**LEGAL UPDATES
VOL 15, AUGUST 2021**

**Dear Valued Clients and Partners,**

ADK & Co Vietnam Lawyers would like to introduce to you the Legal Updates, Vol 15 of August 2021 with new legal provisions with notable contents as follows:

1. **Removing the FIT pricing mechanism for rooftop solar power[[1]](#footnote-1)**

On August 30, 2021, the Vietnam Chamber of Commerce and Industry (VCCI) in collaboration with the Center for Green Innovation and Development (GreenID) organized the seminar "*Roof solar power in industrial zones: Removing inadequacies in deployment and installation*” in the online form.

Accordingly, Mr. Pham Nguyen Hung - Deputy Director of the Electricity and Renewable Energy Authority (Ministry of Industry and Trade) - said that the Ministry of Industry and Trade (MOIT) is preparing a Draft decision on the mechanism for renewable energy development, including rooftop solar power. According to the draft decision, there will be no FIT (Feed-in Tariff) mechanism for 20 years as before, but instead, the electricity price will be based on the annual electricity generation price bracket issued by the MOIT. At the same time, the Draft also sets out the on-site self-use rate of projects at 70-90% to reduce investment pressure on the power grid, transmission, and distribution. Besides the self-consumption rate, the remaining electricity (10-30%), solar power enterprises will sell to Electricity of Vietnam (EVN). The electricity selling price will be according to the annual solar power generation price bracket issued by the MOIT mentioned above to keep abreast of the market.

In addition, the electricity purchase and sale mechanism of rooftop solar PV installation households with EVN are also not in the same direction as before. Instead, the electricity purchase and sale mechanism are determined based on regulations of the Ministry of Finance. Therefore, on the buying/selling side, two different invoices will be set up to separate this activity.

1. **Financial Regulations of a Debt Trading One Member Limited Liability Company**

On July 29, 2021, the Minister of Finance issued Circular 62/2021/TT-BTC on Promulgating the Financial regulations of Vietnam's single-member limited liability company of debt trading, taking effect **from September 15, 2021**.

Accordingly, the Financial Regulations promulgated together with Circular 62/2021/TT-BTC include the following main contents:

1. Subjects of application:
* Single-member Limited Liability Company of Debt trading of Vietnam (hereinafter referred to as DATC or the Company);
* Organizations and individuals related to DATC's financial management mechanism.
1. Principles of capital use:
* The Company has the right to actively use the Company's capital to serve business activities on the principle of efficiency, preservation, and development of capital and under the provisions of law;
* The capital use of investment and purchase of fixed assets to serve the Company's operations must ensure: a) Equipment must be suitable to the Company's operational needs and compliance with the State's regulations; b) Comply with current legal regulations on capital construction investment and purchase of fixed assets and c) Accounting and monitoring of investment and procurement assets under the current legal regulations.
1. Principles of capital mobilization:
* According to the 5-year investment and development strategy and plan and the Company's annual production and business plan;
* The capital mobilization plan ensures efficiency and debt payment ability;
* The person approving the capital mobilization plan is responsible for monitoring, checking, and ensuring that the mobilized capital is used for the right purposes and effectively;
* The mobilization of capital from foreign organizations and individuals, borrowing or issuance of government-guaranteed bonds shall comply with the law on public debt management and relevant laws;
* The mobilization of capital in the form of corporate bond issuance shall comply with the provisions of law and the Charter of the Company;
* The mobilization of capital for business activities (including loan guarantees at credit institutions for subsidiaries specified in clause 4 Article 23 of the Law on management and utilization of state capital invested in the enterprise's manufacturing and business activities). For production and business activities at enterprises and for restructured enterprises in which more than 50% of charter capital is held by the DATC as prescribed in clause 2 Article 22 of Decree No. 129/2020/ND-CP) must ensure that the total liabilities do not exceed three times the equity of the Company as recorded in the quarterly financial statements or the annual financial statements of the Company at the nearest time of capital mobilization.
1. **Promulgating Economic-technical norms of formulation and adjustment of zoning and plans on land use**

On August 06, 2021, the Minister of Natural Resources and Environment issued Circular 11/2021/TT-BTNMT promulgating economic-technical norms for formulation and adjustment of zoning and plans on land use, taking effect from **September 22, 2021**.

Accordingly, the content of economic-technical norms of formulation and adjustment of master plans and plans on land use is promulgated as follows:

1. Norms are used to calculate unit prices of products for making and adjusting master plans and plans on land use; serve as a basis for assigning estimates and finalizing product values of formulation and adjustment of national land-use plans; formulating and adjusting land use plans at the provincial level (including provinces and centrally-run cities); formulation and adjustment of district-level master plans and plans on land use (including districts, urban districts, towns, provincial cities, cities under central authority);
2. Economic-technical norms of formulation and adjustment of zoning and plans on land use include: Labor norms; and Norms of use of materials, tools, and equipment;
3. Norms only specify rates for activities that directly formulate and adjust master plans and plans on land use. Task-making activities; General Management; Acceptance testing; Other activities directly related to the task will be determined during the formulation of the task under the legal regulations of the formulation, management, and use of funds for economic activities for the expenditure tasks. resources and the environment.

We hope you found this brief legal update informative.

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Kind regards.

1. <https://vnexpress.net/bo-cong-thuong-se-bo-gia-fit-co-dinh-cho-dien-mat-troi-ap-mai-4348601.html>

<https://laodong.vn/kinh-te/se-bo-co-che-gia-fit-uu-dai-trong-20-nam-voi-dien-mat-troi-ap-mai-947960.ldo>

<https://tuoitre.vn/co-che-dien-mat-troi-ap-mai-gia-thay-doi-hang-nam-bo-co-che-bu-tru-20210830165041173.htm> [↑](#footnote-ref-1)