



Vietnam Legal Update

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Part 1 Selected New Legal Instruments

1.1 Equitization

Decree 187-2004-ND-CP of the Government dated 16 November 2004 on Conversion of State Owned Enterprises into Shareholding Companies

Since the Central Executive Committee of the Party passed a resolution on restructuring of State owned enterprises ("SOEs") in early 2004 and the new Law on SOEs became effective as of 1 July 2004, a range of legislation governing the State owned sector has been revised and updated as part of the Government's continuing efforts to streamline and modernize the State owned sector. Of note, effective as of mid-September, Decision 155 (featured in Part 2.1 of the October 2004 Issue of Vietnam Legal Update) reclassified all SOEs according to certain criteria for the purpose of equitizing or otherwise "restructuring" many of them. Now, under Decree 187, the Government has updated the regulatory framework for equitization (the politically correct Vietnamese parlance for "privatization") of SOEs.

Decree 187 represents the Government's third attempt to kick-start equitization, since introducing the first law regulating equitization in a serious, relatively detailed manner under Decree 44 in mid-1998. In mid-2002, Decree 44 was replaced by Decree 64, which provided much more detail on how to value SOEs undergoing equitization (often a problem). Despite the Government's legislative efforts, equitization has proceeded at a snail's pace. From 1998 to 2003, only 1,500 of Vietnam's total of 6,000 SOEs were equitized, and most of these were small SOEs.

Decree 187 extends the range of types of SOEs which *may* be equitized from independent SOEs and independent accounting member companies to also include large State owned corporations (including State commercial banks and financial institutions). Whether a particular SOE *will* be equitized depends on its categorization under Decision 155 (ie whether it falls in the category of SOEs in which the State no longer requires to own 100% equity).

Does Decree 187 create any new opportunities for foreigners wishing to invest in Vietnam? In short, no. Only domestic investors can purchase an unlimited number of shares in an equitized SOE. Share purchases by foreign investors remain restricted by caps prescribed by law. Decree 187 retains the order of priority of initial share sales in a newly-equitized SOE to:

- > first, employees (now entitled to purchase up to 100 shares for each year of employment at discount of 40% of average auction price, up from 10 shares per year of employment at discount of 30% of par value under Decree 64);
- > second, strategic domestic investors, such as suppliers to the SOE (now entitled to purchase up to 20% of number of shares for sale at discount of 20% of average auction price, in contrast to discount of 30% of par value under Decree 64);
- > third, other investors, including foreign investors (to which shares equivalent to minimum of 20% of charter capital must be available, in contrast to minimum of 30% of shares under Decree 64).

Decree 187 does nothing to clarify the rights of foreign shareholders, in particular with respect to management. In fact, it omits even the general rights outlined in Decree 64 and merely refers to the rights enshrined in the Law on Enterprises (which are unclear with respect to management).

Decree 187 now sets the par value of one share at VND10,000 (contrast VND100,000 under Decree 64).

Decree 187 deals separately with financial issues (such as dealing with bad debts) and valuation of SOEs to be equitized (in contrast, Decree 64 dealt with these issues together). Decree 187 now provides in detail for 3 methods of valuation: asset valuation (in effect, net asset worth), discounted currency method (based on the ability of the enterprise to be profitable in the future), and "other methods". Decree 64 had only provided in detail for asset valuation and permitted other methods of valuation only in special cases.

Decree 187 requires the valuation of a SOE with total asset value in its books of account of VND30 billion or more to be conducted by an organization (domestic or foreign) specializing in valuation, such as an auditing company, a securities company, an investment bank, etc. A foreign valuer not yet operating in Vietnam can be selected, but the Ministry of Finance must agree. Under Decree 64, in all cases, valuation could be conducted by a "valuation council". Now, only SOEs with total asset value of less than VND30 billion may conduct their own valuations.

Decree 187 may address some of the practical issues holding up equitization of many of Vietnam's SOEs, but political issues remain the real speed humps on the equitization road.

Decree 187 will be effective as of 10 December 2004.

1.2 **Electricity Law**

Law on Electricity passed by the National Assembly on 10 November 2004

Following on the heels of approval of the Strategy for Development of the Electricity Industry in Vietnam in the Period 2004-2010, with orientation to 2020 (issued under Decision 176-2004-QD-TTg of the Prime Minister dated 5 October 2004, reviewed in the October 2004 Issue of Vietnam Legal Update), the National Assembly has now passed a Law on Electricity. This is the first Law governing the electricity market and industry in Vietnam's history. Promulgation of this Law before the end of 2004 was a key element of the Government's aim to create the legal basis for establishment of a competitive electricity market as soon as possible (as announced in the Strategy).

A competitive electricity market is a relatively new concept to National Assembly delegates and was hotly debated. Of interest, the Ministry of Industry acknowledged that a competitive market can only develop when supply exceeds demand and other factors are conducive, such as a sound legal framework, banking and financial systems, and forecast a 30 year period for emergence of a retail competitive market in Vietnam. Reflecting this, the Law provides for establishment and development of a competitive electricity market in the following sequence: competitive electricity generation market; competitive electricity wholesale market; and then competitive electricity retail market, according to a time schedule decided by the Prime Minister.

The Law enshrines the following principles for operation of the Vietnamese electricity market:

- Ensuring public announcement, equality, healthy competition, and non-discrimination as between entities participating in the electricity market;
- Respect for the right of entities participating in purchase and sale of electricity on the electricity market to make their own choice of parties to and the form of transactions, in conformity with the regulations at each level of development of the market;
- State regulation aimed at ensuring development of a solid electricity system, and meeting the requirements for safe, stable and effective electricity supply.

The Electricity Regulator will be under the Ministry of Industry. The Law provides for the following entities to participate in the electricity market: electricity generation units; electricity transmission units; electricity distribution units; electricity wholesale units; electricity retail units; units managing the national electricity system; units managing trading on the electricity market; and customers using electricity.

The Law deals in detail with the purchase and sale of electricity pursuant to a fixed term contract, prescribing the mandatory contents of a fixed term contract (which must be in writing) and regulating the payment of bills (including late charges, cut-off of supply and electricity metering).

Of interest to electricity consumers in Vietnam well acquainted with electricity outages, the Law requires electricity generation units, transmission units and distribution units to ensure that the voltages and frequencies of electric currents conform with Vietnamese standards and with the output, energy, and supply times prescribed in the signed contract. In the event of non-compliance which causes loss to the electricity purchaser, the electricity seller must pay compensation. The Law also prescribes the circumstances and notice periods for cessation or reduction of the level of electrical supply.

The Law contemplates the purchase and sale of electricity from/to overseas parties. Appropriate licensing is

required.

The Law enshrines the following electricity pricing policy (consistent with the Strategy):

- To facilitate all economic sectors to invest in electricity development at a reasonable profit, economizing on energy resources, using new forms of energy and recycled energy which does not cause environmental pollution during electricity activities, and contributing to the promotion of socio-economic development especially in rural, mountainous and offshore island regions;
- To encourage the economical and efficient use of electricity;
- To implement a reasonable price subsidy regime as between groups of customers. To reduce gradually and eliminate eventually any subsidy between electricity production cost and the price of electricity for everyday living, contributing to the promotion of production and increasing the competitiveness of enterprises;
- To ensure the right of entities purchasing and selling electricity on the electricity market to make their own decision on the price of purchase and sale of electricity within the framework and electricity price list stipulated in regulations of the State;
- To ensure the rights and lawful interests of electricity units and of customers using electricity.

The grounds for setting and adjusting electricity prices: the policy on electricity prices; the conditions for socio-economic development of the country and the citizens' income at each period; the relationship between electricity supply and demand; the costs of producing and trading electricity and a reasonable profit for electricity units; and the level of development of the electricity market. The Prime Minister will approve the electricity retail price list, which will be formulated by the Minister of Industry with assistance of the Electricity Regulator. Electricity generation prices, electricity wholesale prices and electricity retail prices may be in accordance with a fixed term contract decided by the electricity units but may not exceed the price brackets and price lists approved by the competent State body.

The Law also regulates power development and investment plans, power saving, the rights and obligations of individuals and organizations in producing and purchasing electricity, and electricity protection and safety.

The Law was approved by the National Assembly on 10 November 2004 and is expected to be officially promulgated on the closing day of the November Session (which is scheduled for 4 December 2004).

The Law will become effective as of 1 July 2005.

1.3 Courier Services

Decision 190-2004-QD-TTg of the Government dated 8 November 2004 on Management of Courier Services

Decision 190 provides for the Ministry of Posts and Telecommunications to be the State administrative body with responsibility for managing dispatch and delivery services (otherwise known as courier services), both domestic and international. Decision 190 was effective as of 30 November 2004.

1.4 Accounting

Decree 185-2004-ND-CP of the Government dated 4 November 2004 on Dealing With Administrative Offences in Accounting Sector

Almost 18 months after the new Law on Accounting was passed in mid-2003 and over 10 months since it became effective on 1 January 2004, the Government has updated its regulations on administrative offences and sanctions in the accounting sector. Applicable to domestic and foreign individuals and organizations, Decree 185 provides for offences relating to accounting vouchers; accounting books and accounts; financial statements; accounting inspections; maintenance and retention of accounting documentation; asset inventory; accounting personnel; accountancy practices; application of accounting standards and systems. The limitation period for dealing with accounting offences is 2 years. Sanctions include warning or fine (from VND200,000 to VND20,000,000). Additional measures, such as license revocation, may be imposed. Penalties prescribed in Decree 185 are much higher than previous penalties under Decree 49 of 1999 in the case of offences such as falsification of accounting vouchers and illegal destruction of accounting documentation. New offences, such as signature of accounting vouchers beyond competence, delayed submission of financial statements, and accountancy practice without business registration or practising certificate, have been prescribed. Decree 185 was effective as of 29 November 2004.

1.5 Education

Decree 165-2004-ND-CP of the Government dated 14 September 2004 Making Detailed Provisions for Implementation of a Number of Articles of the Law on Education With Respect to International Co-operation in Education

Implementing the Law on Education, Decree 165 provides in detail for the legal framework for international co-operation in the education sector by Vietnamese bodies (such as ministries, Government bodies, provincial-level people's committees, socio-political organizations, schools and educational establishments) with foreign parties (such as international organizations, international schools and educational establishments, foreigners and Vietnamese residing overseas).

For-profit foreign investment in the education sector is regulated under Decree 06-2000-ND-CP of the Government dated 6 March 2000. Not-for-profit foreign investment in cultural and educational establishments in Vietnam is regulated under Decree 18-2001-ND-CP of the Government dated 4 May 2001. Decree 165 regulates:

- > ODA and foreign non-governmental aid funded co-operation projects and programs with foreign parties;
- > exchange of information and experience in education sector;
- > international conferences, meetings and seminars on domestic and foreign education.

The Ministry of Education and Training and the Ministry of Labour, War Invalids and Social Affairs are responsible for uniform State administration of international co-operation in the education sector. Vietnamese bodies must work with those Ministries to formulate international co-operation projects, before appraisal and approval thereof under the laws governing ODA and foreign NGO aid funded projects (if required). Decision 165 was effective as of 5 October 2004.

Part 2 Features

2.1 Competition Law

The much anticipated Law on Competition was approved by Vietnam's National Assembly at its November 2004 Session ("Competition Law").¹ Below we examine the new Competition Law regime and how it will affect businesses in Vietnam when it enters into force on 1 July 2005.²

Competition policy

The Competition Law enshrines the right of businesses to compete with each other. However, competitive practices must be within the framework of the law and must be undertaken on the principles of honesty and not infringing the national interest, the public interest, or the lawful rights and interests of other businesses and consumers.

Two broad categories of competitive practices are regulated under the Competition Law:

- > *Practices in restraint of competition:*
 - Agreements in restraint of competition;
 - Abuse of dominant market position or monopoly position;
 - Economic concentration; and
- > *Unhealthy competitive practices.*

The objective of the Competition Law's regulation of practices in restraint of competition appears to be protection of the process of competition, rather than the interests of competitors. By protecting the process of competition, which goods and services are produced and the price of those goods and services is determined by the market. In contrast, the objective of the Law's regulation of unhealthy competitive practices is largely protection of consumers so they can make free and informed choices from amongst the goods and services in the market.

Who will the Competition Law apply to?

All *organizations and individuals conducting business* (defined as "enterprises" in the Competition Law) will be subject to the Competition Law, including:

- > domestic private enterprises;
- > State owned enterprises;
- > foreign invested enterprises ("FIEs", comprising joint venture enterprises and 100% foreign owned enterprises); and
- > overseas enterprises operating in Vietnam.

The phrase "overseas enterprises operating in Vietnam" is not defined in the Competition Law but, based on informal discussions with the Ministry of Trade's Competition Law Drafting Committee, is understood to encompass:

- foreign commercial presences in Vietnam, such as foreign branch offices;

1 The Competition Law was approved on 9 November 2004, however, its official promulgation date will be the final day of the November 2004 Session, which is expected to be 4 December 2004.

2 This report is based on Phillips Fox's English translation of the unofficial text of the voting version of the Competition Law and our discussions with various members of the Competition Law Drafting Committee of the Ministry of Trade over the last year. The voting version of the Competition Law is the version of Draft 15 (September 2004) of the Competition Law which incorporates the amendments requested by National Assembly delegates after their debate of Draft 15 and which the National Assembly voted to approve on 9 November 2004. A copy of the voting version of the Competition Law was provided unofficially to Phillips Fox Hanoi by the Ministry of Trade's Competition Law Drafting Committee on 15 November 2004. The official text of the Competition Law will not be publicly available until mid-December 2004 at the earliest.

- offshore foreign entities with an existing foreign commercial presence or investment project in Vietnam ("existing foreign investors");
- foreign contractors with an office in Vietnam and/or directly supplying services in Vietnam, such as foreign construction contractors, but not offshore contractors supplying cross-border services.

The scope of applicability of the Competition Law is one of many issues which is expected to be clarified in the upcoming Government decrees implementing the Competition Law. Until then, the exact range of offshore foreign entities subject to the Competition Law will remain unclear.

Industry associations (comprising trade associations and professional associations) are also subject to the Competition Law.

The Competition Law also applies to *State administrative bodies*, but only in so far as they are prohibited from the following prescribed practices aimed at hindering competition in the market:

- forcing an enterprise, organization or individual to buy or sell goods or services to or from an enterprise appointed by such State administrative body, except for goods and services belonging to sectors deemed by law to be State monopoly sectors;
- discriminating between an enterprise in the industry or locality which the State administrative body manages and any other enterprise;
- forcing industry associations or enterprises to associate with each other aimed at excluding, restricting or hindering other enterprises from competing in the market;
- other practices which hinder the lawful business activities of enterprises.

Competition authorities

A *Competition Commission* will be established under the Ministry of Trade to receive, evaluate and make recommendations on applications for exemptions from the Competition Law, to investigate competitive practices, and to penalize unhealthy competitive practices. The head of the Commission will be appointed by the Prime Minister on the recommendation of the Minister of Trade.

A permanent *Competition Council* will also be established to hear and deal with competition cases concerning practices in restraint of competition. The Council will consist of between 11 to 15 members appointed by the Prime Minister on the recommendation of the Minister of Trade. The Council will establish (by decision) case-specific panels of at least 5 members of the Council to hold investigative hearings into competition cases.

Whether responsibility for State administration of competition should be vested in the Ministry of Trade (under which is established a number of enterprises subject to the Competition Law) was intensely debated by National Assembly delegates. It appears to have been agreed to in order to ensure timely implementation of the Competition Law (provision for a new Competition Department under the Ministry of Trade having already been made earlier this year). A fully independent Competition Commission is a highly desirable long term goal, but appears ambitious in the Vietnamese political context.

Agreements in restraint of competition

The agreements in restraint of competition prohibited under the Competition Law appear to be based on those set out in Article 81.1 of the European Community Treaty.

Boycotts and tender collusion are strictly prohibited under the Competition Law. No exemptions are available.

Other agreements in restraint of competition or cartels (such as price-fixing agreements, market-sharing agreements, agreements to restrict output, technology development or investment, and agreements to fix trading conditions) are prohibited only where the participating parties have a combined market share of 30% or more of the relevant market. Where the parties' have less than 30% combined market share, such agreements are not prohibited even if the agreements have the effect of substantially restraining competition. The omission of the "substantial restraint of competition" test is inconsistent with international competition principles. Further, the application of a test based on market share presumes that market definition is a straightforward procedure. In practice, it is not. How the competition authorities interpret 'market' and 'market share' will be critical to the way in which the Competition Law applies in practice.

Exemptions are available if a prohibited agreement satisfies any of six very broad criteria (eg. increase in business efficiency) where the economic benefits outweigh the restriction on competition. Again, the exemption criteria under the Competition Law appear to be based on Article 81.3 of the European Community Treaty. Exemptions are decided by the Minister of Trade, upon recommendation by the Competition Commission. A prohibited agreement may be performed only after an exemption has been obtained and only for the duration prescribed in it.

Abuse of dominant market position or monopoly position

Market dominance itself is not prohibited. Nor are monopolies. It is *abuse* of that position that is unlawful. And such abuse is *strictly* prohibited. No exemptions are available.

The abuses of dominant market position prohibited under the Competition Law appear to be based on those set out in Article 82 of the European Community Treaty.

Prohibited abuses of dominant market position include predatory or unfair pricing, minimum resale-price fixing, discrimination in trading conditions, and product tying or bundling. Prohibited abuses of monopoly position include those abuses and also imposing disadvantageous conditions on customers and changing or rescinding unilaterally a contract without legitimate reason.

In the case of an individual enterprise, the Competition Law adopts a "substantial restraint of competition" test as well as a test based on market share to determine market dominance. An individual enterprise will be deemed to be in a dominant market position if it has a market share of 30% or more in the relevant market or is capable of substantially restraining competition.

To determine whether a group of enterprises is in a dominant market position, the test is based on market share alone. The following groups will be deemed to be in a dominant market position if they act together in order to restrain competition:

- Two enterprises with a market share of 50% or more in the relevant market;
- Three enterprises with a market share of 65% or more in the relevant market;
- Four enterprises with a market share of 75% or more in the relevant market.

The phrase "act together" implies that only parallel abuses carried out by all members of a dominant group are prohibited; and that individual abuses of one member of a dominant group will not be prohibited unless that member is individually dominant. An agreement or communication between the members of a dominant group is not necessary; parallel conduct by members of a dominant group is sufficient.

An enterprise will be deemed to be in a monopoly position in the relevant market if there are no other enterprises competing in the goods and services in which that enterprise conducts business, ie. if it is a single seller. Of note, State owned monopolies are subject to the Competition Law's prohibitions on abuse of their monopoly position.

Economic concentrations

Mergers, consolidations, acquisitions, and joint ventures and other (undefined) forms of economic concentration are regulated under the Competition Law.

Any economic concentration in which the participating parties have a combined market share above 50% is prohibited unless the economic concentration results in a small or medium sized enterprise ("SME") or an exemption is granted. Exemptions are available where one or more of the participating parties is at risk of being dissolved or becoming insolvent (as decided by the Minister of Trade) or where the economic concentration enhances export, socio-economic development or technical progress (as decided by the Prime Minister).

Any economic concentration where the participating parties have a combined market share of 30%-50% must be notified to the Competition Commission 30 days in advance, unless the economic concentration results in a SME. The Commission must confirm in writing whether the proposed economic concentration can proceed without exemption or requires prior exemption. At this notification stage, the Commission is not entitled to exercise any *discretion* - its role is simply to confirm how the proposed economic concentration may proceed under the Competition Law.

Procedures to implement economic concentrations may be conducted at the relevant State licensing or business registration body *only after* an exemption is granted or written confirmation is issued. For example, foreign investment licensing procedures for approval of the merger of 2 FIEs having over 50% combined market share may be conducted at the Ministry of Planning and Investment *only after* an exemption under the Competition Law has been obtained.

Where the participating parties have a combined market share of less than 30%, or if the economic concentration results in a SME, there are no exemption or notification requirements.

Mergers, consolidations and joint ventures of existing FIEs are clearly subject to the Competition Law. Given the Competition Law's applicability to offshore foreign entities, the range of economic concentrations regulated under the Law is expected to include:

- New joint ventures between a Vietnamese enterprise and an existing foreign investor;
- Acquisitions by an existing foreign investor of a controlling interest in another existing FIE.

Joint ventures between a Vietnamese enterprise and a "first-time" foreign investor (ie with no other presence or investment in Vietnam) or an acquisition by a "first time" foreign investor would not be subject to the Competition Law.

Unhealthy competitive practices

In order to protect consumers, practices such as providing misleading information to customers, coercion of customers, misleading and deceptive advertising and promotions, and illegal multi-level selling (more commonly known as pyramid selling) are prohibited.

In order that competitors can compete freely, practices such as infringement of business secrets, coercion of business partners of competitors, defamation or disruption of business activities of another enterprise, and discrimination by industry associations are prohibited.

Competition legal proceedings

Competitive practices may be investigated by the Competition Commission on its own initiative or upon receipt of a complaint. Of note, any organization or individual believing their rights and interests have been infringed by a breach of the Competition Law (eg a company that considers the practices of a competitor are in breach of the Law) has the right to lodge a complaint with the Competition Commission. A complaint file must include evidence of the competitive practice which is complained of. The complainant is responsible for the truthfulness of any evidence provided. Provisional costs for dealing with the complaint are payable in advance by the complainant to the Competition Commission.

The limitation period for commencement of competition legal proceedings is 2 years from the date on which the alleged breach of the Competition Law occurred. Where a preliminary investigation of a competitive practice indicates the existence of an offence, an official investigation will be conducted. During the investigation stage, either on the recommendation of the investigator or at the request of the complainant, the head of the Competition Commission may impose administrative preventive measures (which measures are yet to be detailed by the Government). If indications of a criminal offence are identified during investigations, the investigator must make immediate recommendation to the head of the Competition Commission to refer the case for criminal prosecution; if the criminal investigation does not verify any grounds for criminal prosecution, the case file will be returned to the Competition Commission and the official investigation will be resumed.

After official investigation of an unhealthy competitive practice, the head of the Competition Commission will make a decision on dealing with the case. Either a warning or fine must be imposed (fines will be as prescribed in the laws on dealing with administrative offences, which do not yet address specifically unhealthy competitive practice offences under the Competition Law). Depending on the seriousness of the offence, the facilities used to commit the offence may be confiscated or public correction by the offender may be required; other sanctions under the laws on dealing with administrative offences will also be available.

After official investigation of a practice in restraint of competition, the case is transferred to the Competition Council and a case-specific panel will be established to consider whether an investigative hearing is required. All concerned parties are entitled to present arguments at a hearing. During the hearing stage, either on the

recommendation of the panel chairman or at the request of the complainant, the chairman of the Competition Council may impose administrative preventive measures. The sanctions and penalties for a breach of the Competition Law's provisions on practices in restraint of competition are very severe, including fines of up to 10% of the total turnover for the preceding financial year and divestiture in the case of abuses of a dominant market position and unlawful economic concentrations. Notably, the Competition Council does not have the power to refer cases for criminal prosecution.

Compensation may also be payable by a party in breach of the Competition Law where such breach causes loss to the interests of the State, an individual or an organization.

Any concerned party disagreeing with a part or all of a decision on dealing with a competition case may lodge a complaint, but only within 30 days of signing of the decision. In the case of decisions on dealing with unhealthy competitive practices, complaints are lodged with the Competition Commission and resolved by the Minister of Trade. In the case of decisions dealing with practices in restraint of competition, complaints are lodged with the panel and resolved by the Competition Council. Complaints must be resolved within 30 days of receipt, extendable in (undefined) complex cases but for not more than another 30 days.

Any concerned party disagreeing with a part or the whole of a decision resolving a complaint has the right to institute administrative proceedings at the provincial-level people's court. This right of appeal was a late but welcome feature in the Competition Law.

Where to from here?

How many issues arising under the Competition Law (some of which have been noted above) will be resolved is difficult to predict in advance of the Government's implementing legislation. Hopefully, this will be issued soon so that businesses in Vietnam can ensure their market behaviour is lawful well in advance of 1 July 2005 when the Law comes into force. How the competition authorities will interpret the Competition Law and apply it in practice will remain unknown for some time thereafter until a number of precedent cases have been decided. Of comfort, decision on exemptions under the Competition Law are required to be publicized and competition hearings are generally to be open to the public - transparency will be one of the keys to an effective competition law regime in Vietnam.

Phillips Fox Vietnam acknowledges the contribution of comments on Vietnam's new Competition Law by Stephen Coronos of Phillips Fox Brisbane.

2.2 Land Assignment Tax

With Vietnam's new Land Law taking effect as of 1 July 2004, income tax applicable to assignment of land use rights and assignment of land lease rights ("Land Assignment Tax") was briefly featured in the July 2004 Issue of Vietnam Legal Update. Below we continue discussion of land assignment tax.

1. Who is liable to pay Land Assignment Tax?

Organizations which produce and do business in goods and services and which earn income from the assignment of land use rights or land lease rights are liable to pay Land Assignment Tax.

2. How is the taxable income determined?

The taxable income from an assignment of land use rights or land lease rights ("Taxable Income") is determined as equal to (=) the turnover used to calculate Taxable Income ("Turnover") less (-) reasonable expenses of the assignment of land use rights or land lease rights ("Expenses"):

$$\text{Taxable Income} = \text{Turnover} - \text{Expenses}$$

2.1 *How is Turnover determined?*

Turnover is determined in accordance with the actual price of assignment between the assignor and the assignee at the time of the assignment.

Normally, the actual price of assignment is determined in accordance with the price stated on the invoice or the actual sum the assignor receives. However, if the actual price of an assignment is less than the price decided by the provincial people's committee, Turnover is determined in accordance with the price decided by such people's committee. Under the new Land Law, provincial people's committees are required to proclaim publicly on 1 January each year the land prices which are used as the basis for calculating Land Assignment Tax (and others).

Note, in the case of assignment of land use rights or land lease rights together with infrastructure and buildings on the land, Turnover is the sum received *excluding* the sum received for the buildings. If the proceeds from assignment of buildings on the land cannot be separated out, Turnover shall also include such proceeds - this means that the proceeds from assignment of buildings on the land will be subject to Land Assignment Tax.

2.2 *How are Expenses determined?*

Expenses relating to an assignment of land use rights or land lease rights comprise:

- (a) Expenses in order to obtain land use rights or land lease rights, comprising:
 - (i) Prime cost of the land;
 - (ii) Costs being compensation for loss of land deducted or not deducted from land use fees or land rental;
 - (iii) Costs being compensation for loss of crops;
 - (iv) Costs being assistance to relocate to new housing;
 - (v) Costs being assistance to relocate graves;
 - (vi) Other costs being assistance to clear land; and
 - (vii) Costs being fees and charges in accordance with the laws relating to issuance of land use rights;
- (b) Expenses of land improvement and of leveling a site;
- (c) Expenses of investment and construction of infrastructure;
- (d) Other expenses; and
- (e) Where Turnover includes buildings on the land (ie where the proceeds from assignment of buildings are not separated out from the proceeds from assignment of land use rights or land lease rights, see 2.1 above), Expenses also include the value of buildings on the land.

3. What is the rate of Land Assignment Tax?

Firstly, assignors are subject to a "primary" Land Assignment Tax rate of 28% of their income derived from the assignment of land use rights or land lease rights.

Secondly, after calculation under the primary rate, the residual income is subject to an additional tax (a form of surtax) according to the following progressive tariff scale:

<i>Level</i>	<i>Rate of Residual Income over Expenses</i>	<i>Tax Rate</i>
1	Up to 15%	0%
2	From 15% up to 30%	10%
3	From 30% up to 45%	15%
4	From 45% up to 60%	20%
5	From 60%	25%

Example:

Turnover used to calculate tax on an assignment of the land use rights is 170 million dong and total expenses on the assignment of the land use rights are 50 million dong.

Taxable income shall be 120 million dong (170 million dong - 50 million dong).

Land Assignment Tax applicable to assignment of land use rights shall be determined as follows:

- Tax payable at the primary rate shall be: 120 million dong x 28% = 33.6 million dong.
- Residual income of 86.4 million dong (120 million dong - 33.6 million dong) shall be subject to additional tax according to the following progressive method tariff:

Unit: Million dong

<i>Level</i>	<i>Taxable Amount</i>	<i>Tax Rate</i>	<i>Amount of Tax</i>
1	$50 \times 15\% = 7.5$	0%	0
2	$(50 \times 30\%) - 7.5 = 7.5$	10%	0.75
3	$(50 \times 45\%) - (50 \times 30\%) = 7.5$	15%	1.125
4	$(50 \times 60\%) - (50 \times 45\%) = 7.5$	20%	1.5
5	$86.4 - (50 \times 60\%) = 56.4$	25%	14.1
		<i>Total</i>	17.475

So, in this example, the total Land Assignment Tax payable on a 120 million dong assignment of land use rights is 33.6 million dong + 17.475 million dong = 51.075 million dong.

2.3 Land Charges

Below is a table of the main land charges as at 30 November 2004.

<i>Type</i>	<i>How calculated?</i>	<i>When payable?</i>	<i>Who is liable?</i>
Land use fee	A one-off fee = % (usually 100%) x land price stipulated by the provincial people's committee x land area	<ul style="list-style-type: none"> > When the State allocates land with collection of land use fee: normally, payable within 60 days from the date when the land user receives the cleared land; > When the State permits the change of land use purpose in certain cases: payable within 60 days from the date when the tax authority issues the payment notice; > When the State issues land use rights certificate to persons using land without proper documentation: payable within 60 days from the date when the tax authority issues the payment notice; > When the land user purchases a State owned house he is leasing from the State: payable within 10 years. 	Persons who are: <ul style="list-style-type: none"> (1) allocated land with collection of land use fee, (2) permitted to change the land use purpose in certain cases, (3) issued land use rights certificates where they have not had proper documentation, and (4) permitted to purchase State owned houses they are leasing from the State and State owned houses liquidated or priced
Land tax	An annual tax = agriculture land use tax x [coefficient from 1 to 32] x land area	Payable annually (usually in 2 equal installments: by 30 April and 31 October).	Persons using residential land and land to construct buildings. Foreign invested enterprises where the land is contributed by the Vietnamese party or leased by the State are not required to pay land tax.
Registration fee	A one-off fee = 1% x land price stipulated by the provincial people's committee.	Payable upon registration of land use rights.	Persons registering their land use rights.

Income tax on assignment of land use rights and land lease rights	Tax = 28% x income derived from the assignment of land use rights or land lease rights (after deduction of expenses). The remaining income is subject to an additional tax calculated based on a prescribed progressive method. (See 2.2 above for more details.)	<p>> For non-specialized enterprises: payable upon assignment of land use rights or land lease rights;</p> <p>> For specialized enterprises: normally, provisionally payable each quarter, and finally payable within 100 days after the end of fiscal year.</p>	Assignors being enterprises (not individuals and households) of land use rights or land lease rights.
Land use rights assignment tax	Tax = 2% or 4% (subject to the type of land) x land price stipulated by the provincial people's committee x land area	Payable upon assignment of land use rights.	Assignors being individuals and households (not enterprises) of land use rights.
Land rental applicable to foreign invested enterprises	<p>Normally, the land rental is calculated as follows:</p> <p>> For urban land: Land rental rate per year = the minimum rate applicable to each urban land category x the location co-efficient x the infrastructure co-efficient x the industry sector co-efficient;</p> <p>> For non-urban land: Land rental rate per year = the minimum rate applicable to each type of commune x the location co-efficient x the infrastructure co-efficient.</p>	Annually (usually in 2 equal installments: by 30 June and 31 December) or in advance.	Foreign invested enterprises that lease land from the State.
Fee on increased value of land not accruing from investment by the land user	No implementing regulations.	Not yet known.	Not yet known.

2.4 Foreign Invested Enterprises - Corporate Income Tax Treatment

Below is a table showing the corporate income tax ("CIT") treatment of foreign invested enterprises ("FIEs"), based on the Law on Corporate Income Tax dated 17 June 2003; implementing Decree 164 of the Government dated 22 December 2003 (as amended by Decree 152 dated 6 August 2004); and guiding Circular 128 of the Ministry of Finance dated 22 December 2003 (as amended by Circular 88 dated 1 September 2004).

Notes:

- > Class 1 and special urban areas are defined in Articles 8 and 9 of Decree 72 of the Government dated 5 October 2001;
- > Lists A, B and C are annexed to Decree 164.

<i>CIT rate</i>	<i>Criteria</i>	<i>Period applicable</i>	<i>CIT exemption period</i>	<i>50% CIT reduction period</i>
28%	Applicable to every FIE unless it qualifies for a concessional rate	Entire period	2 years from generation of taxable income for manufacturing FIEs	<ul style="list-style-type: none"> • 2 years from end of exemption period (for newly established FIEs or for existing FIEs relocated from urban areas); or • 3 years from end of exemption period (for FIEs employing: ≥ 100 employees in Class 1 or special urban areas; or ≥ 20 employees in List B or List C geographical areas; or ≥ 50 employees in other geographical areas)
	BOT, BTO and BT projects	Entire period	4 years from generation of taxable income	<ul style="list-style-type: none"> • 9 years from end of exemption period
20%	FIEs engaged in business sectors in List A	10 years from commencement of business operations	2 years from generation of taxable income	<ul style="list-style-type: none"> • 3 years from end of exemption period; or • 5 years from end of exemption period (for FIEs employing: ≥ 100 employees in Class 1 or special urban areas; or ≥ 20 employees in List B or List C geographical areas; or ≥ 50 employees in other geographical areas)
	FIEs implemented in geographical areas in List B	10 years from commencement of business operations	2 years from generation of taxable income	<ul style="list-style-type: none"> • 6 years from end of exemption period (for newly established FIEs or for existing FIEs relocated to geographical areas in List B)
	FIEs engaged in services sectors in industrial zones ("IZs")	10 years from commencement of business operations	2 years from generation of taxable income	<ul style="list-style-type: none"> • 6 years from end of exemption period

<i>CIT rate</i>	<i>Criteria</i>	<i>Period applicable</i>	<i>CIT exemption period</i>	<i>50% CIT reduction period</i>
15%	FIEs engaged in business sectors in List A <i>and</i> implemented in geographical areas in List B	12 years from commencement of business operations	3 years from generation of taxable income	<ul style="list-style-type: none"> • 7 years from end of exemption period; <i>or</i> • 8 years from end of exemption period (for FIEs employing: ≥ 20 employees); <i>or</i> • 9 years from end of exemption period (for FIEs employing: ≥ 20 employees, over 30% of whom are ethnic minority people)
	FIEs implemented in geographical areas in List C	12 years from commencement of business operations	2 years from generation of taxable income	<ul style="list-style-type: none"> • 8 years from end of exemption period (for newly established FIEs <i>or</i> for existing FIEs relocated to geographical areas in List C)
	FIEs engaged in services sectors in export processing zones ("EPZs"); and FIEs engaged in manufacturing sectors in IZs	12 years from commencement of business operations	3 years from generation of taxable income	<ul style="list-style-type: none"> • 7 years from end of exemption period
10%	FIEs engaged in business sectors in List A <i>and</i> implemented in geographical areas in List C	15 years from commencement of business operations	4 years from generation of taxable income	<ul style="list-style-type: none"> • 7 years from end of exemption period; <i>or</i> • 8 years from end of exemption period (for FIEs employing: ≥ 20 employees); <i>or</i> • 9 years from end of exemption period (for FIEs employing: ≥ 20 employees, over 30% of whom are ethnic minority people)
	Export processing (manufacturing) FIEs, irrespective of whether they are located inside/outside EPZs	15 years from commencement of business operations	4 years from generation of taxable income	<ul style="list-style-type: none"> • 7 years from end of exemption period
	FIEs investing in development of infrastructure of IZs and EPZs	15 years from commencement of business operations	4 years from generation of taxable income	<ul style="list-style-type: none"> • 7 years from end of exemption period

Decree 164 also provides for a number of additional CIT incentives for FIE meeting specific sub-criteria (eg., export, employment of female employees) which we will feature in the December 2004 Issue of Vietnam Legal Update.

Part 3 Did You Know?

3.1 National Assembly Update

The 6th Session of Legislature XI of the National Assembly is still in progress, and is expected to run until 4 December.

As scheduled, the National Assembly has passed 6 new laws:

- > Law on Competition (see [2.1 above](#))
- > Law on Electricity (see [1.2 above](#))
- > Law on Promulgation of Legal Instruments by People's Councils and People's Committees
- > Law on Amendment of Law on Publications
- > Law on National Security
- > Law on Protection and Development of Forests (see below)

The new Law on Protection and Development of Forests regulates the management, protection, development and exploitation of forests as well as the rights and obligations of forest owners. The Law applies to all State bodies, Vietnamese organizations and individuals, overseas Vietnamese, and foreign individuals and organizations wishing to protect, develop and exploit forests in Vietnam. Forest development and protection are considered pressing issues in Vietnam. Vietnam has great potential for forest development. But its forest coverage has reduced considerably in the last 50 or so years, and urgent measures are required to re-green bare land, increase forest coverage and protect precious genetic sources required. The new Law responds to these concerns. Drafted by the National Assembly's Committee on Science, Technology and Environment, the new Law is intended to meet the current requirements of and strengthen Vietnamese forest management and protection.

3.2 Real Estate Market

Despite enthusiasm for development of a real estate market in Ho Chi Minh City (see Part 3.4 of the June 2004 Issue of Vietnam Legal Update) and approval of a plan for residential housing to 2020 which encourages all economic sectors (including foreign investment) to invest in development of urban residential housing (see Part 3.2 of the July 2004 Issue of Vietnam Legal Update), the central authorities remain in a cautious "go slow" mode with respect to real estate business. By Official Letter 5301-TM-PC dated 22 October 2004, the Ministry of Trade advised the Department of Tourism and Trade of Khanh Hoa Province:

- > Under the *Commercial Law* and *Decree 45-2000-ND-CP of the Government dated 6 September 2000 on Representative Offices and Branches of Foreign Business Entities and of Foreign Tourism Enterprises*, there are not yet any specific provisions on entities which are permitted to conduct real estate business or on establishment of representative offices by foreign real estate companies.
- > As the real estate sector is a complex one with special characteristics, the Ministry of Trade is presently responsible to coordinate the drafting of a *Law on Real Estate Business* to cover both residential housing and other buildings constructed on land.
- > As at present "the general provisions in the laws of Vietnam on conducting real estate business are incomplete ..., in such circumstances the application from [a French real estate company] to set up a representative office in order to operate in the real estate business sector is something which needs to be investigated carefully, and opinions from relevant State administrative bodies (including the State administrative body for construction) need to be collated and submitted to the Prime Minister for his opinion on implementing a pilot scheme, if it is considered really necessary....."

3.3 Labour Contracts - How to Terminate?

In the absence of Labour Rules registered with the proper local labour authority (required once an employer has more than 10 employees), an employer has only a few options available if it needs to terminate an employee's labour contract.

As a reminder of the importance of registering Labour Rules, under Vietnam's Labour Code dated 23 June 1994, amended 2 April 2002, an employer can only terminate an employee's labour contract in the following cases:

1. An employee repeatedly fails to perform the work in accordance with his/her labour contract. (This determination can only be made if Labour Rules are in place).
2. An employee is disciplined in the form of dismissal. Dismissal can be applied as a discipline when:
 - (i) an employee commits an act of theft, embezzlement, disclosure of business or technology secrets or conduct that is seriously detrimental to the assets or well being of the enterprise (for this last cause, Labour Rules should be in place to determine what conduct is seriously detrimental);
 - (ii) an employee re-commits an offence after having been disciplined in the form of delayed wage increase, transfer to another position, or removal from office (again, requires Labour Rules); and
 - (iii) an employee takes an aggregate of 5 days off in one month or 20 days off in one year at his/her own will without proper reasons.
3. An employee suffers illness and remains unable to work for 12 months in the case of an indefinite term labour contract (shorter time-period for labour contracts of shorter duration). Note that the employer must consider continuing the labour contract if the employee subsequently recovers.
4. An employer is forced to reduce employment (and production) after an unrecoverable event of force majeure.
5. The enterprise of the employer ceases to exist.

If there is a labour trade union established, then there are certain negotiation steps that must occur before an employer can unilaterally terminate the employee's labour contract.

In all cases, except for the reasons described in 2. above (where no prior notice is required), an employer must provide a minimum notice period to the employee before it terminates the employee's labour contract:

- > 45 days notice for an indefinite term contract;
- > 30 days for a 1-3 year term contract; and
- > 3 days for a contract that is seasonal or under 1 year.

There are specific situations in which an employer cannot terminate an employee's labour contract. For example, if the employee is suffering from illness or injury caused by a work-related accident or occupational disease.

Each labour case will be different, so employers are encouraged to discuss any potential labour contract termination with a lawyer before taking any steps to terminate unilaterally labour contracts in Vietnam.

3.4 Labour Contracts - Negotiation of Employment Terms

Circular 21 of the Ministry of Labour, War Invalids and Social Affairs ("MoLISA") dated 22 September 2004 on Labour Contracts stipulates: "Indefinite term labour contracts, definite term labour contracts with a term from 12 to 36 months, and labour contracts with a term from 3 to under 12 months must be signed in writing *in accordance with Form 1* attached to this Circular. The employer shall prepare labour contracts in the prescribed form in A4 size and affix an integrity seal on the pages for use within its entity." (our italics for emphasis)

Form 1 (Form of Labour Contract) is a two page document, divided into the following sections: contractual terms and works; working regime; obligations and rights of employee; obligation and powers of employer; implementing provisions.

It is not clear what "in accordance with Form 1" means, and our informal inquiries with officials from the MoLISA and the Department of Labour, War Invalids and Social Affairs in Ho Chi Minh City ("DoLISA") have produced different responses, such as:

- > The employer and the employee are free to negotiate their own terms to be added to the labour contract, as long as those terms are not contrary to law.
- > The employer and the employee are free to negotiate their own terms to be added to the labour contract, as long as those terms are more favourable to the employee.
- > It is flexible for the parties to negotiate and agree to terms of the contract provided that the required contents in the form of Circular 21 are included, therefore parties can restructure the contract in any manner they see fit (and consequently, employers could use international standard employment contracts as long as the terms did not directly conflict with Vietnamese law).
- > Circular 21 is a skeleton, and additional items can be added based on the existing skeleton.

Our recent official request to the DoLISA for its formal opinion on the form of labour contracts required under Circular 21 has elicited a reply which is also not entirely clear. According to the DoLISA, a labour contract must contain all contents and follow the order of the standard labour contract form. The employer may add "a number of other contents" but that must be (1) at the end of each article, clause and part of the standard form and (2) in the form of new articles and clauses provided that such contents relate to the labour relationship and are in compliance with the current labour laws.

This latest DoLISA view is not necessarily conclusive of this matter. However, it supports the view that employers do have some flexibility to negotiate terms of employment and adjust the standard form labour contract.

3.5 Sale of Land Lots

In the past, residential housing developers (including several foreign invested enterprises) in Vietnam have been permitted to build infrastructure on land and then subdivide such land into lots for sale. The buyers of such land lots would build houses/villas in accordance with the approved master plan.

Under Article 101.1 of the recent Decree 181 of the Government dated 29 October 2004, residential housing developers (including foreign invested enterprises) are only permitted to sell houses/villas (not land lots) except in very limited circumstances (which require further official clarification).

This provision has been something of a surprise to most residential housing developers and buyers, who have expressed considerable concerns. In response, the relevant authorities have indicated a preparedness to relax this provision. In an interview on Vietnam Television, the Deputy Minister of National Resources and Environment, Mr Dang Hung Vo, said that this "prohibition" excludes (i) projects approved before the effective date of Decree 181 (16 November 2004) and (ii) projects for resettlement of local inhabitants authorized by the local authorities. However, the relevant authorities have not yet issued any official documents clarifying this new rule.

3.6 Technology Transfer in Vietnam - Problems with new draft revised Decree 45

One of Vietnam's longstanding objectives has been to attract international standard technologies to promote its own economy. However, achievement of this objective has to date been constrained by a restrictive regulatory framework for technology transfer. Over the past decade, only about 10 technology contracts have been approved each year in Vietnam. Most countries including China which previously maintained tight controls of technology transfer have chosen to abolish them in favor of a more liberal regime to attract more and better technology.

Revision of the current Decree 45-1998-ND-CP of the Government dated 1 July 1998 on Technology Transfer has been on the drafting board for more than 3 years. The Ministry of Science and Technology is now up to draft 31 of a revised Decree 45 and is understood to have addressed a number of key problems for investors, including:

- > Technology transfer contracts between non-State parties will no longer be subject to a cap on royalties.
- > Technology transfer contracts will no longer be subject to the current opaque, complicated and time-consuming process of approval. A 15-day registration process will apply.

However, other constraints are understood to remain in the draft revised Decree 45, including: maximum 7-year period for technology transfer (10 in special circumstances); requirement for unanimous board approval of technology contracts in the case of joint venture enterprises. The revised Decree 45 is expected to be passed in 2005.

3.7 Private Participation in Infrastructure

A seminar on Private Participation in Infrastructure ("PPI") was held on 16 November 2004, co-organized by the Ministry of Planning and Investment and Vietnam Business Forum. Many of the difficulties facing foreign investors interested in infrastructure investment projects were discussed, including difficulties in relation to land, foreign currency conversion, remittance of funds abroad and onerous procedural requirements.

Various ministries discussed PPI initiatives and problems in their sectors:

- > In the transport sector:
 - Approval of a 5-year plan for development of Vietnam's ports will be approved by the Prime Minister in April 2005. Thi Vai - Cai Mep will be the centre for developing large ports, but the projects have already been allocated. It is proposed that the ports there will be enlarged in the future so foreign investors can participate. Currently, interested foreign investors can invest in Hai Phong port. Van Phong international port planning is underway and PPI consultancy on design is welcomed.
 - Capital recovery in railway projects is slow, resulting in low PPI interest. Small projects such as signal information and urban railways may be more attractive to PPI.
 - Current airport projects in the pipeline are: Long Thanh international airport, expansion of Tan Son Nhat airport and expansion of Noi Bai airport. Updated planning for these projects has been submitted to the Government for approval and will be announced soon.
 - The Corporation for Highways has been established. PPI in the form of joint ventures is welcomed.
- > In the telecommunications sector: The Ministry of Posts and Telecommunications is currently studying other forms of foreign investment (such as joint venture and equitization) than the only permitted form of investment at present (ie business co-operation contract).
- > In the electricity sector: Build-Transfer is considered an appropriate form of PPI investment as the State controls transmission of electricity.
- > In the water sector: The high rates needed to be charged by foreign invested water projects are not acceptable to Vietnamese authorities; the high rates of leakage and loss are not acceptable to foreign investors.

- > Future PPI-related reforms are expected to include:
 - Licensing: Further delegation of licensing authority for projects up to USD40 million. The list of projects requiring PM's approval will be shortened. Licensing authority will be delegated to all localities.
 - ODA: An inter-industry group will be established to carry out approvals and negotiate with the localities regarding provision of ODA capital.
 - Foreign direct investment: An inter-industry group will be established to evaluate projects to shorten the time to obtain opinions from ministries.
 - More forms of investment will be introduced such as holding company and other indirect forms of investment.
 - Step-in rights of lenders will be clarified, especially with respect to BOT investments.

3.8 Errata - September 2004 Issue of Vietnam Legal Update

- > In Part 2.4 "Q & A on Arbitration in Vietnam", in row 5, "or a foreign invested enterprise" should be deleted as below:

No.	Questions	Answers
5	Can arbitration at the VIAC or Economic Arbitration Centers be in accordance with ICC or UNCITRAL rules?	<ul style="list-style-type: none"> • <u>"Domestic" disputes</u>: VIAC's or Economic Arbitration Centers' rules must be followed. • <u>"Foreign-related" disputes</u> (ie involving a foreign party, or a foreign invested enterprise): ICC or UNCITRAL rules may apply as agreed by the parties.

- > In Part 2.3 "Permanent Residence Status for Foreigners in Vietnam", in point 4, we wrote that a Permanent Foreign Resident (holding a Permanent Residence Card) may buy property in Vietnam in his/her own name. This statement was based on Decree 60-CP of the Government dated 5 July 1994 (as amended 3 August 1996), article 18 of which stipulates that a foreign resident is permitted to own residential housing on residential land ("property") leased from the State of Vietnam. Decree 60 does not define "foreign resident". However, article 3 of Ordinance 24-2000-PL-UBTVQH10 of the Standing Committee of the National Assembly dated 28 April 2000 on Entry, Exit and Residence of Foreigners in Vietnam defines "foreigners" in Vietnam to include Permanent Foreign Residents and Temporary Foreign Residents. Therefore, it may be argued that "foreign resident" in Decree 60 may be either a Permanent Foreign Resident and Temporary Foreign Resident under Ordinance 24; and that a Permanent Foreign Resident *or* Temporary Foreign Resident may buy property in his/her own name. There is no specific law addressing this issue, but it is widely believed that only a Permanent Foreign Resident may own property in his/her own name. In practice, we have not seen any case where a foreigner has bought a house in his/her name.

3.9 Phillips Fox Wins Business Innovation Award

Phillips Fox has won the Business Innovation Award at the Australian Business Awards in Vietnam 2004, in recognition of its innovative work in developing its new website www.vietnamlaws.com and in particular **Vietnam Laws Online Database**.

The Business Innovation Award 2004 was presented by Jake Jacobs, Country Manager of Fosters Vietnam Limited (Award sponsor) and accepted by Nigel Russell, Managing Partner of Phillips Fox's Ho Chi Minh City Office at the Awards ceremony held in Ho Chi Minh City on 13 November 2004.



Launched on 1 July 2004, **Vietnam Laws Online Database** is an online searchable database of English translations of over 2,750 Vietnamese laws relating to foreign investment and beyond - the most extensive online Vietnamese law library in the world. Translations have been prepared by Phillips Fox's dedicated translation team over Phillips Fox's 10+ years in Vietnam. Subscribers can search for law translations by subject category, date, issuing body, legislation type, official number and an advanced search option. Translations can be viewed online, printed and downloaded (subject to terms & conditions).

Other Australian Business Awards in 2004:

- > Business Excellence Award: Bao Minh - CMG Insurance Company (Vietnam-Australia joint venture insurance company)
- > Business Entrepreneur Award: Securrency Pty Ltd (supplier of technology and materials for printing money)
- > Business Excellence Prize for Dynamic Vietnamese Enterprise: Education and Training Services Company
- > Community Award: RMIT (for its motorcycle helmet road safety campaign)



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3.10 Toy and Clothing Collection

Now is the time for both parents and children to experience the true meaning of the holiday season by helping those who are less fortunate.

Please bring your toys and clothes, in good condition, wrapped and labeled boy/girl and approximate age to any of the following drop off locations:

Phillips Fox:	6th fl., 29 Le Duan Blvd., D. 1 (contact: Mr. Kevin Hawkins 822-1717)
International School HCMC:	236 B Nam Ky Khoi Nghia, D.3 649 A Vo Truong Toan St., D.2 (contact: Ms. Christine Byrne 898-9100)
British International School:	225 Nguyen Van Huong St., D.2 (contact: Ms. Noelle Iles 512-2081) 182 Nguyen Van Thu St., D.1 (contact: Ms. Sally Aston 822-2324) 11B Nguyen Gia Thieu St., D.3 (contact: Ms. Hayley Wynne 930-0514)

WHEN: 15 NOVEMBER THROUGH 10 DECEMBER

Thank you for your generosity. HAPPY HOLIDAYS !

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