



LEGAL NEWSLETTER

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INVESTMENT LEGAL COUNSEL
ONE-STOP SOLUTION
LINCON LAW FIRM

Since 2012

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Disclaimer:

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The document is for reference purposes only, the users acknowledge that the provisions, laws or procedures herein may be amended, interpreted and applied differently from time to time. For detailed and accurate advice for specific cases, please contact our lawyers.

01. SECURITIES

Adding entities not obligated from minimum fund requirements when placing stock purchase orders, effective from November 2nd, 2024.

Foreign institutional investors are not obligated to have sufficient funds at the time of placing stock purchase orders.

Foreign institutional investors participating in Vietnam's stock market are defined as organizations established under foreign law.

The transaction payment must comply with the following regulations:

- Foreign institutional investors placing stock purchase orders must have sufficient funds in their account before the depository member is required to transfer money into the depository member's account at the settlement bank for the transaction to be completed.
- In cases of insufficient payment, the corresponding stock purchase transaction obligation of the investor will be transferred to the securities company where the investor placed the purchase order, on the settlement date, based on the notifications according to the regulations.

The securities company is responsible for assessing payment risks and ensuring sufficient funds for transaction settlement.

The securities company must assess the payment risks of foreign institutional investors to determine the required amount of funds when placing stock purchase orders (if any), based on the agreement between the two parties or with a lawful authorized representative.

The payment obligation for any shortage of funds will be transferred to the securities company where the foreign institutional investor placed the order, through its proprietary trading account, in the event that the foreign institutional investor fails to pay the full amount for the corresponding stock purchase transaction. The securities company must ensure sufficient funds to fulfill the payment obligation under this regulation.

Failures in ensuring compliance with this obligation, the securities company will be subject to penalties according to legal provisions and the regulations of the Vietnam Securities Depository and Clearing Corporation.

01. SECURITIES

There are many requirements imposed on securities companies when receiving stock purchase orders in cases where foreign institutional investors are not obligated to have sufficient funds.

Specifically:

- The securities company must comply with the stock purchase order limit as stipulated. This limit is determined by the securities company at the start of the trading day, and relevant documents and information must be kept accordingly.
- The securities company is not allowed to receive stock purchase orders for its own shares.
- The securities company is not allowed to receive stock purchase orders for shares of its parent company. In cases where subsidiaries of the same parent company as the securities company hold shares of that securities company, the securities company is not permitted to receive stock purchase orders from those subsidiaries.

Circular 68/2024/TT-BTC amends the Circular regulating securities trading on the stock trading system; securities clearing and settlement; operations of securities companies; and information disclosure in the stock market, promulgated by the Minister of Finance.

➤ ***Effective from November 2nd, 2024.***



02. LAND

Increasing a series of administrative penalties in the field of land.

Fines for encroachment or illegal occupation of land with an area of from 0.2 ha. Organizations may be fined up to VND 1 billion.

The minimum land area subject to fines for various cases of encroachment or illegal occupation of land has been reduced from 0.5 ha to 0.2 ha.

Fines have also been increased for certain violations, effective from October 4th, 2024, as follows:

- (i) Encroaching or illegally occupying land managed by State agencies or organizations, as shown in cadastral records within the administrative boundaries of the commune or in documents assigning land for management: from *VND3 million* to *VND200 million* for individuals, and from *VND6 million* to *VND400 million* for organizations.
- (ii) Encroaching or illegally occupying agricultural land (excluding rice land, special-use forests, protection forests, and production forests) not covered in section (i) but within the administrative boundaries of the commune: from *VND3 million* to *VND200 million* for individuals, and from *VND6 million* to *VND400 million* for organizations.
- (iii) Encroaching or illegally occupying agricultural land, including rice land, special-use forests, protection forests, and production forests, not covered in section (i) but within the administrative boundaries of the commune: from *VND5 million* to *VND200 million* for individuals, and from *VND10 million* to *VND400 million* for organizations.
- (iv) Encroaching or illegally occupying non-agricultural land not covered in section (i) but within the administrative boundaries of the commune: from *VND5 million* to *VND200 million* for individuals, and from *VND10 million* to *VND400 million* for organizations.
- (v) Using land that the State has decided to allocate or lease, but the allocated or leased land has not yet been handed over on site: from *VND10 million* to *VND500 million* for individuals, and from *VND20 million* to *VND1 billion* for organizations.
- (vi) Acts of encroaching or illegally occupying land within the administrative boundaries of wards or townships will be fined double the penalties for land types in cases (i) to (iv), with a maximum fine of *VND500 million* for individuals and *VND1 billion* for organizations.

02. LAND

Public disclosure of administrative violations in the field of land management on the electronic portals of the Provincial People's Committee, Department of Natural Resources and Environment, and Ministry of Natural Resources and Environment.

Cases of administrative violations in the field of land management and cases that have complied with penalty decisions will be notified in writing to the provincial-level land management authorities for public posting on the electronic portals of the Provincial People's Committee and the Department of Natural Resources and Environment.

The Department of Natural Resources and Environment is responsible for compiling a list of cases with administrative violations in the field of land management and cases that have complied with administrative penalty decisions as stipulated, submitting to the Ministry of Natural Resources and Environment for public posting on the Ministry's electronic portal.

Decree 123/2024/ND-CP regulates sanctions for administrative violations in the field of land.

➤ *Effective from April 10th, 2024.*



03 . TRANSPORTATION

Operating management of the electronic payment database system for road traffic from July 1st, 2026.

Road data will be managed through the electronic payment database system for road traffic, connected to the national database on population starting from July 1st, 2026.

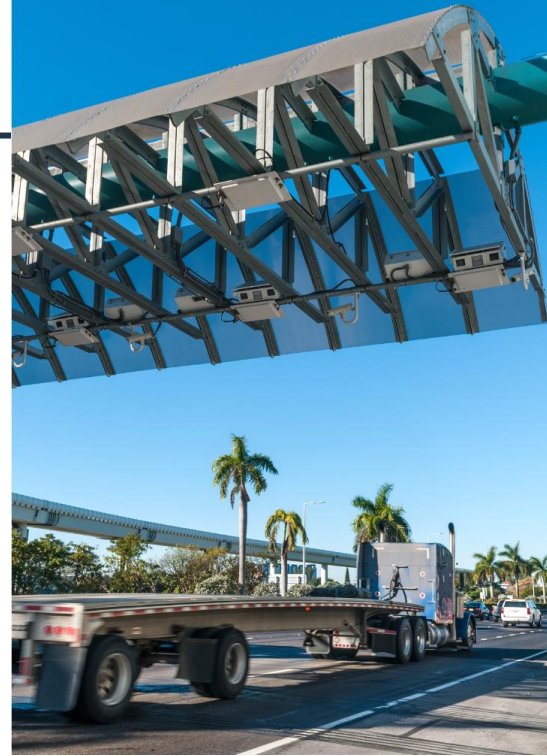
The electronic payment database system for road traffic is a component of the road data management system invested in, organized, managed, and operated by the Ministry of Transport.

To achieve centralized management, the electronic payment database system for road traffic will be connected to:

- The operating system and data center of the electronic payment service provider for road traffic;
- The database on road traffic order and safety;
- The national database on population.

Decree 119/2024/ND-CP regulating on electronic payment for road traffic.

➤ ***Effective from October 1st, 2024***



03. TRANSPORTATION

Implementing the transition from fee collection accounts to traffic accounts, aiming for completion by October 1st, 2025.

Vehicle owners (including the owners of the vehicles or individuals and organizations authorized by the owners to possess and use the vehicles subject to various fees, prices, and service charges related to the operation of the vehicles) need to cooperate with the road usage payment service providers to carry out the transition according to the specified schedule.

In addition, vehicle owners should be aware of their rights and obligations under the new regulations as follows:

- Ensuring the installation of terminal tags for vehicles during the nearest inspection or before the inspection deadline or when passing the toll booth for the first time, or immediately if the terminal tag is lost or damaged due to the owner's fault or after the warranty period expires. Paying for the installation of terminal tags to the road usage payment service provider as stipulated.
- Providing necessary information to open a traffic account, declare and modify traffic account information when changes occur; for the electronic payment service provider for road traffic to refund money to the payment method linked to the vehicle owner's traffic account when necessary.
- Implementing the electronic payment services for road traffic according to the guidelines.
- Reading and understanding the rights and obligations, complying with regulations on personal data security when providing and allowing the sharing of the vehicle owner's personal data with electronic payment service providers, tax collection management units, and operational units to identify, authenticate, process, and store data during the provision of electronic payment services for road traffic for the vehicle.
- Deciding to use traffic account information to carry out electronic payments for road traffic.
- Paying all types of fees, prices, and services related to the vehicle's operations according to regulations.
- Complying with traffic guidelines when passing through toll points.

04. FINANCE - BANKING

New regulations on deposit interest rates at credit institutions and foreign bank branches.

Amendments to the form of premature withdrawal deposits.

Amendments to the form of premature withdrawal deposits. Specifically, certificates of deposit, promissory notes, and bonds issued by credit institutions are no longer classified as premature withdrawal deposits as previously stipulated in Circular 04/2022/TT-NHNN.

Forms of deposits eligible for premature withdrawal under new regulations include:

- Time savings deposits.
- Time deposits.
- Deposit certificates.
- Other forms of receiving time deposits according to the Law on Credit Institutions of Vietnam.



The premature withdrawal interest rates for deposits are applied according to the following principles:

- In the case of premature withdrawal of the entire deposit: the maximum interest rate applied will be equal to the lowest interest rate for demand deposits of that credit institution based on the customer type and/or the currency type of the deposit at the time of withdrawal.
- In the case of premature withdrawal of a partial deposit:
 - For the portion of the deposit withdrawn early, the maximum interest rate applied will be equal to the lowest interest rate for demand deposits of that credit institution based on the customer type and/or the currency type of the deposit at the time the customer withdraws the deposit early;
 - For the remaining portion of the deposit, the interest rate currently applied to the amount of the deposit from which the customer has partially withdrawn will be applied.

04. FINANCE - BANKING

Regulations on deposit interest rates in Vietnamese Dong and US Dollars effective from November 20th, 2024.

Forms of accepting deposits include demand deposits, time deposits, savings deposits, issuance of certificates of deposit, and other forms of deposits based on the principle of full repayment of principal and interest as agreed for organizations and individuals making deposits.

Interest rates for deposits in Vietnamese Dong and US Dollars must be publicly listed by credit institutions at lawful transaction locations within their operational network and published on their electronic information pages (if applicable).

Includes note, the maximum interest rate applies to all forms of promotional expenses, applicable to end-of-term interest payment methods and other methods converted to end-of-term interest payment method.

- For deposits in Vietnamese Dong, credit institutions apply interest rates not exceeding the maximum rate as determined by the Governor of the State Bank of Vietnam for non-term deposits, deposits with a term of less than 1 month, and deposits with a term from 1 month to less than 6 months, varying by period and type of credit institution. For deposits with a term of 6 months or longer, the interest rate applies based on market supply and demand of capital.
- For deposits in US dollars, credit institutions apply deposit interest rates not exceeding the maximum rate determined by the Governor of the State Bank of Vietnam for: institutional deposits, and individual deposits, each determined for respective periods.

- **Circular 46/2024/TT-NHNN** regulating the application of interest rates for deposits in US Dollars by organizations and individuals at credit institutions and branches of foreign banks, promulgated by the Governor of the State Bank of Vietnam;
- **Circular 47/2024/TT-NHNN** regulating Clause 3 of Article 3 of Circular 04/2022/TT-NHNN regarding the application of early withdrawal interest rates for deposits at credit institutions and branches of foreign banks, promulgated by the Governor of the State Bank of Vietnam;
- **Circular 48/2024/TT-NHNN** regulating the application of interest rates for deposits in Vietnamese Dong by organizations and individuals at credit institutions and branches of foreign banks, promulgated by the Governor of the State Bank of Vietnam.

➤ *Effective from November 20th, 2024.*

05. BIDDING

Guidelines for investment projects involving land use required bidding for investors selection and preferential treatment in the selection of investors.

List of investment projects involving land use required bidding for investors selection according to land law regulations.

Including:

- Investment projects involving land use as stipulated in point a, Clause 1, Article 126 of the Land Law.
- Investment projects involving land use as stipulated in point b, Clause 1, Article 126 of the Land Law:
 - Investment projects for constructing solid waste treatment facilities;
 - Investment projects for constructing water supply facilities;
 - Investment projects for constructing markets;
 - Investment projects for constructing rest stops;
 - Investment projects for constructing aviation service facilities at airports that are required to undergo bidding as per regulations;
 - Investment projects in the fields of education, healthcare, culture, sports, and environment that must undergo bidding as per socialization encouragement regulations when there are 02 or more interested investors registering to implement the projects as per regulations.
- Investment projects for constructing social housing;
- Investment projects for renovating or rebuilding apartment buildings;
- Investment projects for constructing housing for the people's armed forces that must undergo bidding according to housing law regulations when there are 02 or more interested investors registering to implement the projects as per regulations;
- Investment projects for horse racing and dog racing, including activities related to betting on horse racing and dog racing, that must undergo bidding according to regulations when there are 02 or more interested investors registering to implement the projects and have received approval from the Prime Minister for investment policy;
- Investment projects for constructing energy facilities that must undergo bidding;
- Other projects that fall under the provisions of Article 79 and point b, Clause 1, Article 126 of the Land Law.

05. BIDDING

Guidelines on the applicable subjects and conditions to receive preferential treatment in investor selection.

The subjects eligible for preferential treatment include:

- Investors with solutions applying advanced technology, high technology, environmentally friendly technology, and best existing techniques to minimize environmental pollution for projects classified as high-risk for negative environmental impacts according to environmental protection laws.

The preferential treatment level is 5% at the time of bid evaluation.

- Investors who commit to technology transfer and engage in high technology activities for high technologies and high-tech products included in the list of high technologies prioritized for investment and development and the list of high-tech products encouraged for development issued by the Prime Minister according to high technology laws or included in the list of technologies encouraged for transfer as per technology transfer laws.

The preferential treatment level is 2% at the time of bid evaluation.

Investors need to ensure that they submit supporting documents to qualify for the preferential treatment as per regulations.



Decree 115/2024/ND-CP guiding the Bidding Law on selecting investors to implement investment projects using land.

➤ **Effective from September 16th, 2024.**

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Since 2012

ABOUT US

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ONE-STOP SOLUTION LEGAL COUNSEL



INVESTMENT



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ACQUISITION (M&A)



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PROPERTY



REGULAR
COUNSEL



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CONTACT US



+84 987 733 358



lawyer@linconlaw.vn



www.linconlaw.vn



linkedin.com/in/lincon-law-firm-100b96201



https://www.facebook.com/Linconlawfirmm



Headquarters in Hanoi: 4th Floor, Sudico Tower, Me Tri Street, Nam Tu Liem District, Hanoi City.



Branch in HCMC: 272 Do Phap Thuan street, An Phu ward, Thu Duc city, Ho Chi Minh city, Vietnam.