**LEGAL UPDATES**

**VOL 33, JANUARY 2022**

**Dear Valued Clients and Partners,**

ADK Vietnam Lawyers would like to introduce to you the Legal Updates, Vol 33 of January 2022 with new legal provisions with notable contents as follows:

1. **Additional regulations on sanctioning for the case of making invoices lacking required information**

Decree 102/2021/ND-CP of the Government takes effect from 01 January 2021. The Decree has added a number of regulations on sanctioning related to invoices, for example:

* A fine ranging from VND 4,000,000 to VND 8,000,000 shall be imposed for making invoices lacking required information as prescribed.
* A fine ranging from VND 4,000,000 to VND 8,000,000 and forcing related parties to make a minute of the loss, fire or damage of invoices for acts of losing, burning or damaging invoices that have been made but have not yet declared tax.

Compared with Decree 125/2020/ND-CP, Decree 102/2021/ND-CP has (i) increased the statute of limitations for sanctioning administrative violations on invoices from 01 year to 02 years; and (ii) abolished the regulation on sanctioning for loss, fire or damage of taxed invoices.

1. **Credit institutions are only allowed to buy corporate bonds when their non-performing loan ratio is below 3%**

The State Bank has just issued Circular 16/2021/TT-NHNN stipulating the purchase and sale of corporate bonds by credit institutions and foreign bank branches.

Accordingly, credit institutions are only allowed to buy corporate bonds when their non-performing loan ratio of less than 3% in the latest classification according to regulations of the State Bank of Vietnam on the classification of existing assets, amount of risk provisions, methods of setting up risk provisions, and the use of provisions to handle risks in operations for credit institutions before the time of purchasing corporate bonds.

In addition, credit institutions are only allowed to buy bonds when satisfying the conditions specified in Article 4 of the Circular:

* Corporate bonds that meet the requirements for buying and selling transactions specified in Article 5 of the Circular;
* Use purpose of revenues generated from the issued corporate bond is legitimate and compliant with bond issuance plans and/or plans for utilizing capital, revenues generated from bond offering and issuance approved as per the law;
* Issuer guarantees to redeem the bond before maturity when: The issuer change the purpose of using revenues generated from bond issuance during the period in which credit institutions hold the bond; the issuer violates regulations and law on the issuance of corporate bond; the issuer violates the plans;
* The plans are feasible and the issuer is financially capable to settle both principal and interest of the bond on time;
* The issuer has no non-performing loan in credit institutions in the last 12 months prior to the time on which credit institutions purchase corporate bonds.

The Circular will take effect on 15 January 2022 and replace Circular 22/2016/TT-NHNN, Circular 15/2018/TT-NHNN.

1. **Decree 08/2022/ND-CP takes effect from 10 January 2022**

Decree 08/2022/ND-CP of the Government detailing a number of articles of the Law on Environmental Protection takes effect from 10 January 2022.

Accordingly, the Decree details the contents of the Law on Environmental Protection on the protection of environmental components; environmental zoning, strategic environmental assessment, environmental impact assessment; environmental license, environmental registration; environmental protection in production, business, service, urban, rural and a number of fields; waste management; responsibility for recycling and handling products and packages of manufacturing or importing organizations and individuals; environmental monitoring; environmental information system and database; prevention and dealing with environmental incidents, compensation for environmental damage; economic tools and resources for environmental protection; State management, checking, inspection and provision of online public services on environmental protection.

We hope you found this brief legal update informative.

Kind regards.

|  |
| --- |
| This document has been only prepared for general information purposes and makes no representations or warranties, express or implied, as to the accuracy, timeliness, or completeness of such information. This legal update is not intended to be relied upon as accounting, tax, legal, or other professional advice.If you have or suspect that you may have a particular problem, you should contact us or your lawyer for specific advice on the matter.**ADK VIET NAM LAWYERS**Address: G-01 Fl. HBT Tower, 456-458 Hai Ba Trung Str., Tan Dinh Ward, District 1, HCMC, VN Hotline: (+84) 28 66 79 79 66 or (+84) 939 107 387 Email: info@adk-lawyers.comWebsite: [www.adk-lawyers.com](http://www.adk-lawyers.com)  |