



## NEW BANKING REGULATIONS FACILITATING TRANSITION TO NONCASH SOCIETY

On 1 July 2024, Decree No. 52/2024/ND-CP regulating cashless payment took effect (“**New Decree 52**”), replacing the previous regulations under Decree No. 101/2012/ND-CP (“**Decree 101**”). The New Decree 52, in addition to inheriting and retaining several contents under Decree 101, amends and supplements regulations aiming at facilitating cashless payment activities and promoting digital transformation in financial sector in Vietnam.

### Unifying the legal definition of electronic money

Electronic money is no longer a novel concept when its popularity has increased dramatically in recent years. It is commonly perceived that electronic money refers to the currency electronically stored on electronic systems, as opposed to physical money paper and coin. However, in practice, various terms such as “digital money”, “e-money”, “virtual money”, etc. may be used interchangeably when representing “electronic money”, sometimes leading to confusion.

It is therefore first introduced in the New Decree 52 the definition of “electronic money”. Basically, “electronic money” refers to Vietnamese currency (VND) stored on electronic means, which are electronic wallets and prepaid cards; and “electronic money” is created upon receipt of funds *paid in advance by customers* to banks, foreign bank branches and payment intermediary service providers engaging in electronic wallet services.

Banks and foreign bank branches are permitted to issue electronic wallets and prepaid cards.

The aforesaid intermediary payment service providers are permitted to supply electronic wallet services only to customers whose electronic wallets are backed by their payment accounts opened at banks or foreign bank branches, and must ensure that the total balance of all payment accounts shall not be less than the total balance of all electronic wallets.

### Perfecting the legal regime on international payments

International payments are a prominent feature and the backbone of the globalized economy, which involves a complex network of banks, financial institutions, and other relevant organizations in order to facilitate the transfer of cross-border payments. For years, local banks, which satisfy conditions and obtain necessary licenses from the Government, have joined the international payment systems and proactively facilitate transactions involving international payments.



*This material is only intended for general reading. Under no circumstances is it to be relied upon in substitution for specific advice on any issue(s) that may arise relating to its subject matter.*



Under the New Decree 52, banks and foreign bank branches may maintain their memberships in the relevant international payment systems which they have joined before the effective date of the New Decree 52, but will need to review and ensure their satisfaction with the below requirements and obtain relevant license from the State Bank of Vietnam within 24 months from the effective date of the New Decree 52:

- a. being permitted to conduct basic foreign exchange activities in both domestic and international markets;
- b. having proper policies and procedures for managing risks on money laundering, terrorist financing, and financing the proliferation of weapons of mass destruction; and the internal regulations on criteria for selecting connections to international payment systems;
- c. having the proper information system that meets the requirements for administration, safety and security; and
- d. organizations operating the international payment systems being legally established and operating abroad.

#### **Non-banking entities engaging in intermediary payment services**

Unlike the non-exhaustive approach under Decree 101, the New Decree 52 seems to provide a more comprehensive list of intermediary payment services that non-banking entities are allowed to do, including:

- financial switching services;
- international financial switching services;
- electronic set-off services;
- electronic wallet services;

- support services of payments-on-behalf-of and receivables-on-behalf-of; and
- electronic payment gateway services.

Concurrently, the New Decree 52 sets out stricter conditions applicable to non-banking entities, notably as below:

- a. *Capital requirement.* A minimum actual or allocated charter capital of (i) **50 billion VND** for electronic wallet services, support services of payments-on-behalf-of and receivables-on-behalf-of, and electronic payment gateway services; or (ii) **300 billion VND** for financial switch services, international financial switch services, and electronic set-off services.
- b. *Personnel requirement.* Legal representative, general director (or director), deputy general director (or deputy director) and key managers having specific qualifications and experience.
- c. Other specific conditions and requirements applicable to each type of intermediary payment services.

#### **Public postal service providers engaging in non-account payment services**

Such services include money transfer, payments-on-behalf-of and receivables-on-behalf-of.

Enterprises engaging in public postal services may also be allowed to provide the aforesaid services after satisfying conditions on the information systems, qualified personnel, proper procedures for provision of each service/ internal control/ risk management/ dispute resolution/ fire-fighting and fire prevention, and suitable device and machinery; and being granted with an approval from the State Bank of Vietnam.

*This material is only intended for general reading. Under no circumstances is it to be relied upon in substitution for specific advice on any issue(s) that may arise relating to its subject matter.*



**LEGAL UPDATE** July 2024

## About RHTLaw Vietnam

For further information, please contact:



**Benjamin Yap (Mr.)**

Senior Partner  
Ho Chi Minh City Office  
Tel. (+84) 28 3820 6448  
[benjamin.yap@rhtlaw.com.vn](mailto:benjamin.yap@rhtlaw.com.vn)



**Dang Thi Tuong Vi (Ms.)**

Partner  
Ho Chi Minh City Office  
Tel. (+84) 28 3820 6448  
[vi.dang@rhtlaw.com.vn](mailto:vi.dang@rhtlaw.com.vn)

### RHTLaw Vietnam

Suite 1101, 11th Floor, Sofitel Central Plaza  
17 Le Duan Boulevard, District 1,  
Ho Chi Minh City, Vietnam  
Tel: +84 28 38206 448

### RHTLaw Vietnam – Hanoi Branch

Unit 1501B, 15th Floor, Charmvit Tower  
117 Tran Duy Hung Street, Cau Giay District,  
Hanoi, Vietnam  
Tel: + 84 24 3974 8881

RHTLaw Vietnam is a Vietnam law practice registered as a limited liability company in Vietnam (the “LLC”). It works in collaboration with the Singapore law practice RHTLaw Asia LLP. The LLC is a distinct legal entity in Vietnam.

Our model is driven by the focus on helping clients succeed, which translates to clear and precise solutions with high-level legal and commercial insights. We proactively grow our practice in tandem with regional and international fast-growing industries and areas like Banking & Finance, Capital Market, M&As, Inward & Outward Investment, Intellectual Property, Trading & Commerce, Real Estate & Construction, Telecommunications, Employment and Litigation.

Find out more about us at [www.rhtlaw.com.vn](http://www.rhtlaw.com.vn)

[www.rhtlaw.com.vn](http://www.rhtlaw.com.vn)

Note: This article is only intended for general reading. Under no circumstances is it to be relied upon in substitution for specific advice on any issue(s) that may arise relating to its subject matter.

Ho Chi Minh | Hanoi | Singapore | Phnom Penh