

LEGAL UPDATES

COMMERCE

Circular No. 36/2018/TT-BCT regarding procedures for issuance and revocation of electricity operating licences

Effective date: 6 December 2018

- (1) This Circular replaces Circular No. 12/2017/TT-BCT dated 31 July 2017 and regulates the procedures for issuance and revocation of electricity operating licences (“**EOL**”) and the terms of EOL in the following sectors:
 - (a) Consultancy specialized in the power sector;
 - (b) Power generation;
 - (c) Power transmission;
 - (d) Power distribution;
 - (e) Power wholesale; and
 - (f) Power retail.
- (2) The authority to issue the EOL goes to (a) the Ministry of Industry and Trade (MOIT) or (b) the Electricity Regulatory Authority of Vietnam (ERAV) or (c) the provincial People's Committee, subject to the sector and scale of operation.
- (3) The term of EOL ranges from 5 years to 20 years subject to the power sectors.
- (4) The EOL may be exempted in the following cases:
 - (a) Generating power for use, not for sale;
 - (b) Generating power with capacity less than 01MW (or 01MWp applied to solar power plant at one location with one connection point) to sale;
 - (c) Purchasing power (with capacity less than 50 kVA) from the connection grid to sell to customers at rural areas, mountainous areas or islands;
 - (d) Managing the national power system and transactions of power market.

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LABOUR

Decree No. 148/2018/ND-CP amending and supplementing a number of articles of Decree No. 05/2015/ND-CP detailing and guiding the Labour Code

Effective date: 15 December 2018

Below are some outstanding points.

- (1) Members of a business household can authorize an individual (other than the leader of the business household) to sign labour contracts with employees on their behalf.
- (2) The working period of employees used for calculation of severance allowance will no longer include probationary period, study period and apprentice period.
- (3) In case where an employer (or an employee) breaches the provisions on the period of advance notice which must be provided in case of unilateral termination of a labour contract, then the employer (or the employee) must pay compensation to the other party being a sum of money equivalent to the wage of the employee provided in the employment contract at the time of such illegally unilateral termination.

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