

“I don't need lawyers who win at all cost.
I really need them to win, but calculate the costs ”

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ENTERPRISE- INVESTMENT

ELECTRONIC CERTIFICATION HOLDS EQUAL VALUE AS PRINTED CERTIFICATIONS

Circular No.14/2010/TT-BKH issued by the Ministry of Planning and Investment on the 14th of June 2010 instructed issues regarding documentation, orders, and processes for business registration in accordance to the Decree 43/2010/ND-CP issued on the 15th of April 2010 on business registration

Attached along the Circular is the new format of the certification for business registration. However, the companies that were issued certificates for business registration and or along with tax registration prior to the Decree 43/2010/ND-CP taking effect shall be exempt from turning over to the new certificate for business's format. In the case where the company has need to turn their certificate for business into the new format without changing the content, they might submit documents for issuance of certification for business registration within two business days.

In addition, this Circular allows company to freely publicize their information free of charge on the national business channel under four major categories: name of the company, address of main office, legal representative, and field of business. Organizations, and individuals who have need to browse the said information must pay subscription, unless requested otherwise by authorized governmental agency via written documents.

This Circular will take effect on the 20th of July 2010.

Enterprise- Investment

Electronic certification holds equal value as printed certifications.....1

Contractors' bid document purchase restriction will be fined up to 20 millions dongs.....2

Lands - Construction

Tight control over home selling's paper work ...3

Tax

Extension for personal tax reconciliatio submission to 31st jul 20104

Vinh Phúc province chosen to conduct trial on-line tax declaration.....5

Works And Salaries

Salaries for Vietnamese consultants shall not exceed 25 millions dongs/month.....6

Administration

Retailing electricity exceeding regulated price to be fined up to 15 millions dongs.....7

Using radio broadcasting/receiving on airplane to be fined up to one millions dongs.....8

ENTERPRISE – INVESTMENT**CONTRACTORS' BID DOCUMENT PURCHASE RESTRICTION
WILL BE FINED UP TO 20 MILLIONS DONGS**

The above fine was determined based on the Decree 62/2010/ND-CP issued by the Government on the 4th of June 2010 regarding the implementation and supplementation of the Decree 53/2007/ND-CP on the regulation of financial penalty in the field of planning and investing.

According to this Decree, the following violations shall result in financial penalties in the range of 18-20 VND” The act of refusing to offer bid document to contractors or any other acts that might restrict the contractor’s purchase within the bidding period specified on the letter to call for bid; the act of publishing withholding or any other actions that might restrict the issuance of contractor’s bid notification, call for bid, requirement list within the allotted period of notice inviting interested applicants.

Apart from the above violations, the Decree also clarifies the definition of the act of violation. Thus,

the act of violation also is the act of accepting contractor to transfer works that are not yet authorized by the investor’s decision maker, except for work that are under the responsibility of subcontractors specified under contract, winning contractor, organization, individuals under the investment’s owner that hiring foreigners will execute the contract when the expatriates do not have the requirements to work in Vietnam as regulated under Vietnamese Laws. Agencies authorized to carry out financial fining on the field of planning and investing would submit reports on the outcome of the execution of the financial penalties to the Ministry of Planning and Investment prior to the 15th of December of the year for the purpose of centralization and governmental reporting.

Decree 62/2010/ND-CP will come into effect on the 2nd of August 2010.

LANDS – CONSTRUCTION**DECREE 71/2010/NĐ-CP NGHỊ ĐỊNH 71/2010/NĐ-CP:
TIGHT CONTROL OVER HOME SELLING’S PAPER WORK**

On the 23th of June 2010, the Government issued the Decree 71/2010/ND-CP detailing and instructing the implementation of laws regarding homes in effect on the 8th of August 2010 (Decree 71) replacing the Decree 90/2006/ND-CP issued on the 06th September 2006. Decree 71 considered as a firm deterrence to virtual house selling, and trading papers with the intention to better preserve the people’s interests on house buying.

According to Decree 71, only project owners of home development, new urban zones are allowed to mobilize fund under the following forms: borrowing from credit organizations, investment fund or issuance of bonds to supplement insufficient funding; signing of contract/document of joint investment or capital joining with organization, individual; signing of joint venture with real estate trading companies; or signing yet to be built houses’ trading contract with individuals

with rights to own houses in Vietnam in order to utilize the financial deposits of the said individuals.

In the case where the project owner signing joint investment or fund contract, document with organizations, individual or contract of joint venture with real estate trading companies, the investing parties will have their revenues in cash, stocks or the products in form of houses based on the portion of investment. However, the project owner is only allowed mobilizing fund outside the channel of real estate trading market not exceeding 20% the total number of houses of the project. Consequently, the project owner must submit information on the number, addresses and the classes of the houses along with the list of name and address of the parties assigned to each houses for confirmation from the Office of Construction at the houses’ site. This list will be verified at one time

LANDS – CONSTRUCTION

only and the housing development project owner must match the number of houses, addresses, classes, physical areas of the houses, to the confirmed owners. The party tasked with assigning the houses is not allowed to transfer ownerships to other organizations or individual.

In the case where the project owner signs joint venture contract with real estate trading companies for the purpose of investing in housing, funding can only be mobilized after area clearing phase has been completed with handing over memos for project's land surveying data and after notifying the Office of Construction. Involved parties shall jointly carry out business upon distribution of products (in this cases, residential houses), intention of selling, renting of the residential houses is not allow to directly signing contract and instead must go through the project owner (the party with reserved rights of land owning) to directly sign contract with the buyer, renter. The joint party only able to sell , rent out the residential houses after handing over the houses and with certification of ownership.

Except the case where funding mobilization is from the deposit of the individual authorized to own houses in Vietnam via trading contract for future housing projects, the project must gain approval for design and with completed foundation. The construction of residential houses' foundations regulated at this

of the load bearing pedestal has been finished (including processes floor if available) or the height of the lowest floor of the residential project and have been thoroughly inspected according to construction laws.

In addition, Decree 71 also regulates on the renovation, dismantling of apartments and construction of private residential houses in urban area. Thus, apartments with multiple owners, dismantling project, reconstruction must gain two third of the owners' approval. Remaining owners, who disapproving of the dismantle will be forcefully relocated by Provincial level People's Committee and will have to pay the re-settling fee out of their pocket. The process of determining on extent of severely damaged, heavily degraded apartment buildings that under threat of imminent collapse must based on the conclusion of authorized building inspection agencies. The owner of private residents within urban area that have total floor areas exceeding 250 square meters or taller than 3 floors (including basement) must hire contractor with adequate resources to perform construction. For private residents in urban area with floor area exceeding 1000 square meters or taller than 6 floors (including basement), there must be certification for load bearing safety issued by authorized agency under construction laws prior to being put into use.

Tax**EXTENSION FOR PERSONAL TAX RECONCILIATION SUBMISSION TO 31ST JUL 2010**

On the 4th of June 2010 Ministry of Finance issued the Official dispatch 7209/BTC-TCT regarding the extension for personal tax reconciliation by the end of the 31st of July 2010.

Previously, to facilitate for the involved individuals to better perform personal tax declaration, on the 15th of March 2010, Ministry of Finance issued Official dispatch 3124/BTC-TCT to extend the period of submitting personal income tax balance for 2009 to the end of the 31st of May 2010. However, as of the 31st

of May 2010, the status of personal income tax submission at some areas was still facing issues and has not been completed.

2009 is the first year of tax balancing in accordance to the Personal Income Tax Laws ("PIT") and online balance submission. Ministry of Finance received feedback from a few tax offices, organizations, and tax paying individuals regarding the delay in submission of involved organization and individuals.

Tax

VĨNH PHÚC PROVINCE CHOSEN TO CONDUCT TRIAL ONLINE TAX DECLARATION

Decision No.1259/QD-BTC of the Ministry of Finance issued on the 2nd of June 2010 put Vĩnh Phúc province on the list of areas to be on trial for online tax declaration.

According to Decision No.1259, Tax declaring individual ("NNT") participate in the online tax declaration trial ("HSKT") via the internet must comply with regulations from Decision No. 1830/QD-BTC regarding the trial of online tax declaration submission via the Internet (Decree 1830) and adhere to standard procedure for registration and submission of tax declaration via the Internet of the tax declaring individual NNT and of the Central Tax Bureau.

HSKT online submission system has been established on trial since August 2009 to the end of December 2009 at the following provinces and

cities such as : Hồ Chí Minh, Hà Nội, Đà Nẵng và Bà Rịa-Vũng Tàu. This model will not only benefit the tax declaring individual NNT during the process of inputting tax queries but also help to ease the pressure on the tax offices during high season. Companies can also save time and cost for not having to physically come to tax office, and waiting for turn. This model is not limited by time and distance. The parties can submit 24/7 and wherever they have internet connection. In addition, the digitization of the process also help to reduce cost spent on printing, and the Internet centric process will encourage companies to get acquainted with the e-business.

Decree 1259 will take effect on the signed signing date.

WORKS AND SALARIES

FOR GOVERNMENT FUNDED PROJECTS : SALARIES FOR VIETNAMESE CONSULTANTS SHALL NOT EXCEED 25 MILLIONS DONGS/MONTH

On the 10th of June 2010 Ministry of Labor, Invalids and Social Affairs issued Circular No. 18/2010/TT-BLĐTBXH, regulating the salaries of Vietnamese consultant performing consulting contract and under the form of periodical contract of projects using government funding.

Thus, the highest pay salary shall not exceed 25 millions dongs/person/month for consultant with over 15 years of professional experience. Second grade shall not exceed 20 millions dongs/person/month for consultant with 10 to 15 years of professional experience. Third grade shall not exceed 10 millions dongs/person/month for consultant with 5 to 10 years of professional experience and fourth grade shall not exceed 5 millions dongs/person/month for consultant with 3 to 5 years of professional experience

The above salaries are the net pay, included social

securities, medical insurance, unemployment insurance and applied taxes.

Project owner can decide to reward higher salaries for special cases but must submit for consideration by government agency.

The salary for Vietnamese consultant is the basis to determine the consulting contract's value. For contracts signed prior to the issuance of the Circular's effective date but still have work underway, yet to carry out or unpaid, the project owner can adjust the contract's value as: If the salary is lower than the regulated amount in the Circular, the project owner to considerate, adjust according to regulation within the Circular. If the salary is higher than the Circular's regulated amount, the project owner will report to authority to adjust the salary accordingly

This Circular will come into effect 45 days after signing.

ADMINISTRATION**RETAILING ELECTRICITY EXCEEDING REGULATED PRICE TO BE FINED UP TO 15 MILLIONS DONGS**

This issue has been regulated by Decree 68/2010/ND-CP on the 15th of June 2010 of the Government regarding the penalty for electricity industry's legal violation.

According to this Decree, retail agency will be fined from 10 to 15 millions VND if selling electricity at prices different from the ones regulated by authorized body; fined from 15 to 20 millions VND for act of abusing position of power to extort electricity using organizations, individual for financial gain.

The Decree also raised the penalty for violations from electricity consumers. For detail, the consumer will be fined from 500 thousands to 01 millions VND (compare to 100 thousands to 300 thousands VND prior to this) for obstructing authorized individual during inspection; fined from 2 millions to 4 millions VND (compare to 300 thousands to 700 thousands VND prior to this) for autonomously install, shut off, cut, tinker, replacing electrical components and electrical installations of the electricity selling party. Implementing the financial penalty for consumer for not noticing the retailer 05 business days in advance for the need to put their subscription on hold or 15 business day prior for the purpose of ending subscription. For those who purchase electricity for the

purpose of manufacturing, trading, and services; the above violation will also be fined from 02 to 04 millions VNDs.

This Decree regulation the penalties for individual, organization that are purposely or no deliberately violate the legal regulations on electricity usage without criminal intention, including: Certification for electrical activity; construction, assembling of electrical installation; electricity generation; electricity transmission; electricity distribution; electricity trading/retailing; regulations on electricity usage; electrical safety standard; electrical system management; electricity market regulation. The duration to carry out legal penalty for electricity industry is one year since the day the violation occurred; should that time has passed, penalty shall not be pressed but the committed party still has to carry out measures to amend would still be put in place. For repeated violation, and over long period of time, the duration would be counted from the day when the violation occurred.

This Decree will be in effect on the 1st of August 2010 and replace Decree 74/2003/ND-CP issued on the 26th of June 2003 by the Government regulation the financial penalty on the electricity industry.

USING RADIO BROADCASTING/RECEIVING ON AIRPLANE TO BE FINED UP TO ONE MILLIONS DONGS

On the 3rd of June 2010, the Government issued Decree 60/2010/ND-CP one the penalty for financial violation within civil aviation. Passengers shall be fined from 500,000 to 1 million VND for these following violations: using electrical, signal transmitting devices without authorization and smoking.

This Decree regulate the penalty for violations of airplane's regulation; violations of airport's regulations, violations of flight attendant's regulations; violations of air cargo and general aviation regulations; violations of air traffics safety.

Aviation inspector reserved the rights to fine up to 500,000 VND and confiscate of devices worth up to 2 millions VND; senior aviation inspector reserved the right to fine up to 30 millions VND, revoke professional certifications, IDs. Senior aviation inspector's rights to confiscate proofs, object of crime are not limited by monetary value.

This Decree comes into effect on the 20th July 2010, replacing Decree 91/2007/ND-CP on the 1st of June 2007 issued by the Government regarding the financial penalty for civil aviation.