|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | | |  |  | | --- | --- | | **Legal News Update - November 2011**  (2011-11-16) | | | |  |  | | --- | --- | | LEGAL NEWS UPDATE | | | **BROSS & PARTNERS LLP**  [**www.bross.vn**](http://www.bross.vn/)    **Practice areas:**  *- Investment*  *- Corporate*  *- Banking & Finance*  *- Securities & Capital Market*  *- Private Equity*  *- Contracts*  *- Real Estate & Construction*  *- Merger & Acquisition*  *- Labour & Employment*  *- Taxation*  *- Debt collection*  *- Litigation & Dispute resolution*  *- Criminal & Civil law*  *- Intellectual property & Copyright*  *- Franchising & Technology transfer*  *- Market survey*    **Contact us:**  *Hanoi:*[*contact@bross.vn*](mailto:contact@bross.vn)  *HCMC:*[*saigon@bross.vn*](mailto:saigon@bross.vn) | *16th November 2011*    **NOT TO GRANT INVESTMENT CERTIFICATES TO PROJECTS WHICH WASTEFULLY USE ENERGY**  *The implementation of the Resolution No. 13/NQ-CP on orientations and solutions for attracting and managing foreign direct investment funds still remain delays in addressing problems in the attraction and management of foreign direct investment over the past time. The grant of investment certificates unconformable with planning was seen in some localities, especially for golf course, forestation, steel and mining projects; Many projects had not been thoroughly verified and considered in terms of technical, technological, environmental and labor criteria…*  Accordingly, in order to enhance and raise the effectiveness of the implementation of the Resolution No. 13/NQ-CP in the next time, the Prime Minister issued the Directive No. 1617/CT-TTg of September 09, 2011. In this Directive, the Prime Minister instructs ministers, heads of ministerial-level agencies and government-attached agencies and chairpersons of provincial-level People’s Committees to thoroughly grasp and concentrate on the following tasks such as:  To improve the quality and effectiveness of foreign direct investment in line with Viet Nam’s strategy for socio-economic development in the period 2011-2020 toward encouraging development of the foreign-invested sector in conformity with planning; prioritizing projects with modern and environmentally friendly technology and efficiently using natural, mineral and land resources; and increasing partnership with domestic enterprises; focally attracting investment in support industries.  At the same time, to restrict investment projects in the non-manufacture sector and those increasing trade deficit, consuming a lot of energy or exploiting natural resources without processing. Not to grant investment certificates to projects which wastefully use energy or natural resources or use outdated or polluting technologies.  To accomplish these above tasks, the Prime Minister asks the Ministry of Planning and Investment to assume the prime responsibility for, and coordinate with concerned ministries and sectors and local People’s Committees in, completing in the 2nd quarter of 2012 a scheme on orientations for improvement of effectiveness of the attraction, use and management of foreign direct investment during 2011-2020, proposing specific orientations for investment incentive policies based on sectors and localities of investment; Reviewing, summarizing and announcing specific conditions for conditional investment projects completing in the 3rd quarter of 2012.  The Ministry of Industry and Trade has responsibility to assume the prime responsibility for, and coordinate with concerned ministries and sectors in buiding a scheme on improvement of investment quality and state management effectiveness and orientations for foreign direct investment in support industries, electricity and trade in the period of 2011-2020 and a scheme on increased state management of the grant of certificates of origin, completing in May 2012.    **REGULATIONS ON THE PURCHASE OF CORPORATE BONDS BY CREDIT INSTITUTIONS**  *The State Bank of Viet Nam issued the Circular No. 28/2011/TT-NHNN dated September 01, 2011 providing for credit institutions’ and foreign bank branches’ purchase of corporate bonds issued for the first time sale to purchasers on the primary market in the territory of the Socialist Republic of Viet Nam, including the purchase of quantities of corporate bonds not yet sold up to purchasers according to corporate bond issuance underwriting commitments.*  Corporate bond is a type of debt securities issued by an enterprise, which certify the obligation of enterprise to pay both bond principal and interest towards bond owners. Convertible corporate bond is a type of bond which may be converted into common stocks of the bond issuer under law and conditions already specified in the bond issuer’s bond issuance plan.  Two types of corporate bonds which can be purchased by credit institutions and foreign bank branches are bonds issued under regulations on issuance of corporate bonds and bonds issued under regulations on public offering of securities. Foreign bank branches are not allowed to purchase convertible bonds.  Credit institutions and foreign bank branches may purchase corporate bonds when fully meeting the following conditions: they are commercial banks, financial companies or foreign bank branches established and operating under the Law on Credit Institutions; Their State Bank of Vietnam-granted establishment and operation licenses have a content on purchase of corporate bonds; They comply with safety ratios in operations of credit institutions and foreign bank branches under regulations of the State Bank of Viet Nam.  The total investment in corporate bonds shall be included in the total outstanding credit debt for a client or for a client and related persons under Article 128 of the Law on Credit Institutions and relevant regulations of the State Bank of Viet Nam. Credit institutions and foreign bank branches shall specify corporate bond purchase limits.  This Circular takes effect on October 20, 2011. Pursuant to this Circular and relevant laws, credit institutions and foreign bank branches shall issue regulations on purchase of corporate bonds and promptly send these regulations to the Banking Inspection and Supervision Agency for inspection and supervision of their purchase of corporate bonds.    **GUIDELINES ON THE FINANCIAL MANAGEMENT OF THE PROGRAM TO SUPPORT INTELLECTUAL ASSET DEVELOPMENT**  *On August 02, 2011, the Ministry of Finance and the Ministry of Science and Technology jointly issued the Joint Circular No. 112/2011/TTLT-BTC-BKHCN guiding the financial management of the Program to support intellectual asset development in the period of 2011-2015.*  The state budget shall allocate 100% of the fund for expenses for general activities of the program; specific items in agriculture; urgent tasks under the Program which need to be immediately performed to meet practical implementation requirements. The performance of these tasks is necessary to turn out products and to achieve results which can be widely disseminated or propagated or serve as a basis for the performance of other activities of the Program.  Besides, the state budget shall allocate between 50-70% of the total fund for expenses for consultancy on the establishment and assistance for operations of intellectual asset development assistance organizations; Expenses for establishment, exploitation, protection and development of domestic and overseas intellectual assets; Expenses for establishment of intellectual property rights, organization of intellectual property rights protection; Expenses for the exploitation of scientific, technological and intellectual property information for research, development, production and business activities…  For projects authorized by the central government to local administrations for management, the central budget provides annual budgetary supports for local budgets on the principle that the support level depends on sectors in which these projects are implemented, project implementation units and percentage of this state budget-allocated support.  Responsibility remuneration for the head of the Steering Committee is VND 500,000/person/month, for members of the Steering Committee is VND 400,000/member/month, for the head of the Secretariat and the chief of the office of the Program is VND 400,000/month; and for members of the Secretariat and Deputy Chiefs of of the office of the Program is 350,000/person/month. Local officials performing equivalent tasks enjoy remuneration levels equal to 70% of the above levels.  This Circular takes effect on September 18, 2011. | |  | | | | | |  |  |  |  |  | | --- | --- | --- | --- | --- | | [Bookmark and Share](http://www.addthis.com/bookmark.php?v=250&username=xa-4c7609fd7a53d350) | Contact | [http://bross.vn/theme_images/sv_mail.gif](mailto:contact@bross.vn?subject=Legal%20News%20Update%20-%20November%202011) | Print | http://bross.vn/theme_images/sv_print.gif | |  | | |