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HIGHLIGHTED UPDATES

1. Extending term for payment of corporate income tax and value-added tax

The above content is provided for in Circular No. 83/2012/TT-BTC dated 23 May 2012 of the Ministry of Finance providing guidelines for the implementation of exempting, reducing and deferring a number of sources of the State budget revenue under Resolution No. 13/NQ-CP dated 10 May 2012 of the Government on a number of solutions for removing difficulties in production and trade as well as supporting the market ("Circular 83").

Circular 83 stipulates:

- (i) 6-month extension of term for payment of Value-Added Tax ("VAT") payable in April, May and June 2012 (excluding VAT in importing part) by small and medium enterprises; enterprise operating in field of production and processing, which pay VAT in accordance with tax credit method. The term to pay VAT for April 2012 latest is by 20 November 2012. The term to pay VAT for May 2012 latest is by 20 December 2012. The term to pay VAT for June 2012 latest is by 21 January 2013.
- (ii) 9-month extension of term for payment of Corporation Income Tax ("CIT") payable in the year 2010 and earlier that have not been paid to the State Budget before 10 May 2012 by small and medium enterprises; enterprise operating in field of production and processing and enterprises in mechanical capital good manufacturing, waterway transportation. These enterprises must pay the extended tax payment by 1 October 2012.
- (iii) 9-month extension of term for payment of CIT payable in the year 2011 that have not paid to the State Budget of enterprise in mechanical capital good manufacturing, waterway transportation, steel, cement production; small and medium enterprises in real estate. These enterprises must pay the extended tax payment by 2 January 2013.

In addition, Circular 83 provides reduction of 50% of land rentals payable in the year 2012 for economic organizations, enterprise operating in trade, services those rent land and have to pay land rentals annually to the State Budget; extension of term for payment of land rentals maximum to 12 months from the date of 10 May 2012 for economic organizations being project investors those have to pay land rentals under the notice of tax authority or decision of competent authority, but have not paid or paid enough yet until 10 May 2012.

Circular 83 takes effect on 23 May 2012; the contents guided in the former legal documents that fail to comply with Circular 83 will be implemented in compliance with the guidance of Circular 83.

2. Maximum limiting conversion of rice cultivation land into non-agricultural land

The above policy is stipulated by the Government at Decree No. 42/2012/ND-CP dated 11 May 2012 on rice cultivation land utilization and management (“Decree 42”).

Pursuant to Decree 42, the Government minimizes the conversion of water rice cultivation land into non-agricultural land; only allows the conversion of water rice cultivation land into land used for purpose of national defence, security, national interests and public benefits, and this conversion must be assessed and approved by the competent State management agencies.

Thereof, the Government allows the conversion of using purpose of:

(i) Water rice cultivation land

Water rice cultivation land allowed to transform its using purpose to other using purposes needs to meet criteria:

- (a) Complying with the approved land planning and land utilization plans, and being allowed by competent state management agencies;
- (b) Having the maximum saving land utilization plan, which was reflected in the overall presentation of the projects assessed and approved by competent state management agencies; and
- (c) The organizations and individuals that have been allocated or leased by the State the water rice cultivation land to utilize them as non-agricultural land must have the plan of using surface soil and compensating the water rice cultivation land area lost due to the conversion of using purpose in accordance to the current regulations.

(ii) Other rice cultivation land

Other rice cultivation land allowed to transform its using purpose to other use purpose needs to meet criteria:

- (a) Conversion of other rice cultivation land into land for planting annual crops must comply with the plan of converting structure of crop plants in localities and it fails to affect the purpose of rice cultivation in the future;
- (b) Conversion of other rice cultivation land into land for planting perennial crops, breeding, and aquaculture must comply with the approved land planning and land utilization plan and be allowed by competent State management agencies;
- (c) Conversion of rice cultivation land into non-agricultural land needs to meet the criteria that are the same as the conversion of using purpose of water rice cultivation land.

The People's Committee of the commune has the authority to decide on the conversion from other rice cultivation land's using purpose to land for planting perennial crops. The People's Committee of the province or city under the Central authority has the authority to decide on the conversion of using purpose of water rice cultivation land and other rice cultivation land (except conversion of land use purpose into land for planting perennial crops). However, before giving any decision, these authorities must report to the Ministry of Natural Resources and Environment and the Ministry of Agriculture and Rural Development for consideration and submission to the Prime Minister.

Decree 42 comes into force on 1 July 2012.

3. Short-term lending in foreign currency allowed to resident borrowers

On 2 May 2012, the State Bank's Governor promulgated Decision No.857/QĐ-NHNN regulating short-term lending in foreign currency by credit institutions and foreign banks' branches to resident borrowers ("Decision 857").

According to Decision 857, credit institutions and foreign banks' branches licensed to provide foreign exchange services, are entitled to consider and decide to provide short-term loan in foreign currency to resident borrowers who have demand for capital to implement their plans of business and manufacturing of goods for export via Vietnam's border-gates and who are able to repay the loan in foreign currency from export earnings.

When the credit institution or foreign bank's branch disburses loan to the borrower, the borrower must sell the foreign currency loan proceeds to the lender by way of a spot foreign exchange transaction, unless allowed by law to use loan proceeds in foreign currency to pay for eligible transactions.

Decision 857 came into effect from 2 May 2012 until the end of 2012.

Other Sectors

Finance

- On 2 May 2012, the Ministry of Finance issued Decision No. 1083/QD-BTC correcting Circular No. 16/2012/TT-BTC dated 8 February 2012 of the Ministry of Finance on the print, issuance, management and use of invoices for sale of national reserve goods.
- Circular No. 81/2012/TT-BTC dated 22 May 2012 of the Ministry of Finance providing guidelines for the issuance of local government bonds in domestic market.
- On 16 May 2012, the Ministry of Finance stipulated Circular No. 6549/BTC-DT providing guidelines for the implementation of Circular No. 210/TT-BTC dated 20 December 2010 of the Ministry of Finance.

Banking

- Decree No. 40/2012/ND-CP dated 2 May 2012 on professional skills of issuing money, preserving, and transporting precious assets and valuable papers in the system of the State Bank, credit institutions and foreign banks' branches.
- On 25 May 2012, the State Bank of Vietnam issued Decision No. 1081/QD-NHNN on refinance loan interest rates, rediscount interest rates, overnight lending rates in inter-bank electronic payments and loans for financing of capital shortage in clearing payment of the State Bank of Vietnam with banks.
- Circular No. 17/2012/TT-NHNN dated 25 May 2012 of the State Bank of Vietnam on the amendment and supplement to a number of articles of Circular 30/2011/TT-NHNN dated 28 September 2011 providing for maximum interest rate applicable to deposits in Vietnamese Dong of organizations and individuals at credit institutions and foreign banks' branches.
- On 4 May 2012, the State Bank of Vietnam stipulated Circular No. 14/2012/TT-NHNN providing for maximum interest rate applicable to short-term lending in Vietnamese Dong offered by credit institutions and foreign banks' branches to borrowers for the purpose of meeting demand for capital in service of several economic sectors and industries.

Taxation

- Decision No. 1317/QD-BTC dated 28 May 2012 of the Ministry of Finance correcting Circular No. 58/2012/TT-BTC of the Ministry of Finance providing guidelines for the implementation of a number of contents of Decision

No.05/2012/QD-TTg dated 19 January 2012 of the Prime Minister on pilot implementation of value-added tax refund for goods purchased in Vietnam and carried by overseas visitors exiting the country through the border gates of Noi Bai International Airport and Tan Son Nhat International Airport.

- On 24 May 2012, the Ministry of Finance issued Circular No. 84/2012/TT-BTC providing guidelines for the implementation of preferential import tax rates applicable to a number of commodities under heading 2710 in the Preferential Import Tariff.
- Circular No. 80/2012/TT-BTC dated 22 May 2012 of the Ministry of Finance providing guidelines for the Law on Tax Administration with respect to tax registration.
- On 10 May 2012, the Ministry of Finance stipulated Circular No. 72/2012/TT-BTC providing guidelines for the implementation of preferential import tax rates applicable to a number of commodities under heading 2710 in the Preferential Import Tariff.

Trade

- Decision No. 55/QD-BCDASW dated 23 May 2012 of the National Steering Committee for ASEAN “One stop shop” regime and national “One stop shop” customs regime on promulgation of working regulation of the National Steering Committee for ASEAN “One stop shop” regime and national “One stop shop” customs regime.
- On 25 May 2012, the State Bank of Vietnam issued Circular No. 16/2012/TT-NHNN providing guidelines for the implementation of a number of articles of Decree No. 24/2012/ND-CP dated 3 April 2012 on gold trade business management.
- Circular No. 77/2012/TT-BTC dated 16 May 2012 of the Ministry of Finance providing for the collection rates and the regime of collection, submission, management and use of the appraisal charge for goods and services subject to business restrictions; the appraisal charge for goods and services subject to conditional business; fee for granting the certificate of satisfaction of conditions for business; fee for granting business licenses in the commercial field; and fee for granting the establishment licenses for the Goods Exchanges.
- On 18 May 2012, the Ministry of Finance stipulated Circular No. 78/2012/TT-BTC providing guidelines for a number of articles of Decree No. 84/2011/ND-CP dated 20 September 2011 on sanctioning administrative violations in the field of price.

Labour

- Decision No. 630/QD-TTg dated 29 May 2012 of the Government approving the strategy on development of vocational training for the period from 2011 to 2020.
- On 24 May 2012, the Government issued Decision No. 601/QD-TTg approving the Scheme on “Establishing information system and forecasting demand for national human resources”.
- Decision No. 584/QD-LDTBXH dated 15 May 2012 of the Ministry of Labour, War Invalids and Social Affairs on promulgation of the Regulation on elaborating and promulgating legal documents on labour and people with meritorious services to the revolution and society.
- On 11 May 2012, Vietnam Social Insurance stipulated Decision No. 445/QD-BHXH approving the planning on development of human resources for social insurance branch for the period from 2011 to 2020.
- Decision No. 11/2012/QD-UBND dated 22 May 2012 of the People’s Committee of Hanoi amending and supplementing a number of articles of Decision No.103/2009/QD-UBND dated 24 September 2009 of the People’s Committee of Hanoi on promulgation of provisions on management of organizational structure, staffing, salaries, wages, cadres, public officials, public servants and contractual labour with respect to agencies and organizations in the area of Hanoi.
- On 14 May 2012, the Ministry of Labour, War Invalids and Social Affairs issued Decision No. 579/QD-BLDTBXH announcing amended and supplemented administrative procedures under the management function of the Ministry of Labour, War Invalids and Social Affairs.
- Inter-ministerial Circular No. 01/2012/TTLT-BNV-BTC dated 16 May 2012 of the Ministry of Home Affairs and the Ministry of Finance providing guidelines for the implementation of common minimum wage from 1 May 2012 with respect to State agencies, socio - political organizations and non-business professional units.
- On 15 May 2012, the Ministry of Labour, War Invalids and Social Affairs stipulated Circular No. 11/2012/TT-BLDTBXH supplementing the List of professions to Table list of professions in which training is provided by professional secondary schools and junior colleges promulgated together with Circular No. 17/2010/TT-BLDTBXH dated 4 June 2010 of the Minister of Labour, War Invalids and Social Affairs.

Education

- Circular No. 17/2012/TT-BGDDT dated 16 May 2012 of the Ministry of Education and Training promulgating the regulations on teaching after school classes and taking after school classes.

- On 9 May 2012, the Ministry of Education and Training issued Circular No.16/2012/TT-BGDDT promulgating the regulations on management of scientific and technical programs at ministerial level of the Ministry of Education and Training.
- Circular No. 15/2012/TT-BGDDT dated 2 May 2012 of the Ministry of Education and Training promulgating the regulations on standards to evaluate centers for continuing education.

Health

- On 25 May 2012, the Prime Minister stipulated Decision No. 608/QĐ-TTg approving the National Strategy on HIV/AIDS prevention and combat up to 2020, with orientation to 2030.
- Circular No. 07/2012/TT-BYT dated 14 May 2012 of the Ministry of Health on the List of microorganisms causing infectious diseases classified by risk groups and biosafety levels in accordance with testing techniques.

Transport

- On 29 May 2012, the Ministry of Transport issued Decision No. 1207/QĐ-BGTVT on use of driving licenses made by PET material.
- Circular No. 73/2012/TT-BTC dated 14 May 2012 of the Ministry of Finance amending and supplementing Circular No. 76/2004/TT-BTC dated 29 July 2004 of the Ministry of Finance providing guidelines for fees and charges in the field of land road traffic.
- On 10 May 2012, the Ministry of Transport stipulated Decision No. 1045/QĐ-BGTVT on approval of Plan on training, fostering and developing scientific and technological staff of the transport industry up to 2015.
- Circular No. 15/2012/TT-BGTVT dated 10 May 2012 of the Ministry of Transport on equipping and use of lifejackets and personal floatation devices on cross river passenger transport vehicles.

Environment

- On 8 May 2012, the Ministry of Natural Resources and Environment issued Circular No. 05/2012/TT-BTNMT providing for techniques of amending national topographic maps at 1:25,000 and 1:50,000 scales by using satellite imagery.
- Circular No. 04/2012/TT-BTNMT dated 8 May 2012 of the Ministry of Natural Resources and Environment providing criteria for determination of units causing environmental pollution and seriously environmental pollution.

- On 3 May 2012, the Ministry of Finance stipulated Circular No.70/2012/TT-BTC providing for the collection rates and the regime on collection, submission, management and use of national remote sensing data.

Construction

- Decree No. 46/2012/ND-CP dated 22 May 2012 amending and supplementing a number of articles of Decree No. 35/2003/ND-CP dated 4 April 2003 detailing the implementation of a number of articles of Law on Fire Prevention and Fighting and Decree No. 130/2006/ND-CP dated 8 November 2006 on compulsory fire and explosion insurance regime.
- On 21 May 2012, the Ministry of Construction issued Decision No. 454/QD-BXD on recognition of establishments training and fostering professional knowledge and profession skills of operating apartment buildings.
- Decision No. 428/QD-BXD dated 14 May 2012 of the Ministry of Construction on announcement of the List of legal documents individually or jointly issued by the Ministry of Construction, which are no longer valid.
- On 9 May 2012, the People's Committee of Ho Chi Minh City stipulated Decision No. 17/2012/QD-UBND repairing, upgrading and reconstructing the existing filling stations in Ho Chi Minh City, which operate since 16 March 2007 and backward.
- Circular No. 01/2012/TT-BXD dated 8 May 2012 of the Ministry of Construction providing guidelines on the procedures for grant of contractor permits and management of foreign contractors in construction activities in Vietnam.

Land

- On 21 May 2012, the People's Committee of Hanoi issued Decision No.10/2012/QD-UBND promulgating the regulations on the order and procedures for determination of unit price of land use levies with respect to organizations of which land was allocated by the State with collection of land use levies without auction of and tender for a project using land; conversion of land use purpose; and assignment of land use rights or conversion from land lease to land allocation with collection of land use levies within the area of Hanoi.
- Decision No. 513/QD-TTg dated 2 May 2012 of the Prime Minister approving the Project on "Perfecting and modernizing documents and maps of administrative boundaries, and creating database on administrative boundaries".

Science - Technology

- On 21 May 2012, the Government stipulated Decree No. 45/2012/ND-CP on industrial promotion.

- Decision No. 604/QD-TTg dated 25 May 2012 of the Prime Minister approving the Project on “Improving capacity and quality of products and goods of industrial sector” under the national Program of “Improving capacity and quality of products and goods of Vietnamese enterprises towards the year 2020”.
- On 22 May 2012, the Prime Minister issued Decision No. 592/QD-TTg approving the Program of support to development of scientific and technological enterprises and public scientific and technological organizations under autonomy and self-responsibility mechanism.
- Decision No. 15/QD-TA dated 2 May 2012 of the Supreme People’s Court promulgating the Regulation on managing, exploiting and using information technology equipment and internal network system of the Supreme People’s Court.
- On 2 May 2012, the Supreme People’s Court stipulated Decision No. 14/QD-TA promulgating the Regulation on managing, exploiting and using e-mail system and internal software of the branch of People’s Courts.

Information - Communications

- Circular No. 05/2012/TT-BTTTT dated 18 May 2012 of the Ministry of Information and Communications on the classification of telecom services.
- On 3 May 2012, the Ministry of Information and Communications issued Decision No. 744/QD-BTTTT promulgating the Plan of communication on administrative procedure control activities of the Ministry of Information and Communications.

Administration - Judiciary

- Decision No. 542/QD-TTg dated 9 May 2012 of the Prime Minister approving the staffing of public officials in State administrative units for the year 2012.
- On 15 May 2012, the Ministry of Labour, War Invalid and Social Affairs stipulated Decision No. 587/QD-LDTBXH promulgating the indicators of special difficult communes in coastal and island regions for the period from 2012 to 2015.
- Circular No. 05/2012/TT-BTP dated 23 May 2012 of the Ministry of Justice amending and supplementing a number of articles of Circular No. 08.a/2010/TT-BTP on issuance and guidance of recording, storing and using books and standard forms of civil status.
- On 16 February 2012, the Ministry of Public Security issued Circular No.27/2012/TT-BCA providing for sample of Identification Card.

- Inter-ministerial Circular No. 71/2012/TTLT-BTC-BTP dated 9 May 2012 of the Ministry of Finance and the Ministry of Justice providing for making estimate, managing, using and finalizing expenditures for compensation liability of the State.
- On 2 May 2012, the Ministry of Public Security stipulated Circular No.25/2012/TT-BCA providing for Heads and Deputy Heads of criminal judgment enforcement agencies and civil judgment enforcement agencies of People's Public Security.
- Joint Circular No.04/2012/TTLT-BTP-TANDTC-VKSNDTC-BCA-BQP dated 10 May 2012 of the Ministry of Justice, the Supreme People's Court, the Supreme People's Procuracy, the Ministry of Public Security and the Ministry of Defence providing guidelines on the order and procedures for searching, verifying, exchanging and supplying information about criminal records.

Forestry

- On 14 May 2012, the State Steering Committee for the Plan of protecting and developing forests issued Decision No. 52/QD-BCDBV&PTR promulgating the working Regulation of this Committee for the period from 2011 to 2020.
- Circular No. 85/2012/TT-BTC dated 25 May 2012 of the Ministry of Finance providing guidelines for the financial management mechanism regarding Fund for protecting and developing forests.
- On 7 May 2012, the Ministry of Agriculture and Rural Development stipulated Circular No. 20/2012/TT-BNNPTNT providing guidelines for the order and procedures for final check and acceptance of monies payable for forestry environment service.

Miscellaneous

- Decree No. 43/2012/ND-CP dated 17 May 2012 amending and supplementing a number of articles of Decree No. 196/2004/ND-CP dated 2 December 2004 detailing the implementation of Ordinance on National reserves.
- On 10 May 2012, the Prime Minister issued Decision No. 21/2012/QD-TTg promulgating the Regulation on management and use of Fund for support to arrangement and development of enterprises.
- Circular No. 19/2012/TT-BNNPTNT dated 2 May 2012 of the Ministry of Agriculture and Rural Development amending and supplementing a number of articles of Circular No. 10/2012/TT-BNNPTNT dated 22 February 2012 of the Ministry of Agriculture and Rural Development promulgating the list of plant protection products permitted, restricted or prohibited to be used in Vietnam.

- On 2 May 2012, the Ministry of Culture, Sports and Tourism stipulated Circular No. 05/2012/TT-BVHTTDL amending and supplementing a number of articles of Circular No. 04/2009/TT-BVHTTDL, Circular No.07/2011/TT-BVHTTDL and Decision No. 55/1999/QD-BVHTT.

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