



NEWSLETTER SEPTEMBER 2020

In this new edition, you can read about the supporting documents that have been issued in light of the entry into force of the EVFTA and an update on issues to consider in light of a distressed M&A in Vietnam. We also provide you with some other news and regulations which we thought might be of interest.

LEGAL INSIGHTS



EVFTA: IMPLEMENTING DOCUMENTS ISSUED

Finally, on 1 August 2020 the free trade agreement between the EU and Vietnam entered into force. This agreement is expected to increase trade between the EU and Vietnam. Various implementing documents have been issued recently. Important is the rule of origin determination to qualify for reduced tariffs.



DISTRESSED M&A IN VIETNAM: ISSUES TO TAKE NOTE OF

As a result of COVID-19 pandemic, business owners might be forced to sell their company or parts of it. If you would like to buy such a company there are various issues that you might need to consider. In this update we set out some of the most important issues you need to think of to minimise the risk, such as various approvals that could be required but also how to structure the deal.

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LAWS & REGULATIONS

Decree No. 95/2020/ND-CP

This Decree provides instructions on implement procurement bidding under the CPTPP. It sets out regulations for selecting contractors for the execution of bidding packages for consulting and non-consulting services, construction services, and providing goods under specific projects listed in Annexes of this Decree. Decree 95 entered into force on 24 August 2020.

Decree No. 111/2020/ND-CP

This Decree provides detailed information on the export and import tax schedule of Vietnam for the performance of Free Trade Agreement between Vietnam and the European Union for the period 2020-2022. Decree 11 entered into force on 18 September 2020.

See also our [update on implementation documents](#) in this newsletter and our earlier [update on the impact of the EVFTA](#).

Decree No. 114/2020/ND-CP

This Decree provides information on the reduction in CIT in 2020 for enterprises, cooperatives, public service providers and other organisations with a revenue below 200 billion VND as a measure to reduce the negative impact of COVID-19 on SMEs. Decree 114 entered into force on 3 August 2020. Please note that the reduction will only apply to a part of 2020.

Circular No. 21/2020/TT-BCT

This Circular sets out regulations on the procedures for granting electricity operation licenses including power generation licences. It provides information on which cases are exempted from such license. Circular 21 will enter into force on 26 October 2020.

Circular No. 18/2020/TT-BCT

This Circular regulates the project development and sample PPA applicable to solar power projects. It prescribes the development of grid-connected solar power projects, rooftop solar power system and sample of electricity sale contract applicable to grid-connected solar power projects and rooftop solar power system in Vietnam. Circular 18 entered into force on 31 August 2020.

OTHER NEWS



\$4 billion LNG project helps Bac Lieu lead in FDI attraction

Bạc Liêu ranked first among 63 provinces and cities in term of foreign direct investment (FDI) attraction in the first nine months of this year, with projects including an LNG-to-power project worth US\$4 billion from Singapore, according to the Foreign Investment Agency (FIA). ([VietnamNews](#))



Vietnam govt says needs \$133.3 bln for power projects by 2030

Vietnam will need to invest up to \$133.3 billion in new power plants and transmission networks over the next decade to meet the country's rising demand, the government said on Monday. ([TuoiTre](#))



New incentives to favour innovative startups in Vietnam

The fresh incentives of the government are hoped to facilitate thousands of local startups which have been struggling to survive the COVID-19 pandemic. ([VIR](#))



New coastal economic zone set up in Quảng Ninh

Prime Minister Nguyễn Xuân Phúc recently signed a decision on the establishment of the coastal Quảng Yên Economic Zone in the northern province of Quảng Ninh. ([VietnamNews](#))



Increasing agricultural quality through new EU deal

The historic EU-Vietnam Free Trade Agreement has been in force for nearly two months now. Minister of Agriculture and Rural Development Nguyen Xuan Cuong talked with VIR's Thu Phuong how the agricultural sector has availed of the deal's benefits and what suite of measures will come out in the rest of the year to expand the gains and reach annual development targets. ([VIR](#))



Waste-powered electricity plant under construction in Mekong Delta province

Construction of a new waste-to-energy plant started in Hoa An Commune, Phung Hiep District in the Mekong Delta province of Hau Giang on Sunday. ([Tuoi Tre](#))

CO-OPERATION

ACSV LEGAL PARTNERS WITH THE DBAV

For a period of 1.5 year ACSV Legal will be the legal advisor of the Dutch Business Association Vietnam's (DBAV) and support the DBAV to become a business hub for Dutch companies in Vietnam, Dutch companies interested to invest in Vietnam or cooperate with companies in Vietnam.

We look forward to this partnership!

CONTACT US



If you have questions, please get in touch with us at marketing@acsvlegal.com or your usual ACSV Legal contact.

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