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International Capabilities Delivered Locally

An aerial night view of a city skyline, likely Ho Chi Minh City, Vietnam. The image shows several prominent skyscrapers, including the Bitexco Financial Tower on the left and the Bitexco Tower on the right. The city lights are reflected in the water in the foreground. The sky is a mix of blue and grey, suggesting dusk or dawn.

LEGAL UPDATES
February 2023

Specific regulations governing display of compliance information through e-labeling



Picture from: <https://www.seagullscientific.com/resources/labeling-guide/e-labeling/>

Nowadays displaying product information electronically seems to be more practical than using physical labels given significant benefits linked to e-labeling, e.g. helping manufacturers and traders to reduce costs, enabling product design innovation, enabling consumers to easily access more information, as well as benefitting the environment by reducing the waste created in the process of producing and updating physical labels.

Countries have been developing e-labeling frameworks to ensure the approach aligns with industry and global best practices, and Vietnam is not an exemption.

Recently, the Ministry of Science and Technology of Vietnam has issued Circular No. 18/2022/TT-BKHCH detailing the display of compliance information through e-labeling ("**Circular 18**"). Circular 18 will take effect from 15 February 2023 and apply to manufacturers, traders, and importers in general.

Circular 18 emphasizes that e-labeling is a voluntary alternative to the traditional way and allows entities to, at their discretion, use e-labels to demonstrate product information.

Entities choosing to apply e-labeling shall ensure:

- (a) that there must be a working electronic link on the good label, e.g. QR code or bar code;
- (b) sufficient means, devices, and clear instructions in order to enable consumers to access the compliance information on site; and
- (c) that contents displayed through e-labeling must be in line with those physically displayed in order not to mislead consumers.



Picture from: <https://itsupplychain.com/e-labeling-on-the-rise-effective-workflows-needed/>

Circular 18 also allows entities to use e-labels in up to 27 groups of products including, among others, textiles, garments, leathers, shoes; plastic products; paper products; teaching tools; musical instruments; wooden products; gymnastics and sports equipment; household appliances and others.

Compulsory information to be e-displayed generally includes, subject to specific products, specifications, usage and maintenance directions, time of manufacturing.

New guidance on one-way money remittance from Vietnam as well as payment for current transactions by individual or organizational residents



Picture from: <https://medium.com/sticpay/international-money-transfer-policy-vietnam-4450a72d3c81>

One-way money remittance as well as payment for current transactions have been regulated pursuant to Decree No. 70/2014/ND-CP (guiding the Ordinance on Foreign Exchange No. 28/2005/PL-UBTVQH11 as amended from time to time) ("**Decree 70**"). Since then, various Circulars have been enacted to detail provisions under Decree 70. For the purpose of having provisions in various laws and regulations consistently unified, the State Bank of Vietnam has recently issued Circular No. 20/2022/TT-NHNN which specifically governs legal issues arising out of one-way money remittance as well as payment for current transactions ("**Circular 20**"). Circular 20 will take effect from 15 February 2023.

One-way money remittance transactions

Circular 20 provides a more detailed list of transactions which are considered one-way money remittance transactions. For example,

As for organizations, they are transactions for the purpose of funding or aid as per commitments and agreements initiated by the State or private organizations; recovery from natural disasters, epidemics, and wars; rewarding overseas non-residents participating in programs and contests held in Vietnam; allocating funding to overseas members participating in scientific research projects; or others.

As for individuals, they are transactions for the purpose of overseas education, healthcare, business trip, travel, inheritance, or other legal demands.

Basically, Circular 20 does not prohibit one-way money remittance from Vietnam to abroad performed by organizations or individuals. However, such transactions must fall within the list of permitted transactions under Circular 20.

Organizations or individuals are allowed to buy foreign currency for one-way remittance transactions. Sources of foreign currency are mainly money in bank accounts/ bought from licensed banks or (as for individuals) other sources. Remitting money abroad shall be in accordance with banking and customs regulations and within the reasonable limits of the transactions or to the extent permitted by laws.



Picture from: <https://www.istockphoto.com/vi/vec-to/chuy%E1%BB%83n-t%E1%BB%81n-qu%E1%BB%91c-t%E1%BA%BF-v%C3%A0-giao-d%E1%BB%8Bch-an-to%C3%A0n-gm1320933875-407316625>

Payment for current transactions

Similarly, Circular 20 also details a list of transactions which are considered permitted current transactions, including, among others, transactions in relation to temporary import, re-export, temporary export, re-import, transit, insurance, payment in accordance with judgments of courts/ arbitrators/ competent authorities. Payment must also be performed via a licensed bank.

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