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ATA GLOBAL LEGAL LIMITED COMPANY
ATA LEGAL SERVICES



SPECIAL LEGAL UPDATE

LIST OF IMPORTANT LEGAL DOCUMENTS OF VIETNAM
IN THE LAST 6 MONTHS OF 2022

PREAMBLE

Since June 1, 2022, ATA Legal Services has been providing 30 weekly Legal Updates, including thematic Updates for important legal documents attracting great concern of society. With well-prepared content, our Legal Updates have been being highly appreciated by Valued Clients, Partners and Readers.

As the last Legal Update of 2022, with the purpose of reviewing the policy and legal system which has great changes, ending the journey of the first 6 months full of efforts for good services, and creating a premise to welcome new journeys filled with new efforts and creativity of ATA Legal Services. We are glad to have our clients, partners and readers to review together with us the documents that have significant impacts on the national economy in the last 6 months of 2022.

We look forward to your support and cooperation in the future!

Best regards!

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THE 2022 LAW ON INSURANCE BUSINESS

SUPPLEMENTATION OF MULTIPLE PROTECTION

CONTENTS FOR POLICYHOLDERS AND THE INSURED

On June 16, 2022, the Law on Insurance Business No. 08/2022/QH15 (the “**LIB 2022**”) was promulgated, replacing the previous Law on KDBH 2000, amended and supplemented in 2010 (the “**LIB 2000**”). In this Law, various adjustments have been provided towards promoting and facilitating insurance business, as well as protecting the interests of insurance buyers and the insured in Vietnam, specifically:

1. Record of time when insurance liability arises in insurance policies ("IPs")

Under the LIB 2000, although the IP has signed, the insurance liability of the insurer may not yet arise. Specifically, Article 15 determined that this liability shall arise when the policyholder has fully paid the premium, unless otherwise provided by the insurer.

However, the LIB 2022 requires to include the content of “effective time of the IP” as well as the time when insurance liability arises in the IP. This will

assist policyholders in proactively protect their rights, reducing the demonstration obligation for policyholders in disputes on the insurance liability arising time.

2. Insurance beneficiaries in life IPs must be approved by the insured

In essence, the insured is the subject of the life IP, and the beneficiary is the person who receives benefits from the IP when there are any circumstances harming the life and health of the insured. Therefore, the insured is entitled to appoint and approve the beneficiary to be protected after he/she is no longer alive or able to work.

Therefore, in addition to the requirement for confirmation of the insurer under Article 38 of the LIB 2000, Article 41 of the LIB 2022 also requires the approval of the insured when appointing or changing the beneficiaries in life IPs.

3. Supplementation of regulations on group IP

The LIB 2022 stipulated that a group IP is the arrangement between the policyholder and the insurer or the foreign non-life insurer's branch that is made to offer insurance on the insured group members under the same IP. This Law also added regulations related to group IP such as: conditions of insured group; premium payment obligation; cases of modification and supplementation of group IP; and mandatory contents in the group IP.

Compared to individual IPs, the insurance cost for group IPs will be lower, although the insureds are still entitled to the same insurance benefits as in individual IPs. In practice, this type of insurance has been being used by businesses for their employees as a working benefit. However, before the LIB 2022's adoption, this model was still just spontaneous and risky because there were no legal grounds to govern.

The supplementation of regulations related to such insurance model not only recognizes the practice

development but also provides a basis for the parties to IPs to protect their legitimate interests.

4. Supplementation of regulations on the time limit for consideration of participation in insurance and temporary coverage in life insurance

The consideration period for participating in insurance or the "insurance trial" period under the LIB 2022 shall be 21 days from the date the policyholder receives the IP.

As in the case of group IPs, the insurance consideration/trial period has been applied spontaneously by insurers to high-value IPs, usually life IPs.

Given the recognition of practice through the provision of a clear legal framework, the application scope of this "trial mechanism" has been expanded, not only for life IPs but also for health IPs – types of IPs that are not mandatory but mostly have great value.

If you are interested, please seek for relevant contents of the LIB 2022 that has been updated by ATA Legal Services [here](#).

RESOLUTION 73/2022/QH15 ALLOWS AUCTION OF CAR LICENSE PLATES

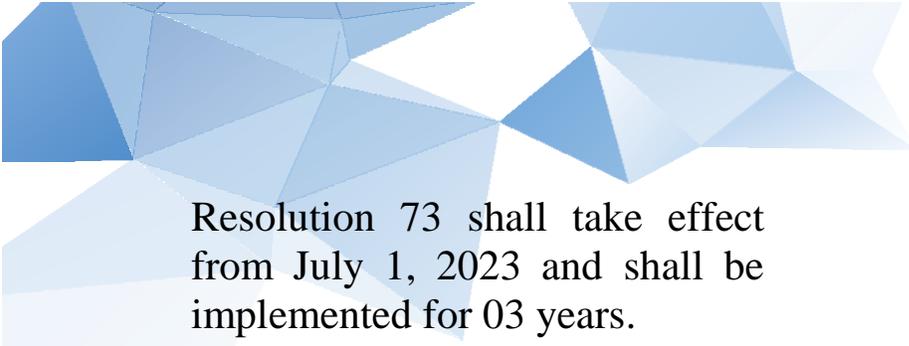
The registration of car ownership is considered a method to manage this vehicle, and license plates are a tool to carry out such management. Previously, car license plates were issued randomly, vehicle owners were not allowed to choose license plates in advance registration. However, in practice, the demand for special license plates is huge. Given the lack of a public and transparent mechanism, there have been many negatives arising in the management of license plates, which is not beneficial to the State.

In order to meet the needs, license plate auction is an appropriate method. In addition, this can also bring great benefits to the State. However, pursuant to the 2016 Law on Property Auction, the subject to be auctioned is required to be property. Meanwhile, car license plates are currently considered a asset management tool of the State. Although a license plate could enhance the value of that vehicle which it attached, there is no legal basis to

separate and recognize the license plate as an independent property.

Stemming from this situation, Resolution 73/2022/QH15 ("**Resolution 73**") adopted a pilot plan to allow vehicle owners to auction car license plates before registration. The details of Resolution 73 have been updated by ATA Legal Services [here](#). Accordingly, the State has permitted the selection and auction of special license plates upon a limit that organizations and individuals shall not transfer, exchange, gift, or bequeath these license plate, except for the case of transfer, exchange, gifting or bequeathal of the car with the winning license plate.

In that spirit, license plates are considered a special type of property because they must be attached to a particular asset to be transferred. With this mechanism, the State can not only increase their budget but also ensure the appropriateness of the current vehicle management mechanism in Vietnam.



Resolution 73 shall take effect
from July 1, 2023 and shall be
implemented for 03 years.



DECREE 20/2022/ND-CP AND CIRCULAR 50/2012/TT-BTC TYPES OF COMPULSORY INSURANCE IN CONSTRUCTION INVESTMENT ACTIVITIES

On March 10th, 2022, the Government issued Decree No. 20/2022/ND-CP (“**Decree 20**”) amending and supplementing a number of articles of Decree No. 119/2015/ND-CP (“**Decree 119**”) on compulsory insurance in construction investment activities. Accordingly, types of compulsory insurance related to construction investment activities include:

- a. Insurance for construction works in progress;
- b. Compulsory professional liability insurance for construction consultancy service;
- c. Compulsory insurance for employees working at construction sites;
- d. Compulsory third-party civil liability insurance.

Subsequently, on August 11th, 2022, the Ministry of Finance issued Circular No. 50/2022/TT-BTC (“**Circular 50**”) replacing

Circular No. 329/2016/TT-BTC (“**Circular 329**”) guiding on a number of articles of Decree 119 and Decree 20. Circular 50 provided the principles, terms, premium schedules, and financial regimes for the aforementioned types of compulsory insurance.

Accordingly, enterprises engaged in construction industry should note the following matters:

1. Contractors are required to buy third-party civil liability insurance before participating in construction investment activities

Third-party civil liability insurance is a type of insurance in construction industry, mentioned in the 2014 Law on Construction. It is a type of liability insurance to compensate for non-contractual damages of construction enterprises (contractors) arising from damage to health, life, and property to third parties (including all people, surrounding

property, property and people traveling around the construction areas) related to the construction.

Under Decree 119, the purchase of third-party civil liability insurance by contractors was “voluntary”. However, *since July 1st, 2022, the purchase of such insurance has become a mandatory obligation for contractors in construction activities* as prescribed in Decree 20.

This new regulation not only ensures the interests of third parties when facing risks related to the project, but the insurer (contractor) is also covered by the insurer for damages to third parties. This contributes to avoiding protracted disputes in compensation for damages, affecting the construction of the project. Thereby, creating peace of mind for contractors in construction investment.

2. The premium of compulsory third-party civil liability insurance is equal to 5% of the premium of insurance for construction works in progress.

Basing on the risk level of insurance subjects, insurers are adjusted to increase or decrease the premiums within the extent of up to 25% of the premiums. Accordingly, *this premium shall be included in the cost of production and business*. This regulation will assist contractors in estimating costs when participating in bidding.

3. Specification of insurance liability exclusions

Compared to Circular 329, Circular 50 is restructured towards excluding general insurance liability and excluding separate insurance liability for each type of compulsory insurance mentioned above. At the same time, it also supplements several exclusions of insurance liability, especially compulsory third-party civil liability insurance.

ATA Legal Services’ Legal Updates on [Decree 20](#) and [Circular 50](#) was posted on the Company’s website. We are looking forward to your support on this publication.

DECREE 59/2022/ND-CP

ELECTRONIC IDENTIFICATION AND AUTHENTICATION – IMPORTANT PREPARATION FOR DIGITAL GOVERNMENT

1. Electronic identification account

In order to implement the plan for creating the national database on population and businesses, on September 5, 2022, the Government issued Decree No. 59/2022/ND-CP (“**Decree 59**”) on electronic identification and authentication (as updated by ATA Legal Services [here](#)).

Accordingly, the National Police Department on Administrative Management of Social Order – Ministry of Public Security shall be mainly in charge of citizen information management, issuance of electronic identification accounts and electronic authentication for individuals and organizations. Individual identification accounts shall include personal information (level 1 account) and biometric information (level 2 account). Similarly, organization identification accounts shall include the organization’s information such as organization name, head office address, legal representative, etc. In addition,

the electronic identification account is synchronized with other information such as health insurance, driver license, and tax code. In this context, *the use of level 2 electronic identification accounts has the same validity as that of citizen identification cards (“CIC”)*, and could replace personal papers and licenses when electronic identity holders participate in electronic transactions or online activities that require such documents.

The registration of electronic identification accounts is not mandatory, but is encouraged by the Government in order to simplify the public service processes and electronic transactions for citizens. Currently, ministries and local authorities are actively coordinating with the Ministry of Public Security to integrate citizens’ personal legal documents, containing information on health insurance cards, vehicle registration certificates; driver licenses, bank cards, etc., into chip-mounted

CIC and electronic identification accounts on VNEID application to facilitate transactions.¹

Basically, electronic identification accounts will simplify administrative procedures due to the waive of legal document presentation during public service implementation since all the necessary information has been integrated into the national system. When applying for online public services, citizens' information will be automatically filled out the online forms without manual declaration as previously. At the same time, citizens can share information available on their electronic identification accounts to create bank/financial/telecom accounts.

Therefore, in the upcoming time, administrative procedures in Vietnam will be simple, prompt and majorly online. *Citizens can only use chip-mounted CIC or electronic identification accounts to perform online transactions and public services*, thereby saving time and expenses,

¹ According to Notification No. 62/TB-VPCP dated March 1, 2022 of the Government Office on the conclusion of Prime Minister Pham Minh Chinh at the conference on the development project

preventing forged documents as well as notarization cost. Additionally, online administrative procedures will minimize negative regarding the contact between state agencies and citizens; publicizing administrative procedures and settlement duration also brings the law closer to citizens.

2. Residential information shall be integrated into the chip-mounted CIC

According to the 2020 Law on Residence, *residential information shall be integrated into chip-mounted CIC, with the goal of replacing family registers and temporary residence registers after December 31, 2022*, as updated [here](#) by ATA Legal Services.

With the removal of family registers and temporary residence registers, citizens shall not be required to carry out several administrative procedures related to residence registration such as: amendment of family register; amendment of family registers;

implementation of population data, electronic identification and authentication for national digital transformation in the period of 2022 – 2025, with the vision to 2030.

reissuance of family register; amendment of temporary residence register; reissuance of temporary residence register; adjustment of temporary residence register; and extension of temporary residence period. Thereby, reducing the costs associated with performing the aforementioned procedures (such as notarization and attestation costs) for citizens.

In order to perform transactions or public services requiring residential information, citizens shall not be required to present too many documents, but *only need to provide either the chip-mounted CIC or identification number* to the authorities.

Simultaneously, integrating residential information into chip-mounted CIC and updating it on the national population database will enhance the publicity and transparency of administrative procedures; citizens can also look up information about their residence registration and request for confirmation of residential status pursuant to their legitimate needs.

In addition, *in case citizens do not have a chip-mounted CIC*, from

January 1, 2023, citizens can still use other methods to verify residential information according to the instructions of the National Police Department on Administrative Management of Social Order – Ministry of Public Security in Documentary No. 5672/C06-TTDLDC, including: Look up information on the national population database, VNEID application with electronic identification account, residential information confirmation, and the Notice of identification number and information in the national population database.

With these important and transformative changes, the introduction of Decree 59/2022/ND-CP is the vital preparation towards the “e-Government”, contributing to create a safe and convenient environment for investment and business activities. Furthermore, we can expect that the term “administration” will be associated with convenience and comfort, rather than the catchphrase “administration is actually torture”.

DECREE 65/2022/ND-CP

CRUCIAL LEGAL BASIS FOR THE TRANSPARENCY INCREASE OF THE BOND MARKET

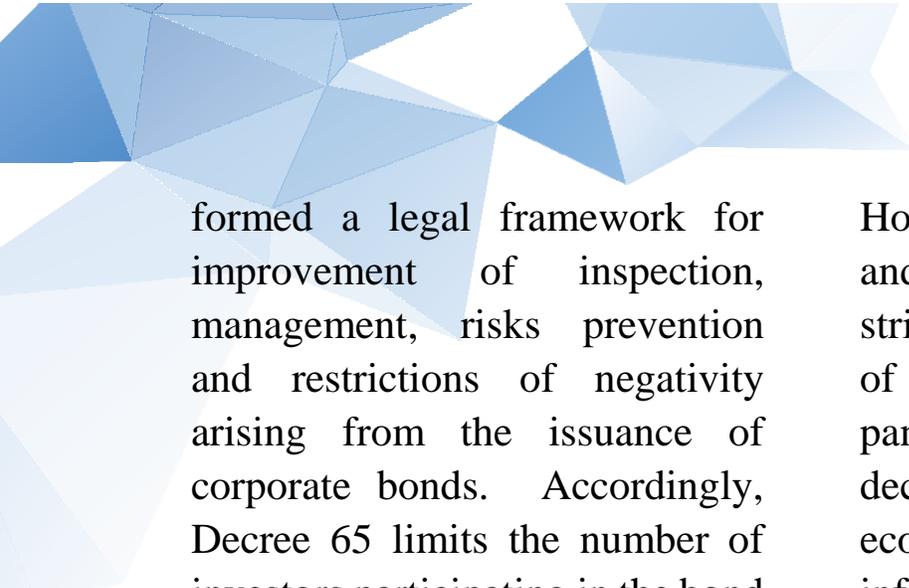
In 2022, the bond market in Vietnam has witnessed many adverse events. After a period of “hot” development, along with the economy's fluctuations towards an unfavorable direction, resonating with the enhancement of state control to make the economy transparent, many limits of the bond market in Vietnam have been revealed.

In this context, on September 16, 2022, the Government issued Decree 65/2022/ND-CP amending and supplementing a number of articles of Decree 153/2020/ND-CP on offering and trading of individual corporate bonds in the domestic market and offering corporate bonds to the international market (“**Decree 65**”). Decree 65 introduces strict regulations on the issuance of individual corporate bonds, specifically as follow:

- a. Increase the face value of bonds by 1,000 times.
- b. Raise the condition to meet the standard of being a professional investor for individuals.
- c. Tighten the purpose of issuing bonds.
- d. Supplement documents and contents that must be provided or clarified in the bond issuance plan and bond offering dossier.
- e. Individual corporate bonds must be registered and deposited at Vietnam Securities Depository and Clearing Corporation (VSDC) and traded at the Stock Exchange.

The details of Decree 65 has been analyzed by ATA Legal Services [here](#).

Decree 65 clearly shows the State’s effort to enhance the transparency of the bond market, limiting risks arising from the bond market. Decree 65 has



formed a legal framework for improvement of inspection, management, risks prevention and restrictions of negativity arising from the issuance of corporate bonds. Accordingly, Decree 65 limits the number of investors participating in the bond market as well as controls the purpose of bond issuance, which requires enterprises to make great efforts and focus investment resources on projects that are really economically viable.

However, since the Vietnamese and the world economies are striving to recover after two years of fighting against the Covid-19 pandemic, along with the risk of decline in economic growth, economic recession, high inflation and no signs of cooling down, the aforementioned restrictions and strict controls will certainly make businesses face many difficulties, challenges in raising capital.



DECREE 99/2022/ND-CP

SUPPLEMENTATION OF SECURED TRANSACTION REGISTRATION SUBJECTS

On November 30, 2022, the Government issued Decree No. 99/2022/ND-CP on registration of security interests (“**Decree 99**”), replacing Decree No. 102/2017/ND-CP (“**Decree 102**”) dated September 1, 2017, as updated by ATA Legal Services [here](#).

Accordingly, Decree 99 has a number of notable modifications, which significantly affects individuals and businesses, specifically:

Supplementation of securities as subjects of security interest registration

Decree 99 defines securities as subjects of secured transaction registration, including centrally registered securities and unregistered securities.

Registration of secured transactions by securities has

been being under controversy and still being left unsolved by the previous regulations. Before the issuance of Decree 99, immeasurable transactions in the market were secured by securities. In case of public companies’ securities and other organizations’ securities listed and registered for trading on the securities trading system, the registration of secured transactions has been clearly regulated with instruction on registration dossiers; registration procedure; registration of changes and corrections; deregistration; disposal of collateral; etc. in accordance with Decision No. 160/QD-VSD on guidance of the registration of security interest with securities registered centrally at the Vietnam Securities Depository.²

² Clause 1, Article 61 of the 2019 Securities Law stipulates: “Public companies’ securities and other organizations’ securities listed and registered for trading on the securities trading system must be

centrally registered at the Vietnam Securities Depository and Clearing Corporation.” Since this type of securities is required to be centrally registered at the Vietnam Securities Depository and Clearing

However, the registration of secured transactions by securities of non-public issuers has yet been specifically regulated, thereby causing difficulties for organizations and individuals to mortgage by unregistered securities.

By identifying unregistered securities as subjects of security interest registration under the competence of the Transaction and Property Registration Center (point d, clause 1, Article 44 of Decree 99) as well as stipulating dossiers and procedures for registration, Decree 99 will solve the aforementioned inadequacies, *completing the legal basis for organizations and individuals to carry out transactions using unregistered securities as collateral*. These regulations will contribute to the transparency of the stock market and enhance investors' trust.

Supplementation of regulations on registration of security

Corporation, in case of registering transactions secured by this type of securities, organizations and individuals need to comply with the Regulation on registration of security interests with securities

interests with investment projects and assets to be formed in the future

a. Regarding investment projects

Decree 99 stated that mortgage of investment projects shall be compulsorily subject to security interest registration. Indeed, besides the housing investment project regulated in Decree 102, Decree 99 supplements other types of projects, including: investment projects for non-residential construction; agricultural investment projects; forest development projects; and other investment projects using land simultaneously with land-use rights allocated with land use levy or leased with full one-off rental payment for the entire lease period by the State.

In addition, Decree 99 also provides registration cases of mortgaging assets belonging to investment projects.

registered centrally at the Vietnam Securities Depository and Clearing Corporation (formerly Vietnam Securities Depository).

These provisions of Decree 99 have contributed to complete the legal framework for registering non-residential construction investment projects and other projects as collateral, facilitating investors to raise capital.

On the other hand, it should be noted that the 2020 Law on Investment only allows investors to “transfer” investment projects, but is still silent on the case of “mortgage” of them. Moreover, the mortgage of investment projects has impacts on the state management in terms of investment, land, environment, and interests of individuals and organizations that lend the investors money to implement the project that is to be mortgaged. Therefore, the mortgage of investment projects should only be done under certain conditions to ensure the interests of the mortgagee as well as third parties having relevant rights and interests. However, such content is still absent from Decree 99.

Thus, the recognition of Decree 99 on other types of investment

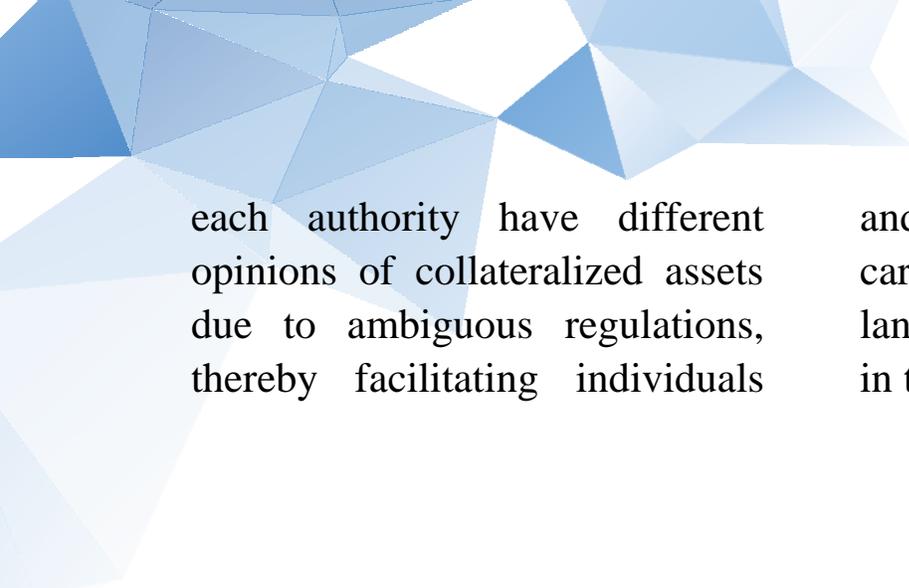
projects besides housing investment projects as subjects of security interest registration shall bring investors and enterprises more options to raise capital, however, those regulations still requires more specific guidance.

b. Regarding land-attached assets to be formed in the future

Decree 99 permits registration of secured transactions upon request in case of “*Mortgage of houses to be formed in the future, or other land-attached assets to be formed in the future*”.

Unlike Decree 102, which only generally regulated, Decree 99 clarifies types of “*houses to be formed in the future and other land-attached assets to be formed in the future*”.

The identification of types of land-attached assets to be formed in the future considered to be subjects of security interest registration will enhance the consistency in the application among competent authorities, preventing the situation when



each authority have different opinions of collateralized assets due to ambiguous regulations, thereby facilitating individuals

and organizations who wish to carry out secured transactions by land-attached assets to be formed in the future.



CIRCULAR 04/2022/TT-NHNN

DEPOSITORS ARE ALLOWED TO PARTIALLY WITHDRAW THE DEPOSITS BEFORE MATURITY

On June 16, 2022, the State Bank issued Circular 04/2022/TT-NHNN (“**Circular 04**”) with important contents allowing depositors to partially or fully withdraw the deposit before maturity date, and/or payment date. In case the depositor partially prematurely withdraws the deposit, the remaining deposit is still accumulated with interest at the applicable interest rate. The details of Circular 04 have been updated by ATA Legal Services [here](#).

With regulations beneficial for depositors, Circular 04 encourages individuals and organizations to increase deposits at credit institutions, which is a safe and efficient investment channel, avoiding the allocation of capital by individuals and

organizations to other investment channels, which are more risky and are likely to incur adverse consequences such as real estate or unsecured bonds in the past time.

This regulation will also completely change the risk management of cash flow at credit institutions. Accordingly, given the flexibility in deposit premature withdrawal, medium or long-term deposits can immediately become short-term deposits. Therefore, credit institutions will need to survey the market and calculate carefully to make credit products or interest rate policies for each appropriate term to minimize liquidity risks when there the premature withdrawal is becoming common.

ABOUT US

ATA Global Legal Limited Company (ATA Legal Services) is established and operated by acknowledged and experienced lawyers. Our operational goal is to become a law firm providing flexible and comprehensive legal services to both organizations and individuals, and both local and international clients. Of which, one of our core service is in-depth corporate consultancy.

All partners, lawyers, advisors, consultants, and even paralegals of ATA Legal Services are well-trained and have years of experience in the areas they are in charge of. In particular, the partners of ATA Legal Services have all consulted for and worked with renowned economic groups, banks or securities companies such as Vingroup, FLC, DNP, Tasco, Techcombank, SHB, SHS, VPS, etc.

With a serious and professional working attitude along with the dedication of the team always trying to put ourselves in the position of clients to understand their needs and aspirations, we are committed to bringing the most effective and appropriate services for Valued Clients.

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