



# NEWSLETTERS

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## **Apply the new formula for calculating the bank interest**

The State Bank of Vietnam recently issued Circular No. 14/2017 / TT-NHNN regulating methods of calculation of interest in deposit and credit activities between credit institutions and customers. In lieu of Decision No. 652/2001 / QD-NHNN promulgating the regulation on method of calculating and accounting revenue and interest of the State Bank and credit institutions.

Accordingly, the time used to convert the interest rate to calculate interest rate by %/month, %/week, %/hour to the interest rate by %/day; Conversion of the interest rate by %/day to the interest rate by %/year and vice versa is calculated as follows: 1 year is 365 days; One month is 30 days; 1 week is 7 days; 1 day is 24 hours.

This Circular will take effect from 1/1/2018.



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### **Amending the regulations on collection of land use levy**

Effective from 01/01/2018, Decree No. 123/2017/ND-CP dated 14/11/2017 amends and supplements a number of articles of the Decrees regulating the collection of land use fees land lease, water surface lease.

Specifically, this Decree amends and supplements a number of articles of Decree No. 45/2014/ND-CP dated 15 May 2014 regulating the collection of land use fees and Decree 46/2014 / ND-CP dated

15/5/2014 regulating the collection of land rents and water surface rents.



### **The amount of money the commercial legal entity must pay to secure the execution of the judgment**

Decree No. 115/2017 / ND-CP of October 16, 1971 detailing the order and procedures and the amount of money to be paid by legal entities for enforcement of judgments; the custody, refund, payment to the state budget the paid amount is effective from 1/1/2018.

The amount of money paid to secure the execution of fines shall be decided by a competent legal proceeding-conducting body on a case-by-case basis but not less than 50% and not higher than the maximum fine stipulated in the applicable clause. Use to prosecute, investigate, prosecute, adjudicate against commercial legal entities.



### **Regulations on offshore investment in oil and gas activities**



According to Decree No. 124/2017 / ND-CP dated November 15, 1977, regulations on offshore investment in oil and gas activities, in preparation for investment or implementation of the project. The investor is allowed to establish or participate in the establishment of a management company in Vietnam, in the host country or in a third country in accordance with relevant laws, oil contracts gas and international oil industry practices are



generally accepted.

This Decree takes effect from January 1, 2018.



### **New regulations on penalty for construction investment**



Effective from 15/01/2018, Decree 139/2017 / ND-CP dated 27/11/2017 stipulating the sanctioning of administrative violations in construction investment activities; exploiting, processing and trading minerals for use as building materials; producing and trading construction materials; management of technical infrastructure works; real estate development, housing development, management of home and office use.

Accordingly, the maximum fine in the field of construction investment is 1 billion; Mining, processing and trading of minerals for construction materials, production and trading of building materials; management of technical infrastructure works; real estate development, housing development, management of home and office use is 300 million.

The fine levels prescribed in this Decree are the fine levels applicable to organizations (except for a number of cases). For the same act of administrative violation, the fine level for individuals shall be equal to 1/2 of the fine level applicable to the organization.



### **Condemning 5 death penalty crimes from 2018**

From January 1, 2015, the Penal Code 2015 officially came into effect, according to which 11 crimes in the Penal Code 1999 no longer include illegal trading; Deliberately acting in contravention of the State's regulations on economic management, causing serious consequences; Making false statements in economic management; Child Marriage; Illegal marriage registration. In particular, deliberate offenses that violate State regulations cause serious consequences are replaced by nine new offenses.

Many other crimes against capital punishment include robbery, enemy surrender, order dictation, production and trade of fake goods, food, food additives, destruction of important facilities, facilities national security.





### Owners failing to social insurance can stay in prison for up to 7 years

From January 1, 2015, people working under labor contracts with a term of between full 1 month and under 3 months must participate in compulsory social insurance.



At the same time, also from 1/1/2018, regulations on criminal handling of social evils, health insurance, unemployment insurance for employees in Article 216 of the Penal Code 2015 begins to take effect.

Accordingly, the social insurance fraud, unemployment insurance fines from 20 to 100 million, non-custodial reform for up to 2 years or a prison term of 3 months to 2 years. Sneaking off of social insurance and health insurance premiums ..., who have been fined for administrative violations but also commit violations, shall be subject to a fine of between

VND 50 and 200 million, non-custodial reform for up to one year or a prison term of 3 month to year; Committing two or more offenses a fine of 200-500 million or a penalty of from 6 months to 3 years; Accompanied with insurance premiums from 1 billion or more fines from 500 million to 1 billion or punishable by imprisonment from 2 to 7 years.



### Minimum wage increases from 1/1/2018

According to the Decree No. 141/2017 / ND-CP dated 7/12/2017, the minimum wage applicable to employees working in enterprises as of 1/1/2018 is as follows: Region I: 3.980. 000 VND / month; Region II: 3,530,000 VND / month; Region III: 3,090,000 VND / month; Area IV: 2,760,000 VND / month. Thus, the new minimum wage level is about 180,000-230,000 / month than the old salary.

This Decree will take effect on January 25<sup>th</sup>, 2018.



**Transforming state enterprises into joint-stock companies**

Decree No. 126/2017/ND-CP issued on November 16, 2017 on transformation of State enterprises and one-member limited liability companies invested by state enterprises 100% charter capital into joint-stock companies takes effect from 01/01/2018.

