

LEGAL UPDATES

COMMERCE

Law No. 44/2019/QH14 dated 14 June 2019 on prevention and control alcohol-related harms

Effective date: 1 January 2020

1. In general, manufacturing, distribution, and sale of liquor and beer are subject to strict prohibitions and restrictions imposed by the State in order to prevent alcohol-related harms and public health issues.
2. Manufacturing and trading of liquor and beer having 5% alcohol by volume (“**ABV**”) or greater requires a license. The license may be granted if the applicant satisfies requirements on machinery, food hygiene and qualified employees.
3. Sale of liquor and beer is banned at certain places such as medical institutions, educational institutions or working places of the State. Sale of liquor and beer by vending machines is prohibited.
4. Advertisement and promotion of liquor having 15% ABV or greater is banned. In addition, the State also imposes restrictions on means of advertisement, time of advertisement, targeted people and other relevant restrictions.
5. Alcohol sponsorship is also prohibited.

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ADMINISTRATIVE SANCTION**Decree No. 75/2019/ND-CP dated 26 September 2019 regarding administrative sanctions in case of breaches of regulations on competition**

Effective date: 1 December 2019

1. The Decree deals with violations of regulations on agreements on competition restraint, abuse of dominant or monopoly position, economic concentration, unfair competition and other competition regulations.
2. The offenders (individuals or organizations) may be subject to one of the principal sanctions, including caution or monetary fine. The offenders may also be subject to one or several additional sanctions and remedies.
3. Maximum monetary fine applicable to an organizational offender is
 - (a) 10% of the total turnover in the relevant market in the financial year immediately preceding the year in which the violation occurred, in case of illegal agreements on competition restraint or abuse of dominant or monopoly positions;

(The fine amount is however lower than the lowest monetary fines applicable to the similar violation prescribed in the Penal Code. If the total turnover is zero, the monetary fine shall be from VND100 million to VND200 million.)
 - (b) 5% of the total turnover in the relevant market in the financial year immediately preceding the year in which the violation occurred, in case of illegally economic concentration;
 - (c) VND2 billion in case of illegally unfair competition; and
 - (d) VND200 million in case of other breaches.

Maximum monetary fine applicable to an individual offender is equal to a half of that imposed on an organization.

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For more information please contact

Benjamin Yap (Mr.)

Senior Partner

Tel +84 28 38206448

Mobile +84 97 3753111

benjamin.yap@rhtlawtaylorwessing.com.vn

Dang Thi Tuong Vi (Ms.)

Partner

Tel +84 28 3820 6448

Mobile +84 90 3 325 346

vi.dang@rhtlawtaylorwessing.com.vn