

**VIETNAM LEGAL UPDATE**

June 2008

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## Part 1 Selected New Legal Instruments

### 1.1 No extensions. No exceptions.

**The Law 60-2005/QH11 on Enterprises dated 29 November 2005 (LOE) and Decree 101-2006-ND-CP of the Government on re-registration, [and/or] conversion by enterprises with foreign invested capital and registration for replacement with Investment Certificates by Enterprises with foreign invested capital pursuant to LOE and Law on Investment dated 21 September 2006 (Decree 101)**

As most readers are aware, and as we have covered previously in the VLU, the LOE set a deadline of 30 June 2008 for the 're-registration' of companies with foreign owned capital established under the old laws regulating foreign investment. With this deadline looming there has been speculation that the deadline would be extended. This speculation may have been fuelled, in part, by the extremely low take-up of re-registration, combined with the significant negative implications for this vast body of foreign invested companies opting to remain un-reregistered.

Unfortunately for those counting on a last-minute reprieve, informal discussions with the Hanoi Department of Planning and Investment (*DPI*), as well as a recent posting on the Ho Chi Minh City DPI's website, have confirmed that the deadline will **NOT** be extended. These bodies are probably not able to extend the deadline, even if minded to do so, due to the fact that the deadline was set by the National Assembly, in the LOE itself, and as such, only the National Assembly has the authority to approve any extension.

#### Background

Re-registration is the process whereby an existing foreign invested company, holding an investment license issued under the old Law on Foreign Investment or one of its predecessors, re-registers as a company under the LOE. This involves replacement of its existing investment license with a new investment certificate issued under the LOE. As part of the re-registration, the company also adopts new constituent documents (such as Charter and Joint Venture Agreement, where relevant) which accord with the LOE. The re-registered company assumes all rights and interests of, and is liable for the unpaid debts, labour contracts and other obligations of, the 'previous' company and is deemed to be, and has all the concomitant rights and obligations of, a company established under the LOE.

#### Legislative no-man's land

Under the LOE, foreign invested companies electing not to re-register must continue to operate in accordance with their investment license and charter (although the legislative foundation for these documents has been removed). They will, however, be barred from amending their authorised scope of activities (as set out in their investment license) or the licensed duration of their investment project. Although the LOE also provides that in all other respects these companies will be regulated under the LOE, it remains unclear how this will work in practice, given that such companies' charters are likely to be inconsistent with the provisions of the LOE. A related issue is that all new laws regulating companies in Vietnam will likely be directed only towards companies that have been established or re-registered under the LOE, creating further difficulties for companies that have not re-registered in time.

### 1.2 Work Permits – the devil in the details

**Circular 08-2008-TT-BLDTBXH of the Ministry of Labour, War Invalids and Social Affairs providing guidelines for implementation of Decree 34-2008-ND-CP of the Government on Employment and Administration of Foreigners Working in Vietnam, dated 25 March 2008 (Circular 08)**



In the April and May editions of VLU, we reported that new Decree 34-2008-ND-CP of the Government dated 25 March 2008 on employment and administration of foreigners working in Vietnam (**Decree 34**) had been passed. Decree 34 covers, among other things, the topic of work permits for foreigners.

### Implementing regs make the scene quickly

The (usual) lack of implementing regulations under Decree 34 was feared to be an impediment to the authorities' effective dealing with the work permit applications. However, the implementing regulations in this case have been issued in record time, in the form of Circular 08, which will come into force on 9 July 2008.

### Wider net

Unfortunately, under Decree 34, certain persons formerly exempt from the work permit requirement are no longer exempt. 'Employers' and 'foreign employees' are defined widely under Circular 08 and will catch, for example, foreigners working for foreign contractors in Vietnam.

Circular 08 categorises foreigners requiring work permits in Vietnam into five different groups: those (i) working pursuant to an employment contract; (ii) transferring internally within the same company group; (iii) performing certain types of contracts (except employment contracts); (iv) performing a service contracts; and (v) working for a non-governmental organization (**NGO**).

If a foreign employee is recruited to perform an employment contract in Vietnam, at least one month before an employer in Vietnam can recruit foreigners to the job, it must advertise the position in a Vietnamese newspaper. This reflects clearly the intention of the government to attract a more professional and skilled foreign labour force into the country than before, and that recruitment of foreigners is limited to the circumstances where Vietnamese workers do not yet have the necessary know-how or skills.

After the publication of the newspaper ad, the foreigner applying for the relevant position must submit to his or her potential employer an application file 'to register his proposed recruitment'. The employer will then apply with the Department of Labour, War Invalids and Social Affairs (**DOLISA**) for a work permit for the foreigner. Note also that employees cannot on their own make applications for work permits.

Circular 08 presumes that the parties will sign an employment contract only after the work permit has been issued, which can be problematic, depending upon the terms of employment.

### Documentary requirements

Circular 08 sets forth the details of the documents which must be provided in the work permit application package. It also contains, in the form of annexes to the circular, the standard forms of some of the application package documents.

All work permit applicants must provide the following documents: (i) request from the employer for a work permit in a standard form (Circular 08: Form 4); (ii) criminal record; (iii) CV in a standard form (Circular 08: Form 2) (iv) a health certificate; (v) proof of professional qualifications or experience; and (vi) photographs.

In addition to these, the application package must include one of the following documents, depending on the category of the foreign employee in question:

- (i) a foreign employee working pursuant to an employment contract must provide an application form for registration of recruitment in a standard form (Circular 08: Form 1), signed by the potential employee him/herself;
- (ii) a person transferring internally within the same company group must provide a letter from the employer explaining his/her employment history with the company;
- (iii) a foreign employee coming to perform a contract (other than employment contract) must provide the contract signed between the foreign and Vietnamese party;

- (iv) a performer of a service contract must furnish the service contract itself; and
- (v) a foreign employee working for an NGO, must provide a certificate proving that the NGO is permitted to operate in Vietnam.

Although Circular 08 is not a simple read or logically organised, the forms are simple and the hazard in most cases will mostly be in collecting and, unfortunately, consularising the professional certificates and the other documents. Any of us who has been down this road knows what an expensive and time-consuming process this can be.

#### **Limited to one job**

Interestingly and dissimilar to some other countries, the work permit in Vietnam does not give the foreign employee a 'blanket' permission to engage in 'just any' paid employment in Vietnam. The work permit is tied to the one specific employer who applied for the employee's work permit, and the foreigner may legally work only for that employer. If the foreigner wishes to work for more than one employer at the same time, under Decree 34 and Circular 08, each employer must obtain a separate work permit for that same employee. The application documents are exactly the same as explained above, except that a copy of the first-issued work permit must also be provided in the second application

### **1.3 PIT Law beginning to breathe life**

#### **Draft Decree Implementing the Law on Personal Income Tax, dated 19 May 2008 (*Draft PIT Decree*)**

With only six months left before the sweeping Personal Income Tax Law will take effect, the Government of Vietnam is busy finalising certain essential subsidiary and implementing legislation to give this important law effect. The latest version of the Draft PIT Decree is one such legal instrument. Here are a couple of highlights from the latest Draft PIT Decree:

#### **Resident or non-resident**

The Draft PIT Decree provides a more detailed definition of a resident than under previous law. According to the terms of the decree, an individual who has a registered permanent residence or who leases residential premises with a lease of more than 90 days in one year is considered 'a resident individual'. As such, the new regulation broadens the coverage of taxable individuals. Resident individuals' personal income, both domestic and foreign, is subject to tax. As in current law, this wide net will impose a double taxation burden on foreigners from countries which have not signed bilateral agreements on double taxation avoidance (tax treaties) with Vietnam.

#### **Income from transfer of house/land use right exempt from tax**

PIT payers will be exempt from personal income tax in cases where income is generated from transferring residential housing or residential land use right and the assets attached to it, **provided that** the land or house owner possesses **only one** residential house **or** residential land use right, except in certain specified cases.

These regulations in the Draft PIT Decree deliberately are specifically limited to single house or property owners, and are not intended for the benefit of speculators or those in the real estate business.

#### **Stay tuned**

This is the first time that a comprehensive legal framework on personal income tax has been developed in Vietnam. As such, the new PIT Law is being widely watched and speculated about – in both foreign and Vietnamese circles. We will keep VLU readers updated with developments of this nature as they happen in the coming months.

#### 1.4 What's new on interest rates?

The degree of interest in the topic of interest rates in Vietnam has risen in direct correlation with inflation rates.

Before 19 May 2008, interest rates for loans and deposits denominated in VND were agreed by credit institutions and their clients in accordance with Decision 546-2002-QD-NHNN of the State Bank of Vietnam (**SBV**) dated 30 May 2002. Rates were determined on the basis of market supply and demand and did not have to be aligned with the basic rate set by SBV. This decision was always controversial because it did not comply with the Civil Code which sought to peg interest rates to the basic interest rate set by the SBV within the realm of 150%.

On 16 May 2008, the SBV issued Decision 16-2008-QD-NHNN on mechanism of the VND basic interest rate (**Decision 16**). Under Decision 16, credit institutions are now required to fix interest rates for loans and deposits denominated in VND within 150% of the basic interest rate published by the SBV as applicable in each period.

In an effort to supervise the operations of credit institutions, to control credit growth speed and to restrict inflation, the Prime Minister issued Official Letter 757 dated 20 May 2008 (**Letter 757**). Letter 757 was sent to the SBV, the Ministry of Finance, the Ministry of Planning and Investment and some other bodies. In Letter 757, the Prime Minister directs the SBV to reasonably adjust interest rates in accordance with the market and formulate a new mechanism for regulating the basic interest rate instead of stipulating the ceiling for interest rates for deposits.

On 11 June 2008 the VND basic interest rate was set at 14% per year in accordance with Decision 1317 of the SBV dated 10 June 2008 which was until 30 June 2008 (**Decision 1317**). On 26 June 2008 the SBV issued Decision 1434 (**Decision 1434**) which replaces Decision 1317 and is effective from 1 July 2008 for one month. The VND basic interest rate remains at 14% per year under Decision 1434. This means that in July 2008 interest rates for loans and deposits denominated in VND at credit institutions may be 14% plus or minus 7% per year. Interest rates for fixed term deposits at commercial banks currently fluctuate between 17% and 18.5% per year. The fate of interests for August 2008 and the months thereafter is yet to be determined.

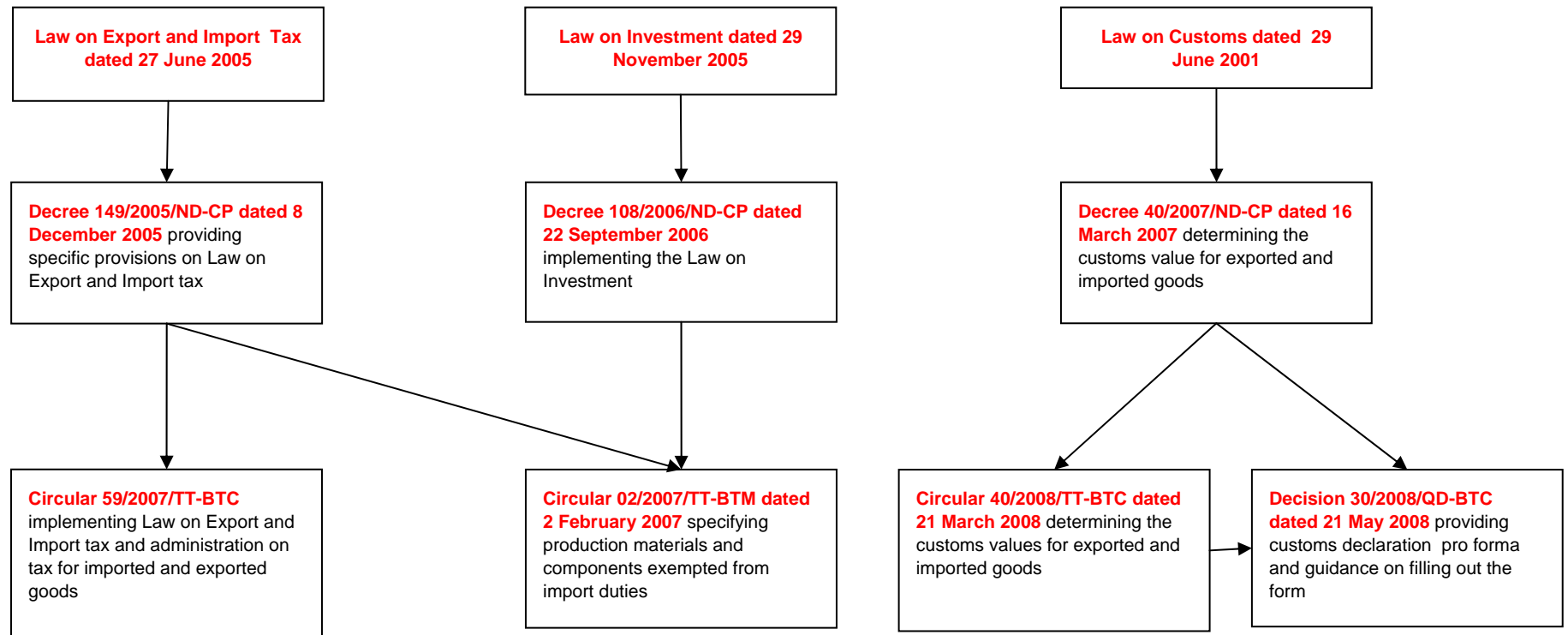
These recent decisions have had a significant effect on the degree of volatility in the competition between private banks. While this is a positive development, the fact that inflation is currently above 20%, credit organisations are experiencing difficulty in meeting their costs when they are forced to loan money at rates that can not exceed of 150% of the current basic rate.

**Part 2 Feature**

This month, the VLU's Law Map focuses on laws applicable in the ever-important and changing areas of import and export duties and taxes in Vietnam. Many of the new circulars in these sectors have been driven by Vietnam's accession to the WTO, and more legislative activism is anticipated, as Vietnam continues to integrate into the global commercial and trading world. Below are the main laws applicable to import and export duties and taxes.

**IMPORT AND EXPORT DUTIES LAW MAP**

**30 JUNE 2008**





## Part 3 Did You Know?

### 3.1 Corporate governance under the LOE – a few clarifications

#### Chairman of the Board

Under the Law on Enterprises (**LOE**) there is either a chairman of a company or a chairman of the members' council. In the case of a single member LLC, a single authorised representative is the **chairman of the company** (there often being no members' council constituted). In the case of a multiple member LLC, one of the authorised representatives on the members' council will be elected as the **chairman of the members' council**.

#### And in some cases, inspectors and/or an inspection committee

Whether an inspector or an inspection committee is required varies according to the form of company being established.

Under Article 71 of the LOE, a single member LLC **must** have from one to three inspectors. The term of such inspectors is limited to not more than three years and their duties are prescribed by law in Article 71. The inspectors do not need to be residents of Vietnam in this case, but must have auditing or accounting professional qualifications or work experience or professional qualifications and practical experience in the main lines of the registered business. Further, the inspectors may not be related to members of the members' council, the general director, or the person authorised to appoint such inspectors.

Under Article 46 of the LOE an inspection committee is **not required** for a multiple member LLC unless there are 11 or more members. If less than 11, the inspection committee is an optional management body.

Also, under Article 95 of the LOE an inspection committee is required only if there are more than 11 shareholders (individuals) in a shareholding company or if there is an organizational shareholder which owns more than 50% of the shares.

In the case of an inspection committee, the same qualifications apply as with inspector, except that there are the additional requirements that at least 50% of the members of the inspection committee must permanently reside in Vietnam and at least one member of the inspection committee must be an accountant or auditor (Article 121). We note that this permanent residency requirement as applicable to foreigners most likely means having registered *temporary residence*. Article 13.5 of Decree 139 specifies that *temporary residence* satisfies the criteria for foreigners acting as legal representatives of enterprises established in Vietnam, for which the LOE also prescribed the same permanent residence requirement as inspection committee members. Therefore, although not stipulated, temporary residence should equally apply to satisfy the requirement in the case of inspection committee members.

#### Inspector details required for Charter?

Article 22 of the LOE sets out the requirements for contents of a company's Charter. There is no specific sub-article that specifies including a provision on inspectors/inspection committee in the charter, but we note that sub-article 7 of Article 22 requires the Charter contain details of the 'management and organizational structure', which arguably should include inspectors/inspection committee, if applicable; and sub-article 10 of Article 22 specifically mentions that the 'bases and method for calculating remuneration, wages and bonuses of managers and members of the **inspection committee or of inspectors**' must be included in the Charter. Therefore since remuneration of inspectors/inspection committee is required content if a company has such requirement for inspectors/inspection committee, the Charter should contain relevant provisions.

### 3.2 Notarization in Vietnam – not what you might think...or want!

When investing and doing business in Vietnam, dealing with a notary here is a reasonably common occurrence, but may be somewhat of a novelty for an investor depending on the home country of the investor and the role that notaries play there.

#### **Investors from common law jurisdictions – the notary in Vietnam as a novelty**

For investors coming from common law jurisdictions such as Australia, the United Kingdom, New Zealand and the United States, the role the notary plays (and its importance) in Vietnam may be somewhat unusual given the lesser importance that notaries play in those jurisdictions.

For example, in Australia, notaries are usually only brought into play when Australian documents (eg board minutes, certificates of incorporation, powers of attorney etc) are to form part of an international transaction and the relevant jurisdictions of the transaction require notarization. Notaries in Australia are legal practitioners who after a few years of practice can undergo a short notarization course to then add the notarization string to their bow. When it comes to witnessing or certifying documents (eg for a statutory declaration), a justice of the peace or legal practitioner will usually be sufficient. Given the low demand for notarization in Australia, the number of registered notaries (eg only about 400 in New South Wales) is reasonably low compared to the numbers of lawyers and justices of the peace.

In the United States, notaries (in all States other than Louisiana which is a civil law jurisdiction) do not necessarily have to be (and most often are not) legal practitioners, and therefore do not have any rights (as notaries) to provide legal advice and services. Notaries are appointed by the State governments to serve the public as impartial witnesses, with their role usually limited to the taking of acknowledgements and oaths and witnessing documents. Given this broad public service role, the United States actually has a large number of notaries - about 4.5 million, the most of any country in the world.

#### **Investors from civil law jurisdictions – the notary in Vietnam as a familiar, important player**

Investors from civil law countries, such as France and Germany, will be more familiar with the roles that notaries play in transactions and business in Vietnam. Civil law countries have traditionally placed notaries in much higher esteem, with these officials playing an integral role in property related transactions. They are often sourced from the upper echelons of the legal profession.

In Germany, for example, a notary must have legal training and standing often equivalent to a member of the judiciary, and playing a very important role in contractual arrangements between parties, particularly in the context of property, family, and corporate law matters. The notary is authorised to certify deeds and is obliged to provide independent and impartial advice to all contractual parties. In France, notaries give authenticity to legal documents requiring some form of formality under French law, and all real property matters in France must be negotiated by a qualified notary.

#### **Notaries in Vietnam – almost the typical civil law status**

As in other civil law countries, the notary in Vietnam is an important participant in many types of transactions. Notaries have been around for some time in Vietnam, but the Law on Notarization is reasonably new, coming into effect on 1 July 2007, with only a decree issued by the Government governing notaries prior to this time.

The Law on Notarization regulates the scope of notarization activities, including their appointment and the organisation of their time as well as the procedures for notarizing contracts and transactions. In addition to this overarching law, many of Vietnam's other laws prescribe specific notarization requirements.

Notarization in Vietnam refers to the written certification by an authorised notary of the accuracy and legality of a written contract or other transaction which the law requires be notarized or an

organisation or individual requests be notarized (which leaves it open to parties to a transaction to require notarization of transaction documents).

A notarized document in Vietnam is enforceable against the parties to it although the failure to notarize a document in accordance with the law does not necessarily invalidate a document unless the law specifically provides that this be the case. The circumstances and facts in a notarized document are deemed to be valid as evidence and are not required to be proved before a Court. This does not necessarily extend to the facts and circumstances surrounding a notarized document – only to what is contained in the document itself. It is still open to a Court to declare a notarized document void.

Many investors in the property sector in Vietnam will be familiar with the requirement to notarize documents relating to land, eg leases and any dealing with land use rights, which are required under the Civil Code and Land Law to be notarized. For example, any investor who enters into a joint venture with a Vietnamese party where the Vietnamese party's contribution is its land use rights will need the capital contribution documents notarized as part of the transaction.

Many investors will also be familiar with the many registration requirements under Vietnamese law and the requirement to have many of the supporting documents in any application or registration process notarized. For example, where the legal representative of a company wishes to delegate some of its responsibilities in connection with the establishment of a company in Vietnam, such as the registration of the company seal, that delegation needs to be set out in a notarized power of attorney.

#### **Optional notarization – is it worth it?**

The above are examples where notarization in Vietnam cannot be avoided as the law and the relevant licensing authority require it. But what about those transactions where notarization is not required? Is there any benefit in insisting on notarization to give comfort as to the legal validity and enforceability of the transaction?

As we said above, it is open to parties to a transaction to request that a document be notarized even though that particular document is not required to be notarized under the law. An example of this might be where a foreign investor buying shares or an interest in a Vietnamese company from a Vietnamese entity insists upon the sale and purchase agreement being notarized.

Although this type of transaction document isn't required to be notarized under the laws of Vietnam, notarization will give the transaction parties additional comfort that the document is legally binding and enforceable. But this comfort is not absolute, as the Law on Notarization leaves it open to a Court to declare a notarized document null and void. The circumstances where this might occur are not entirely clear, but we expect that they would be limited to those circumstances set out in the Civil Code which render a transaction invalid, such as in the case of a falsification or deception on the part of one of the parties (and in the context of notarization, where that falsification or deception was not evident to the notary at the time of notarization). Also, if a notary was negligent in his or her duties and should not have notarized the transaction documents, this might put the efficacy and comfort of notarization at risk.

#### **A painful process**

Including a notary in any transaction timetable is also like to cause delay. Despite reasonably tight timeframes for the turnaround of notarized documents under the Law on Notarization (two business days for simple transactions and 10 business days for complex transactions), the notarization process is usually painfully slow, with notaries often requesting amendments, additional documents and querying the structure of transaction, often based on a lack of an understanding of the complexities of transactions or their particular view of a relevant law.

Notaries are generally quite conservative (and busy!) and if a particular transaction is recorded in anything more than a straightforward, vanilla document based on basic components of relevant law, getting that document notarized is likely to prove difficult. In addition, many notaries in practice refuse to notarize documents which are not required to be notarized under the law.



Moreover, investors should probably not expect a commercial approach to any notarization request since the notary will usually be a State appointed notary. (Although it is open for private organizations to establish notarization offices in Vietnam, only one exists, in Can Tho province in the south of Vietnam.)

Once a document is notarized, any changes to or the termination of the relevant document will require notarization. As such, while there may be some perceived benefit at the outset of a transaction (in giving the parties comfort as to the legal validity and enforceability of a document), the notarization requirement remains with the relevant document for its life. This will add a cost and time inefficiency to the ongoing relationship between the parties.

In light of the above, despite some additional comfort as to validity and enforceability, investors in Vietnam should carefully consider the additional cost and difficulty in requiring the notarization of transaction documents where the particular transaction does not require notarization under the law.

### 3.3 Public company regulators

#### The pop quiz line

Well, to refresh your memory from prior VLUs: a public company is generally a shareholding company with 100 or more shareholders (institutional shareholders aren't counted for this purpose). When a company becomes a public company, it is regulated by a number of particular laws and State authorities.

#### Who's in charge and what do they do?

(i) State Securities Commission (**SSC**)

A public company must be registered with the SSC. This is an administrative process done by filling in a form and submitting an application file to the SSC. This is normally done when a company makes a public offer of shares. Presently, there are 954 registered public companies. The SSC will regulate the following matters:

- any public offering of securities by the public company;
- trading behaviour of public companies and other market participants including insider trading;
- public disclosures of information to the market by public companies; and
- corporate governance of public companies under the authority of the Ministry of Finance.

(ii) Local Department of Planning and Investment (**DPI**)

If the DPI is the licensing authority which issues the public company with the investment certificate or business registration certificate, any amendments to such documents will require approval from the DPI. These include changes to the head office, name of company, charter capital and business lines of the public company.

(iii) Ho Chi Minh City Stock Exchange (**HOSE**) and Hanoi Securities Trading Centre (**HSTC**)

If the public company lists on the HOSE or HSTC, the public company will also be subject to additional regulation from these bodies. HOSE and HSTC will regulate the trading behaviour of public companies and other market participants; offering of listed securities and compulsory market disclosures.

### 3.4 Business Registration Certificates - everything but the kitchen sink

The business registration certificate (**BRC**) of a domestic company in Vietnam acts as its incorporation certificate and sets out the boundaries of the business activities in which the

company can lawfully engage. Under Article 86 of the Civil Code of the National Assembly dated 14 June 2005, a company will not have civil capacity to enter into contracts which are inconsistent with its operational objectives, ie its business lines stipulated in its BRC. Contracts that are entered into by a company without civil capacity will be invalid and the parties must "restore everything to its original state". Furthermore, Article 11 of the Law on Enterprises of the National Assembly dated 29 November 2005 prohibits a company from engaging in business activities that it is not licensed to do under its BRC. A breach of this provision means the breaching company is subject to fines and possible revocation of its BRC. It is little wonder then that the BRC's of many domestic companies include a shopping list of business activities in which they might engage one day.

### 3.5 Cyberspace getting bigger

Readers may have seen in the press recently that the board of ICANN (the Internet Corporation for Assigned Names and Numbers), the body responsible for allocating top-level domains or 'TLDs' on the internet, has voted overnight to adopt a recommendation which it describes as the 'biggest expansion to the internet in forty years'.

#### Generic TLDs

A top-level domain is the last part of a website address, after the final 'dot', ie .com, .net, .au., .uk, .mobi and so on. At the moment, top-level domains are relatively limited. The newly-approved generic top-level domain, or 'gTLD', program will allow companies or individuals to register pretty much anything as a TLD, opening up the possibility of, for example, .asia, .vietnam, .hcmc, and .news, as well as the contentious .xxx. In theory, the possibilities are limitless.

Many of the details are yet to be worked out. It appears that there will be a mechanism for trademark owners to protest if their marks are sought to be registered as TLDs by third parties. There is also speculation that the fees for registration will be as high as US\$100,000, which should deter most cybersquatters, but also put the new gTLDs out of the reach of most individuals and small businesses.

ICANN is working towards accepting the first registrations in the first quarter of 2009.

#### New TLDs in non-Roman languages

At the same board meeting, ICANN also voted to allow domain names to be lodged in non-Roman languages such as Arabic, Chinese and Russian. This will obviously be of interest to our readers in Asia and the Middle East. ICANN is working on a fast-track system to introduce a handful of non-Roman alphabet country code TLDs (so called "IDN ccTLDs") to meet immediate demand.

## Part 4 What's new on [www.vietnamlaws.com](http://www.vietnamlaws.com)?

### NEW subject categories in Vietnam Laws Online Database

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### Laws recently uploaded on the Vietnam Laws Online Database include the following:

- ➔ Circular 08 guiding Decree 34 on employment of foreigners working in Vietnam, 10 June
- ➔ Resolution 19 on foreigners owning residential apartments in Vietnam, 3 June
- ➔ Law 13 on Value Added Tax, 3 June
- ➔ Circular 07 on payment of compensation to employers for illegal strikes, 30 May
- ➔ Decision 09 with rules on disclosure of information at Ho Chi Minh City Stock Exchange, 20 March
- ➔ Decision 39 increasing export duty to 10% on various groups of iron and non-alloy steel, 19 June
- ➔ Decision 11 with the master plan for mining gold, copper, nickel and molybdenum ore, 5 June
- ➔ Letter 5728 increasing regulation of foreign currency trading, 26 June Letter 908 on tendering for petroleum exploration blocks in Nam Con Son Basin, 18 June
- ➔ Letter 6952 confirming insurers and insurance brokers with foreign owned capital are not required to re-register, 17 June
- ➔ Law 10 amending the Law on Petroleum, 3 June Decree 03 regulating the content of maps and explanatory statements in construction master plans, 31 March
- ➔ Law 14 on Corporate Income Tax, 3 June
- ➔ Decision 1351 reducing the trading fee on shares and fund certificates from 0.05% to 0.03%, 13 June
- ➔ Decision 35 increasing export duty to 20% on a number of types of mineral ore, coal, petroleum and oil, 6 June
- ➔ Decision 2014 on analysis and price frames of proposed power generation projects, 13 June 2007

**The list above is merely a recent snapshot of the wide range of new legislation now uploaded and available on Vietnam Laws Online through June 2008.**

### NEW search function for Vietnam Legal Update

We are pleased to advise that all back issues of the VLU are now available at [www.vietnamlaws.com](http://www.vietnamlaws.com). There are two pages to the website's section on the VLU as follows:

- ➔ 'Monthly VLU' (for issues from April 2007)
- ➔ 'Monthly VLU archive' (for issues prior to April 2007)

## Part 5 Get To Know Us

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In this issue of the Vietnam Legal Update, we continue with our newest feature, spotlighting lawyers from our two Vietnam offices. Our Ho Chi Minh City and Hanoi-based legal team hails from Vietnam, Australia, the United States and Finland, with our total number of lawyers now standing at 26.

Featured in this month's 'Get To Know Us' section is Hoai Tran, a Lawyer in our Ho Chi Minh City office.



*Hoai is a Vietnamese qualified lawyer, who joined Allens' Ho Chi Minh City office in early 2003. Prior to this time, he spent nearly nine years working as a legal assistant/manager for a group of European investors who engaged in property development, mining and trading projects in Vietnam. Hoai's practice is focused on property development, infrastructure, mining, manufacturing, corporate and commercial matters.*

*In his free time, Hoai enjoys sports, travelling and visiting friends and relatives.*

*Quote from the source: "The river may dry up, the mountain may wear down, but the truth can never be changed".*

## VLU Extra: Allens Vietnam Team Wins Award

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Our Vietnam team has been recognised for its outstanding work over the past 12 months with an award at the ALB SE Asia Law Awards held in Singapore on 20 June 2008. The award granted was that of 'Asian Legal Business Deal Firm of the Year', on the back of our impressive range of matters in Vietnam, including:

- the equitisation and partial sale of a 10% stake in Bao Viet, the State-owned insurance provider, to HSBC, valued at approximately US\$255 million; Vietnam's first equitisation;
- the project financing for a foreign company of its appraisal of Vietnam oil and gas fields; and
- several large-scale property projects, including a US\$750 million, 366 ha joint venture residential 'for sale' development near HCMC.

Allens Executive Partner for Asia, Jim Dunstan, said the award was a wonderful recognition of the Vietnam practice's groundbreaking work in the past year, which has coincided with an expansion of the firm's presence in South East Asia.

Our firm was also nominated for Energy & Resources Firm of the Year and SE Asia M&A Deal of the Year.