

LEGAL UPDATES

BUSINESS

Decree No. 48/2018/ND-CP amending and supplementing Decree No. 98/2013/ND-CP regarding administrative sanctions in insurance and lottery business

Effective date: 10 May 2018

The two Decrees provide for sanctions, authority and procedures for applying sanctions in case of violations in insurance and lottery business. The sanctions will be subject to nature of violations and the mitigating or aggravating circumstances.

The maximum fines are VND100 million applied to individuals and VND200 million applied to organizations.

In addition, the violators may be subject to additional sanctions such as withdrawal of licenses for a certain period, suspension of operations for a certain period, or seizure and forfeiture of property used in the violation.

LABOUR

Decree No. 49/2018/ND-CP regarding assessment of quality of vocational education

Effective date: 15 May 2018

Assessment of quality of vocational education ("**Assessment Activity**") includes evaluation and recognition of satisfaction by the relevant organizations of standards prescribed by the Ministry of Labour, Invalids and Social Affairs (MOLISA).

The assessors shall obtain a certificate regarding satisfaction of requirements from MOLISA before implementation of the Assessment Activity. The requirements include duly incorporation in Vietnam, relevant experience, professional knowledge, offices well equipped for Assessment Activity and qualified staff, as the case may be.

BANKING**Decision No. 13/2018/QĐ-TTg on licensing procedures for approval to over-the-limit credit extension by credit institutions and branches of foreign banks**

Effective date: 1 May 2018

Credit institutions and branches of foreign banks shall comply with requirements on credit limits as follows:

- the total amount of credit extended to a customer shall not exceed 15% of capital, and the total amount of credit extended to a customer and the relevant parties shall not exceed 25% of the capital, of banks or branches of foreign banks.
- the total amount of credit extended to a customer shall not exceed 25% of capital, and the total amount of credit extended to a customer and the relevant parties shall not exceed 50% of the capital, of non-bank credit institutions.

The credit institutions and branches of foreign banks may extend an over-the-limit credit to a customer if (1) the loan purpose is relevant to socio-economic projects and (2) a syndicated loan does not meet the customer's demand. An approval from the Prime Minister is a must. For this purpose, the credit institutions/branches of foreign banks and the customers shall meet certain requirements such as bad debts, loan purpose, feasibility of project and other banking requirements.

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