



NEWSLETTER JULY 2021

In this new edition, you can read about the new regulation of Vietnamese tax law, a new update introduces support packages for employees and employers seriously affected by the COVID-19 pandemic and the draft decision on special investment incentives. We provide you also with some other news and regulations which we thought might be of interest. Last but not least, you can find our latest contribution to Chambers and Partners' Doing Business in Vietnam 2021 guide.

LEGAL INSIGHTS



FORCE MAJEURE OR CHANGE OF CIRCUMSTANCES?

Recently, the authorities in key manufacturing hubs in the South of Vietnam, have issued orders requiring manufacturers to either create a production bubble or stop production until further notice. The question is now if these administrative orders from the local authorities should be considered as a force majeure event or a basic change of circumstances under Vietnamese law.



GOVERNMENTAL SUPPORT PACKAGES FOR EMPLOYERS AND EMPLOYEES

Resolution 68/NQ-CP of 1 July 2021 and Decision 23/2021/QĐ-TTg of 7 July 2021 introduce 12 support packages for employees and employers seriously affected by the COVID-19 pandemic. This update sets out the ones, enterprises might be most interested in. Qualification is subject to conditions set out in these documents.



VIETNAMESE E-COMMERCE STRUGGLES WITH LAWS AIMED AT TAXING ONLINE VENDORS

Referred to as “Circular 40”, the new regulation moves to shift responsibility for vendors’ tax liabilities from sales generated on online platforms to the respective platform operator.



DRAFT DECISION ON SPECIAL INVESTMENT INCENTIVES

To attract more foreign investment focusing on quality, efficiency, technology application, environment protection and that apply high technology, create added value, and connect global chains of production and supply a draft decision has been issued.

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LAWS & REGULATIONS

Law No. 68/2020/QH14

The Residence Law provides for exercise of the right of Vietnamese citizens to reside in the Vietnam territory. The Law regulates the registration and management of permanent and temporary residence. In which, it has replaced the residence book with the detailed residence date recorded directly to the National Database on Residence. The Residence Law entered into force on 1 July 2021.

Decree No. 62/2021/ND-CP

This Decree sets out guidelines for the Residence Law. It prescribes the application dossier and procedures for removing the permanent/temporary residence registration, as well as make clear of function of the National Database of Residence. This Decree entered into force on 1 July 2021.

Decree No. 70/2021/NĐ-CP

This Decree amends the Decree No. 181/2013/ND-CP dated 14 November 2013 on elaboration of some articles of the Law on Advertising. Its scope focuses on cross-border advertisement service, such as: definition and interpretation, rights and obligations of advertising agencies, periodic reports regime. Decree 70 will enter into force on 15 September 2021.

Circular No. 32/2021/TT-BTC

This Circular provides instructions on the initial public offering of shares, management and use of proceeds from equitization involving transformation of State-Owned Enterprises and Single-Member Limited Liability Companies with 100% of their charter capital wholly held by State-Owned Enterprises into Joint-Stock Companies. It sets out detailed regulations on price of shares offering, methods of initial public offering of shares and matters relating to the proceeds from equitization of the State-Owned Enterprises. This benefits the management of the investors participating in a PPP project (e.g. solar power project).

Resolution 64/NQ-CP and Decision No. 23/2021/QĐ-TTg

This Resolution provides details and guides the procedures for applying to qualify for supporting policies for businesses and employees facing difficulties due to the impact of the pandemic. The Resolution and Decision are applicable as of 1 and 7 July 2021 respectively.

[Read our update, for more information >>](#)

OTHER NEWS



2021 Vietnam Annual Economic Report launched

The 2021 Vietnam Annual Economic Report entitled "Repositioning Vietnam in the Global Dynamics" released on July 29 put forward growth scenarios for the remaining months. ([VN News](#)).



AC Energy reaches 1,000MW milestone in key Vietnam Market

Vietnam becomes AC Energy's largest market to date outside of the Philippines with its Vietnam-based renewable energy projects reached 1,000 MW in operation and under construction. ([VIR](#))



Industrial land rentals rise

Rentals for industrial lands in HCMC increased in the second quarter despite the renewed Covid-19 outbreak, according to real estate services provider Colliers Vietnam ([VNEExpress](#)).



Direct EU-Vietnam cargo train heralds in new prospects for the railway industry

With the launch of the first direct cargo train between Vietnam and the European Union last week, Vietnam's railway industry is making a new approach to the cargo transport business. ([VIR](#))

Seaports face challenging forecasts

Despite reaching better business performance in 2021 so far compared to a problem-strewn previous year, foreign-invested join



venture seaports are facing challenges related to full capacity and container attraction. ([VIR](#))

PUBLICATION



CHAMBERS AND PARTNERS' DOING BUSINESS IN VIETNAM 2021 GUIDE

We are pleased to present the latest 'Doing business in....' guide of Chambers and Partners covering 46 jurisdictions. A must-read if you intend to invest in Vietnam, or have plans to expand your business in Vietnam.

[View the publication here >>](#)

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