or timely transfer of apartment building dossiers to the elected Boards of directors of apartment buildings for violations under Point d Clause 4 of this Article;
- y) Mandated use of maintenance expenditure conforming to regulations and law for violations under Point dd Clause 4 of this Article.

**Article 68. Violation of regulation on management and use of apartment buildings of entities managing and operating apartment buildings**

1. A fine ranging from VND 60.000.000 to VND 80.000.000 shall be imposed on:

- a) Failing to produce service agreements for managing and operating apartment buildings in a manner conforming to regulations and law;
- b) Failing to submit public reports on management and operation of apartment buildings to the elected Boards of directors or at request of competent authorities;

c) Failing to submit reports on management and operation at apartment building meetings; failing to collect feedback of inhabitants about the provision of apartment building management and operation services.

2. A fine ranging from VND 80.000.000 to VND 100.000.000 shall be imposed on:

a) Managing and operating apartment buildings without being eligible for doing so;

b) Lacking professional departments specializing in management and operation of apartment buildings;

c) Employing individuals lacking certificate for professional training and education regarding apartment building management and operation affairs to perform professional work;

d) Manage and use maintenance expenditure in a manner not conforming to regulations;

dd) Maintaining common areas of apartment buildings as per contracts without being eligible for doing so.

3. Remedial measures:

a) Mandated preparation of service agreements for management and operation of apartment buildings conforming to regulations for violations under Point a Clause 1 of this Article;

b) Mandated submission of public reports on management and operation of apartment buildings to the elected Boards of directors or at request of competent authorities for violations under Point b Clause 1 of this Article;

c) Mandated submission of reports on management and operation at apartment building meetings or mandated collection of feedback of inhabitants regarding provision of apartment building management and operation services for violations under Point c Clause 1 of this Article;

d) Mandated fulfillment of apartment building management and operation eligibility for violations under Point a Clause 2 of this Article;

dd) Mandated adequate organization of professional departments specializing in management and operation of apartment buildings for violations under Point b Clause 2 of this Article;

e) Mandated employment of individuals licensed with certificate for professional training and education regarding apartment building management and operation for violations under Point c Clause 2 of this Article;

g) Mandated management and use of maintenance expenditure of apartment buildings conforming to regulations and law for violations under Point d Clause 2 of this Article;

h) Mandated assurance of maintenance capability when maintaining common areas of apartment buildings for violations under Point dd Clause 2 of this Article.

**Article 69. Violation of regulation on management and use of apartment buildings of elected Boards of directors of apartment buildings**

1. A fine ranging from VND 60.000.000 to VND 80.000.000 shall be imposed on:

- a) Failing to request project developers in writing to transfer apartment building dossiers;
- b) Failing to request Chairpersons of People's Committees of districts to request project developers to transfer dossiers when the project developers fail to transfer apartment building dossiers in a manner conforming to regulations and law;
- c) Failing to request project developers in writing to transfer maintenance expenditure;
- d) Failing to request People's Committees of provinces where apartment buildings are located in writing to enforce transfer of maintenance expenditure for common areas by project developers;
- dd) Receiving the transfer of maintenance expenditure of common areas of apartment buildings without the settlement record of maintenance expenditure;
- e) Failing to re-transfer dossiers, records, and instruments under their management to the new elected Boards of directors.

2. A fine ranging from VND 100.000.000 to VND 120.000.000 shall be imposed on:

- a) Managing or using maintenance expenditure of common areas in a manner not conforming to regulations and law;
- b) Repurposing common areas without permission;
- c) Deciding on apartment building management and operation service fees without consulting apartment building meetings;
- d) Failing to produce reports on revenue and expenditure at apartment building meetings;
- dd) Failing to adhere to operation regulations or financial regulations approved by apartment building meetings;
- e) Failing to open accounts to receive maintenance expenditure of common areas of apartment buildings;
- g) Failing to openly post expenses made from the maintenance expenditure for common areas of apartment buildings on notice boards of apartment buildings;

h) Failing to produce annual maintenance plans which contain adequate details.

3. Remedial measures:

a) Mandated request for project developers' transferring of apartment building dossiers for violations under Point a Clause 1 of this Article;

b) Mandated request for People's Committees of districts' requesting for project developers' transfer of apartment building dossiers for violations under Point b Clause 1 of this Article;

c) Mandated request for project developers' transfer of maintenance expenditure for violations under Point c Clause 1 of this Article;

d) Mandated request for enforcement of project developers' transfer of maintenance expenditure for common areas of apartment buildings carried out by People's Committees of districts where apartment buildings are located for violations under Point d Clause 1 of this Article;

dd) Mandated settlement of maintenance expenditure prior to receiving the transfer of maintenance expenditure of common areas of apartment buildings for violations under Point dd Clause 1 of this Article;

e) Mandated transfer of dossiers, documents, and instruments under their instrument to new elected Boards of directors for violations under Point e Clause 1 of this Article;

g) Mandated management and use of maintenance expenditure of common areas of apartment buildings conforming to regulations and law for violations under Point a Clause 2 of this Article;

h) Mandated the use of common areas of apartment buildings for the right purposes and functions for violations under Point b Clause 2 of this Article;

i) Mandated annulment of regulations on apartment building management and operation service fees and organization of apartment building meetings to approve new management and operation service fees for violations under Point c Clause 2 of this Article;

k) Mandated production of reports on revenue and expenditure at next apartment building meetings for violations under Point d Clause 2 of this Article;

l) Mandated compliance with operation regulation or financial regulations approved by apartment building meetings for violations under Point dd Clause 2 of this Article;

m) Mandated opening of accounts to receive maintenance expenditure of common areas of apartment buildings conforming to regulations and law for violations under Point e Clause 2 of this Article;

n) Mandated public posting of expenses made from the maintenance expenditure for common areas of apartment buildings on notice boards of apartment buildings for violations under Point g Clause 2 of this Article;

o) Mandated preparation of annual maintenance plans conforming to regulations for violations under Point h Clause 2 of this Article.

**Article 70. Violation of regulation on management and use of apartment buildings of apartment building inhabitants**

1. A fine ranging from VND 20.000.000 to VND 40.000.000 shall be imposed on:

a) Soaking or leaking water to apartment buildings that are not under their ownership, management, or use;

b) Using paint or decorating the exterior of the flats or apartment buildings in a manner conforming to regulations on design and architecture;

c) Selling hazardous, explosive commodities, providing repair services for motorized vehicles, or cattle slaughtering services;

d) Operating restaurants, karaoke venues, or bars in commercial sections of apartment buildings without satisfying soundproofing or fire safety requirements;

dd) Running business activities in areas not reserved for business activities of apartment buildings;

e) Using flats for purposes other than residential purpose.

2. A fine ranging from VND 60.000.000 to VND 80.000.000 shall be imposed on:

a) Illegally appropriating housing area; occupying surrounding space, occupying common areas or individual areas of other owners in any shape or form;

b) Altering load-bearing structures or altering design of individual areas in apartment buildings;

c) Using areas and equipment intended for common use for individual purposes;

d) Using common areas or service areas for the wrong purposes in mixed-use apartment buildings.

3. Remedial measures:

a) Mandated restoration to original state for violations under Point a, Point b Clause 1, Point a, Point b Clause 2 of this Article;

- b) Mandated relocation of hazardous, explosive commodities out of residential areas or mandated suspension of repair services for motorized vehicles or suspension of cattle slaughtering services in apartment buildings for violations under Point c Clause 1 of this Article;
- c) Mandated fulfillment of soundproofing and fire safety regulations for violations under Point d Clause 1 of this Article;
- d) Mandated the use of apartment flats for residential purposes for violations under Point e Clause 1 of this Article;
- dd) Mandated return of areas and equipment intended for common use for violations under Point c Clause 2 of this Article;
- e) Mandated the correct use of common areas or service areas in mixed-use apartment buildings for violations under Point d Clause 2 of this Article.

#### **Article 71. Violation of regulation on preparation and storage of housing dossiers**

1. A fine ranging from VND 40.000.000 to VND 60.000.000 shall be imposed on failing to adequately produce or store housing dossiers when building houses for lease.
2. Remedial measures: Mandated adequate preparation and storage of housing dossiers for violations under Clause 1 of this Article.

### **Chapter VI**

#### **ENTITLEMENT TO PRODUCE OFFENCE NOTICE AND IMPOSE PENALTIES FOR ADMINISTRATIVE VIOLATIONS**

#### **Article 72. Entitlement to produce record of administrative violation**

Competent individuals entitled to produce offence notice of administrative violations for violations mentioned under this Decree include:

1. Competent individuals mentioned under Articles 73, 74, 75, 76, 78, 79, and 80 hereof.
2. Public officials affiliated to People's Committees of all levels assigned to inspect and discover administrative violations in construction specified under this Decree.
3. Public officials, officials, and inspectors affiliated to government construction inspectorate assigned to conduct independent inspection or specialized inspection or inspection in form of inspectorate.
4. Public officials and employees assigned to conduct inspection in state management sectors such as: construction, production of construction materials, management of technical infrastructure, immovable property trading, and housing management and development.



5. Competent individuals entitled to impose penalties under Article 77 hereof are entitled to produce offence notice for administrative violations under Article 6 hereof.

**Article 73. Entitlement to impose penalties of construction inspectors (or transport - construction inspectors)**

1. Issue a warning.
2. Impose a fine up to VND 1.000.000.
3. Confiscate exhibits and instrument of administrative violations whose value does not exceed VND 2.000.000.
4. Adopt remedial measures specified in Point a and Point b Clause 4 Article 4 hereof.

**Article 74. Entitlement to impose penalties of heads of specialized inspectorate**

1. Heads of specialized inspectorate of Inspectorates of Department of Construction (or Inspectorates of Department of Transport - Construction) are entitled to:

- a) Impose a warning;
- b) Impose a fine up to VND 100.000.000;
- c) Suspend the license, certificate temporarily or suspend operation temporarily;
- d) Confiscate exhibits and instrument of administrative violations whose value does not exceed VND 200.000.000;
- dd) Adopt rectification measures specified in Clause 4 Article 4 of this Decree.

2. Heads of specialized inspectorate of Inspectorates of Ministry of Construction are entitled to:

- a) Impose a warning;
- b) Impose a fine of up to VND 500.000.000 for construction, immovable property trading; up to VND 210.000.000 for production of construction materials, management of technical infrastructure, and housing management and development;
- c) Suspend the license, certificate temporarily or suspend operation temporarily;
- d) Confiscate exhibits or instrument of administrative violations whose value does not exceed VND 1.000.000.000 for construction, immovable property trading; up to VND 420.000.000 for production of construction materials, management of technical infrastructure, and housing development and management;

dd) Adopt rectification measures specified in Clause 4 Article 4 of this Decree.

**Article 75. Entitlement to impose penalties of Chief inspectors of Departments of Construction (or Chief inspectors of Department of Transport - Construction)**

1. Issue a warning.
2. Impose a fine up to VND 100.000.000.
3. Suspend the license, certificate temporarily or suspend operation temporarily.
4. Confiscate exhibits and instrument of administrative violations whose value does not exceed VND 200.000.000.
5. Adopt rectification measures specified in Clause 4 Article 4 of this Decree.

**Article 76. Entitlement to impose penalties of Chief inspector of Ministry of Construction**

1. Issue a warning.
2. Impose a fine:
  - a) Up to VND 300.000.000 for production of construction materials, management of technical infrastructure, and housing management and development;
  - b) Up to VND 1.000.000.000 for construction and immovable property trading.
3. Suspend the license, certificate temporarily or suspend operation temporarily.
4. Confiscate exhibits and instruments of administrative violations.
5. Adopt remedial measures specified in Clause 4 Article 4 hereof.

**Article 77. Entitlement to impose penalties of the People's Public Security**

Competent individuals entitled to impose penalties affiliated to the People's Public Security are entitled to impose penalties for violations under Article 6 hereof in accordance with the Decree imposing penalties for administrative violations in security, social order and safety.

**Article 78. Entitlement to impose penalties of Chairpersons of People's Committees of communes**

1. Issue a warning.
2. Impose a fine up to VND 10.000.000.

3. Confiscate exhibits and instrument of administrative violations whose value does not exceed VND 20.000.000.

4. Adopt remedial measures specified in Point a, Point b, and Point c Clause 4 Article 4 hereof.

**Article 79. Entitlement to impose penalties of Chairpersons of People's Committees of districts**

1. Issue a warning.

2. Impose a fine up to VND 200.000.000.

3. Suspend the license, certificate temporarily or suspend operation temporarily.

4. Confiscate exhibits and instruments of administrative violations.

5. Adopt remedial measures specified in Clause 4 Article 4 hereof.

**Article 80. Entitlement to impose penalties of Chairpersons of People's Committees of provinces**

1. Issue a warning.

2. Impose a fine:

a) Up to VND 300.000.000 for production of construction materials, management of technical infrastructure, and housing management and development;

b) Up to VND 1.000.000.000 for construction and immovable property trading.

3. Suspend the license, certificate temporarily or suspend operation temporarily.

4. Confiscate exhibits and instruments of administrative violations.

5. Adopt remedial measures specified in Clause 4 Article 4 hereof.

**Chapter VII**

**IMPLEMENTATION SOLUTIONS**

**Article 81. Procedures for implementing Clause 16 Article 16 hereof**

If violations under Clause 4, Clause 6, Clause 7, and Clause 8 Article 16 hereof fall under cases eligible for issuance of construction permit or revision of construction permit or revision of construction design during construction process:

1. Competent individuals are responsible for producing offence notice and requesting offending organizations and individuals to cease all construction work. Within 90 days for construction investment projects and 30 days for detached houses from the date on which decisions imposing penalties for administrative violations are issued, offending organizations and individuals must submit application for issuance of construction permit or revised construction permit or revised construction design and obtain construction permit or revised construction permit or construction design.

Application for issuance of construction permit or revised construction permit or revised construction design shall conform to regulations and law on issuance, inspection, and addition of documents verifying payment of fine of administrative violations.

Competent authorities are responsible for issuing construction permit or revised construction permit, construction agencies are responsible for inspecting revised construction design in accordance with regulations and law.

2. If offending organizations and individuals fail to present construction permit or revised construction permit or revised construction design which has been approved, competent individuals entitled to impose penalties shall request the offending organizations and individuals in writing to dismantle construction or parts of construction involved in the violation.

Within 15 days from the date on which the written request is sent (based on postal stamp) or from the date on which delivery record is produced, offending organizations and individuals are responsible for dismantling structures or parts of structures involved in the violations.

3. Within 5 days from the date on which offending organizations and individuals present construction permit or revised construction permit or revised construction design which has been approved, competent individuals entitled to impose penalties are responsible for inspecting conditions of the construction, producing record of conformity of construction conditions with construction permit or revised construction permit or revised construction design which has been approved.

4. Offending organizations and individuals shall only be allowed to proceed with construction work if inspection record verifies conformity of the construction with construction permit or revised construction permit or revised construction design which has been approved.

If the construction does not match with the conditions specified in construction permit or revised construction permit or revised construction design which has been approved, within 15 days from the date on which the record of inspection and verification of construction conditions is produced, offending organizations and individuals must dismantle the constructions or parts of the constructions that do not match with construction permit or revised construction permit or revised construction design which has been approved.

5. If offending organizations and individuals proceed with construction work during the period in which they are applying for construction permit or revised construction permit or revised

construction design, they shall be met with actions in accordance with Clause 13 Article 16 hereof.

Organizations and individuals that fail to dismantle in accordance with Clause 2 and Clause 4 of this Article shall be enforced to do so in accordance with regulations on imposing penalties for administrative violations.

**Article 82. Responsibilities of competent individuals entitled to impose penalties for administrative violations in cases where houses, fabricated or otherwise altered license must be recalled**

When imposing penalties for administrative violations which include remedial measures for cases under Point b Clause 5 Article 59, Point a, Point b, Point c, Point d, and Point g Clause 6 Article 64, Point c Clause 3 Article 65 of this Decree, competent individuals entitled to impose penalties for administrative violations are responsible for informing regulatory authorities for actions as per the law.

**Chapter VIII**

**IMPLEMENTATION**

**Section 1. TRANSITION CLAUSES**

**Article 83. With respect to administrative violations in construction taking place before the effective date hereof, adopt regulations and law on imposing penalties for administrative violations as follows:**

1. If administrative violations have concluded but offence notice has not been produced, impose penalties in accordance with regulations and law applicable at the time in which the violations conclude.
2. If decisions imposing penalties for administrative violations have not been fully implemented, continue to conform to decisions imposing penalties for administrative violations or decisions on enforcement.

**Article 84. Starting from the effective date hereof, regulations under Clause 2, Clause 3, Clause 4, Clause 5 Article 79 of Decree No. 139/2017/ND-CP shall be implemented as follows:**

1. Failing to adhere to construction permit; failing to obtain construction permit for cases that require construction permit; failing to adhere to approved design, approved planning, or approved urban planning in cases where construction permit is exempted shall also be met with mandated refund of illegal revenues in accordance with Clause 9 Article 13, Decree No. 121/2013/ND-CP in addition to penalties for administrative violations if all of the following conditions are met:

a) The violations occurred during the interval between January 4, 2008 and ended before January 15, 2018 but were only discovered by competent individuals after January 15, 2018 or were discovered before January 15, 2018 and one of the following documents was issued: notice of administrative offence, decision on imposing penalties for administrative violations, or decision on adoption of remedial measures;

b) Construction boundary markers are not violated;

c) Adjacent structures are not affected;

d) No dispute is present;

dd) Construction does not occur on land under legal ownership;

e) Conform to construction planning approved by competent authorities.

2. With respect to violations that meet conditions under Point a, Point b, Point c, Point d, and Point dd Clause 1 without meeting conditions under Point e Clause 1 of this Article:

If the violations were discovered by competent individuals before January 15, 2018 who have produced offence notice, issued decision imposing penalties for administrative violations, decision adopting mandated refund of illegal revenues and the offending organizations and individuals have not paid the fine (if any) and illegal revenues by January 15, 2018, competent individuals entitled to impose penalties shall issue decision adopting mandated dismantlement of constructions, parts of constructions involved in the violation for violations under Point d Clause 11 Article 15 of Decree No. 139/2017/ND-CP as a substitute for mandated refund of illegal revenues.

3. The illegal revenues to be paid by offending organizations and individuals under Clause 1 of this Article are determined as follows:

a) If the construction serves business purposes: the illegal revenues shall equal total m<sup>2</sup> of illegally built floor area multiplied by unit price of 1 m<sup>2</sup> according to sale or transfer contracts without being lower than investment of the same construction class issued by competent authorities multiplied by 50%;

b) If the construction does not serve business purposes: the illegal revenues shall equal total m<sup>2</sup> of illegally built floor area multiplied by unit price of 1 m<sup>2</sup> according to approved estimates without being lower than investment of the same construction class issued by competent authorities multiplied by 50%;

c) In case no sale, transfer agreements or approved estimates are available: the illegal revenues shall equal total m<sup>2</sup> of illegally built floor area multiplied by investment of the same construction class issued by competent authorities multiplied by 50%;

d) Competent individuals entitled to impose penalties for administrative violations shall adopt investment value at the time of issuing decisions imposing penalties for administrative violations and be responsible for determining illegal revenues under Point a, Point b, and Point c of this Clause.

4. Mandated refund of illegal revenues calculated based on value percentage of sections built illegally or without permit shall not be adopted for detached houses.

5. Once offending organizations and individuals have paid fine for administrative violations and the illegal revenues and quality control results are issued, competent regulatory authorities are responsible for providing remarks regarding planning - architecture, issuing construction permit, revising construction permit, or revising construction design.

In addition to documents required by the law, the application for issuance of construction permit, revision of construction permit, or revision of construction design must include documents verifying complete payment of fine and illegal revenues (if any).

Once offending organizations and individuals fulfill all abovementioned procedures, competent authorities shall consider and issue certificate of ownership of buildings, construction as per the law.

## **Section 2. IMPLEMENTATION**

### **Article 85. Entry into force**

1. This Decree comes into force from the day of signing.

2. This Decree replaces Decree No. 139/2017/ND-CP dated November 27, 2017 of the Government and Decree No. 21/2020/ND-CP dated February 17, 2020 of the Government on amendment to Decree No. 139/2017/ND-CP dated November 27, 2018 of the Government.

3. Annul Point b, Point c Clause 5 Article 17 of Decree No. 38/2021/ND-CP dated March 29, 2021 of the Government.

### **Article 86. Responsibilities for implementation**

Ministers, heads of ministerial agencies, heads of Governmental agencies, Chairpersons of People's Committees of provinces and central-affiliated cities and relevant agencies are responsible for the implementation of this Decree.

**PP. GOVERNMENT  
ACTING PRIME MINISTER  
DEPUTY PRIME MINISTER**

**Le Van Thanh**