**LEGAL UPDATES**

August, 2021

**Dear Valued Clients and Partners,**

**ADK Lawyers** would like to introduce to you the Legal Updates, Vol 13 of August 2021 with new legal provisions, which have notable contents as follows:

1. **Proposal to extend the application of the FIT pricing mechanism for wind power projects.**

Many localities across the country have recently proposed to extend the application period for wind power support pricing (FIT) for projects in their localities due to the impact of the Covid-19 pandemic. The supply of wind turbines has been drastically reduced, affecting the operation progress of the project.

Accordingly, the Provincial People's Committees of Tra Vinh, Gia Lai and Soc Trang have sent recommendations to the Prime Minister and the Ministry of Industry and Trade to consider extending the time to apply FIT prices under Decision 39/2018 of the Prime Minister, because wind power projects in the area cannot be completed and operated commercially before November 01, 2021 to enjoy preferential prices 9.8 US cents/kWh. In there:

1. Provincial People's Committee of Tra Vinh proposes to extend the application period of the FIT pricing mechanism for wind power projects in the area until at least the end of April 2022;
2. Provincial People's Committee of Soc Trang proposes to extend the implementation time of the FIT mechanism until the end of March 31, 2022;
3. Provincial People's Committee of Gia Lai proposes to extend the implementation time of the FIT mechanism to the end of December 31, 2021.
4. **Principles and conditions for granting Certificates of credit information service provision**

On June 10, 2021, the Government issued Decree 58/2021/ND-CP regulating the provision of credit information services, taking effect from August 15, 2021.

According to the provisions of this Decree, a number of principles and conditions for granting a certificate of credit information service provision are as follows:

1. Operational principles of credit information service provision:

* Credit information companies only provide credit information services after being granted a Certificate by the State Bank;
* Must comply with legal regulations, ensure honesty, objectivity and do not affect the lawful rights and interests of relevant organizations and individuals;
* Agreements and commitments in the provision of credit information services specified in this Decree must be made in writing or another form with equivalent legal validity as prescribed by law;
* Only collect credit information of borrowers from participating institutions when the borrower agrees to this participating institution to provide credit information to the credit information company under Appendix I attached to this Decree;
* Ensure the implementation of the principles of applied information products under this Decree.

1. Conditions for issuance of certificates:

* Having an information infrastructure system that meets the minimum requirements specified in Clause 1, Article 9 of this Decree;
* Having a minimum charter capital of VND 30 billion;
* Adapting the requirements of enterprise managers, members of the Supervisory Board;
* Having a business plan to ensure that it is not engaged in other business lines than providing credit information services;
* Having at least 15 participating organizations are credit institutions, foreign bank branches (except policy banks, cooperative banks, people's credit funds, and microfinance institutions). Participating organizations without commitment of providing credit information with other credit information companies;
* Having a written agreement on the provision of information and credit information products between the credit information company and the participating organization.

1. **Note of indirect investment account of foreign investment activities on Vietnam's stock market.**

On June 30, 2021, the Ministry of Finance issued Circular 51/2021/TT-BTC guiding the obligations of organizations and individuals in foreign investment activities in the stock market in Vietnam, taking effect on August 16, 2021.

In particular, the Circular has specific provisions on indirect investment capital accounts in foreign investment activities on the Vietnamese stock market as follows:

1. Foreign investors open 01 indirect investment capital account at 01 depository bank licensed to conduct foreign exchange business to carry out investment activities on the Vietnamese stock market;
2. An overseas depository certificate issuer that opens an indirect investment capital account at a depository bank will be allowed to do foreign exchange business to issue or cancel depository certificates. and other related activities based on the provisions of law;
3. In receiving entrusted capital, the securities investment fund management company, branch of foreign fund management company in Vietnam shall open an indirect investment capital account to receive capital from foreign investors. There is no indirect investment capital account. In this case, the indirect investment capital account will be in the name of the securities investment fund management company, branch of the foreign fund management company in Vietnam;
4. In addition, all money transfers for making transactions, investments, or other payments that are related to securities investment activities of foreign investors and activities of issuers. issue depository certificates abroad; Dividend profits, receipt and use of dividends, purchase of foreign currencies to transfer abroad (if any), as well as other related transactions will all have to be done through the indirect investment capital account;
5. The closing, opening, use and management of the indirect investment capital account must comply with the provisions of the law on foreign exchange management.

We hope you found this brief legal update informative.

Kind Regards.

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