

LEGAL UPDATES

INVESTMENT

Decree No. 15/2019/ND-CP guiding Law No. 74/2014/QH13 on Vocational Education

Effective date: 20 March 2019

Below are notable provisions under the Decree.

Establishment of a foreign-owned vocational training institution

- 1) The establishment and operation of a foreign-owned vocational training institution must comply with the following statutory requirements:
 - a) complying with the master plan on vocational training institution network;
 - b) being granted with an investment registration certificate;
 - c) complying with requirements on minimum investment capital (exclusive of land value) and minimum land use area :

Types	Minimum land use area (square meter)	Minimum investment capital (billion Vietnam Dong)
Vocational training center	1,000	5
Intermediate schools	10,000 (for urban area)	50
	20,000 (for outskirt)	
College	20,000 (for urban area)	100
	40,000 (for outskirt)	

- d) Complying with requirement on education program, facilities, staff and organizational structure.
- 2) Authority for granting a permit to set up a foreign-owned vocational training institution goes to the Minister of Ministry of Labor - Invalids and Social Affairs (in case of college) or the Chairman of the Provincial People's Committee (in case of intermediate schools/ vocational training centers).
- 3) The operation term of a foreign-owned vocational training institution shall not exceed 50 years from the date of the establishment permit.

Vocational training in association with foreign partners

- 4) Vietnamese vocational training establishments are allowed to carry out vocational training in association with foreign partners. The training may be either completely carried out in Vietnam or partially carried out both in Vietnam and in a foreign country.
- 5) Authority for granting a permit goes to the General Director of the Directorate of Vocational Education and Training (in case of college/university) or the Director of the Provincial Department of Labor - Invalids and Social Affairs (in case of intermediate schools/ vocational training centers/ enterprises).

BANKING AND FINANCE**Circular No. 36/2018/TT-NHNN governing lending by credit institutions and foreign bank branches (herein after collectively referred to as “credit institutions”) to borrowers for the purpose of offshore investment**

Effective date: 15 February 2019

- 1) A credit institution may grant a loan to a borrower for the following purposes:
 - a) contribution of charter capital to an economic organization set up in a foreign country;
 - b) contribution of capital to perform a business corporation contract (BCC) in a foreign country;
 - c) acquisition of a part or the whole charter capital of an economic organization in a foreign country in order to manage this organization; or
 - d) implementation of overseas investment projects in other forms as stipulated under the prevailing laws.
- 2) The borrower, in relation to the overseas investment project,
 - (a) has obtained an offshore investment registration certificate from the Vietnamese competent authority; and
 - (b) has obtained a permit from the competent authority of the relevant country or has proper documents evidencing the overseas investment project (in case where it is not required to obtain such permit under the foreign laws).

Also, the borrower must not incur any bad debts during a consecutive two years period up until the time of lending request.
- 3) The maximum loan amount must not exceed 70% of the offshore investment capital.
- 4) The loan term must conform with the residual term of the investment (registration) license or equivalent document(s).

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