



NEWSLETTER JANUARY 2021

In this new edition, you can read an update on the draft decrees to implement the Law on PPP and the decree providing guidance on employing foreigners based on the Labour Code. Both the Law on PPP and the Labour Code entered into force on 1 January 2021. We also provide you with some other news and regulations which we thought might be of interest.

LEGAL INSIGHTS



DECREE 152 PROVIDES GUIDANCE ON EMPLOYING FOREIGNERS

Decree 152 provides guidance on employment of foreigners following the entering into force of the new labour code per 1 January 2021. There are some changes related to exemptions as well as the requirements to be qualified as an expert or technical worker.



DRAFT DECREE: WILL PPP ATTRACT MORE INVESTMENTS?

The draft decree does address various points, however, there is still need for clarification with regard to for example the law governing PPP project contract, conditions related to equity transfer, disposal of collaterals, and restrictions on equity transfer as well as definition of policy enabling changes in developing a PPP project.

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LAWS & REGULATIONS

Labour Code No. 45/2019/QH14

The 2019 Labour Code regulates employment relationships in a more specific methods. Important is that no longer will matter how you call an agreement, but if it meets certain criteria it will be a labour contract. Also, the retirement age will increase in steps. The Labour Code entered into force on 1 January 2021.

See our update for more information on the law: <https://bit.ly/3oUizWI> and Decree 152 (also in this newsletter): <https://bit.ly/3owmqbn>.

Law on Securities No. 54/2019/QH14

The 2019 Law on Securities for the first time ever mentions foreign investors' participation on the securities market. The law also amends and adds definitions, and separates the initial and additional public offering. Furthermore, the conditions for both public and non-public offerings will be tightened, and the maximum fine will be increased. The law entered into force on 1 January 2021.

See our update for more information: <http://bit.ly/37pFYpP>.

Law on Enterprises No. 59/2020/QH14

Some important changes are that a digital signature will have equal validity as an original seal and the rights of minority shareholders will be protected better. Other changes are related to corporate governance for JSCs. The amended law also will imply less administrative hassle. The law entered into force on 1 January 2021.

See our update for more information on the law: <https://bit.ly/3dNtCdV>.

Law on Investment No. 61/2020/QH14

The law changes the foreign ownership ratio for defining a Foreign Invested Entity. There are several changes with regard to incentives and business lines. Also, more clarity is given on which law prevails in certain circumstances related to investment. An important point is also the change related to the requirement of obtaining an M&A approval. The law entered into force on 1 January 2021.

See our update for more information: <https://bit.ly/3ii8Bvu> and the draft decree: <https://bit.ly/38R83tC>.

Law on PPP No. 64/2020/QH14

The 2020 Law on public-private partnership (PPP) investment regulates in detail PPP activities of the government and related organizations. The Law set out the list of fields to be eligible for PPP investment, as well as step-by-step preparation for implementing the PPP projects. It also prescribes general terms for selecting the investors to be engaged in the PPP projects. The law entered into force on 1 January 2021.

See our update for more information on the law: <http://bit.ly/2knW9kH> and the draft decree (also in this newsletter): <https://bit.ly/2MD2qqj>.

OTHER NEWS



Promoting synergies through EVFTA

The new Law on Investment, which took effect on January 1, aims to ease the doing of business in Vietnam and will have a positive impact on the attraction of foreign investment and improvement of Vietnam's business environment. ([VIR](#))



Big tech makes mass arrival to Vietnam

As big tech begins to shift away from China-based production centers, a host of international firms, including major suppliers for Apple, Sony, and Microsoft, are finding a new home in Vietnam. ([Tuoi Tre News](#))



Vietnam needs to develop vocational education and training in transition to Industry 4.0

The nation must strive to develop dedicated technical and vocational education and training schemes to enable its transition to the fourth industrial revolution, with efforts being made to boost worker productivity and local competition, according to a new study by the Asian Development Bank. ([VOV](#))



Việt Nam's January exports up 50.5 per cent year-on-year

Việt Nam's goods exports were valued at US\$27.7 billion in January, up 0.2 per cent from the previous month and 50.5 per cent from the same period last year, according to the General Statistics Office of Vietnam (GSO). ([VN News](#))



Thai investors eye more investment opportunities in Vietnam

Vietnam is still a destination for foreign investment, including Thailand because it is a large and growing market, Tanee Sangrat, Director General of the Department of Information and Spokesman of the Foreign Ministry of Thailand, has said. ([VIR](#))

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