

## LEGAL NEWS UPDATE – JUNE 2016

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### **PART I: REGULATION HIGHLIGHTS**

#### **1. NEW PROVISIONS ON PENALIZING FOR LOSING, BURNING AND DAMAGING INVOICES**

*On 27 May 2016, the Government promulgated the Decree No.49/2016/ND-CP on amending and supplementing a number of provisions of the Decree No.109/2013/ND-CP dated 24 September 2013 on penalties for administrative violations in the management of prices, fees, charges and invoices.*

Correspondingly, the acts of losing, burning and damaging printed invoices but not issued yet or any issued invoices (the invoice sheet sent to customers) but the customers have not received them yet or any invoices issued under the list of retailed goods, services, shall be fined from VND4 to VND8 million.

In case the invoices are lost, burnt, damaged due to acts of god, fire or unexpected events, force majeure events, these acts shall not be fined.

In case of losing, burning or damaging the issued invoices (the invoice sheet sent to customers), the sellers and the

buyers must make a minute to note events; the sellers having declared, paid taxes and had contracts, invoices to prove on goods purchase and 01 extenuating circumstance shall be fined the minimum amount of penalty bracket; if there are 02 extenuating circumstances or more, shall be punished in the form of warning.

In case the invoices are lost, burned or destroyed (except the invoice sheet sent to the customers) while they are being archived, this violation shall be fined in accordance with the laws on accountant.

In case the sellers find the missed invoices (the invoice sheet sent to the customers) out before the tax authority issues a sanction decision, the sellers shall not be fined.

The Decree will become effective on 01 August 2016.

## **2. PENALIZING ADMINISTRATIVE VIOLATIONS ON THE PLANNING AND INVESTMENTS**

*On 01 June 2016, the Government promulgated the Decree No. 50/2016/ND-CP on penalizing administrative violations on the planning and investments.*

Accordingly, the violation of the time-limit of change registration in respect to the contents of Enterprise Registration Certificate, Branch/Representative Office Operation Registration Certificate, Business Location Registration Certificate shall be

fined from VND1 million to VND 5 million if the violated time-limit is from 01 to 30 days; from VND 5 million to VND 10 million if the violated time-limit is from 31 days to 90 days; from VND 10 million to VND 15 million if the violated time-limit is from 91 days and more. Besides, the violators shall be forced to implement change registration to change contents of the Enterprise Registration Certificate under the laws.

*The failure of conversion of enterprise form, in case the enterprise does not have enough the minimum number of members/shareholders under the laws in 6 consecutive months, shall be fined from VND2 million to VND5 million. In the event the failure of registering to licensing authority on contributing insufficient charter capital as registered, this act shall be applied a fine of VND10 million to VND20 million.*

This Decree will become effective on 15 July 2016 and will substitute the Decree No.155/2013/ND-CP dated 11 November 2013.

## **3. ANY CASE OF RETRIEVING DOMAIN NAME “.VN”**

*On 08 June 2016, the Ministry of Information and Communications and the Ministry of Science and Technology promulgated the Joint Circular No.14/2016/TTLT-BTTTT-BKHCN on guiding the sequence, procedure for*

*changing and retrieving the domain name breaching the laws on intellectual property.*

Accordingly, the authority having competence in handling violations shall apply retrieving measure to domain name “.vn” in the following cases: (1) The owner of the domain name “.vn” breaching the laws on intellectual property does not conduct any remedies as change of the information of the domain name “.vn”, or return the domain name “.vn” in accordance with any sanction decisions in the field of intellectual property within 30 days as from the effective date of such decisions; the owner of the domain name “.vn” does not prevent, get rid of any information breaching the laws on intellectual property in the website having the domain name “.vn” under the competent authority’s request.

The application of retrieving measure to the domain name “.vn” and requesting the domain name management authority to conduct any technological measures to the domain name “.vn” in the national host of domain name as specified in the administrative sanction decisions.

This Joint Circular will become effective on 25 July 2016.

#### **4. AMENDMENT AND SUPPLEMENT ANY PROVISIONS ON BUYING, SELLING AND HANDLING THE BAD DEBTS**

*On 16 June 2016, the State Bank of Vietnam promulgated the Circular*

*No.08/2016/TT-NHNN on amending and supplementing a number of provisions of the Circular No.19/2013/TT-NHNN of the Governor of State Bank of Vietnam dated 06 September 2013 on buying, selling and handling the bad debts of Vietnam Asset Management Company (“VAMC”).*

Accordingly, the credit institutions being subject to the following cases shall be entitled to request for extending the time limit of the special bonds issued by VAMC.

- a) The credit institutions are implementing the restructuring plan under the scheme approved by the competent authority;
- b) The credit institutions have suffered financial difficulties (due to risk provision for the special bonds issued by VAMC which lead to the result of differences between receipt and payment before expected taxes of the year) requesting for extension of time limit for of the negative special bonds.
- c) Besides, the conditions for exemption and reduction of overdue interest, fees, and fines of the bad debts purchased by the special bonds shall be adjusted as well.

This Circular will become effective on 01 August 2016.

## **PART II: LIST OF NEW LEGAL DOCUMENTS**

<b>No.</b>	<b>NAME OF DOCUMENT</b>	<b>EFFECTIVE DATE</b>
<b>THE MINISTRY OF FINANCE</b>		
1	<i>Official Letter No. 8228/BTC-TCHQ</i> dated 16 June 2016 of the Ministry of Finance on handling import duties and value-added tax	16/06/2016
<b>THE GENERAL DEPARTMENT OF TAXATION</b>		
1	<i>Official Letter No.2621/TCT-TNCN</i> dated 14 June 2016 of the General Department of Taxation on personal income tax	14/06/2016
2	<i>Official Letter No.2583/TCT-DNL</i> dated 13 June 2016 of the General Department of Taxation on personal income tax declaration, finalization in Vietnam Military Telecommunications Group	13/06/2016
3	<i>Official Letter No.2575/TCT-TNCN</i> dated 13 June 2016 of the General Department of Taxation on the tax policy applied to independent practitioners	13/06/2016
4	<i>Official Letter No.2569/TCT-TNCN</i> dated 10 June 2016 of the General Department of Taxation on personal income tax declaration in 2015 of the organization paying income.	10/06/2016
5	<i>Official Letter No.2700/TCT-TNCN</i> dated 17 June 2016 of the General Department of Taxation guiding personal income tax	17/06/2016
6	<i>Official Letter No.2700/TCT-TNCN</i> dated 17 June 2016 of the General Department of Taxation guiding personal income tax	17/06/2016
7	<i>Official Letter No.2643/TCT-HTQT</i> dated 15 June 2016 of the General Department of Taxation guiding on dealing with tax refund dossier	15/06/2016
8	<i>Official Letter No.2632/TCT-DNL</i> dated 15 June 2016 of the General Department of Taxation guiding on dealing with the implementation of electronic invoices.	15/06/2016
9	<i>Official Letter No.2622/TCT-TNCN</i> dated 14 June 2016 of the General Department of Taxation on exchange rates applied to an income in foreign currency	14/06/2016

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