

Labor

Statutory minimum wage for employees

- ❑ Vietnam Government recently issued Decree 38/2022/ND-CP dated 12 June 2022, prescribing statutory minimum wages for employees working under employment contracts. Decree 38 is effective as of 1 July 2022.
- ❑ According to Decree 38, the minimum wage is increased as follows:
 - Minimum wage in Zone 1 is VND 4,680,000 (previously VND 4,420,000);
 - Minimum wage in Zone 2 is VND 4,160,000 (previously VND 3,920,000);
 - Minimum wage in Zone 3 is VND 3,640,000 (previously VND 3,430,000); and
 - Minimum wage in Zone 4 is VND 3,250,000 (previously VND 3,070,000).

Statutory minimum wage for employees with required vocational training

- ❑ Ministry of Labor, War Invalids and Social Affairs issued Official Letter No. 2086/BLDTBXH-TLDDVN dated 17 June 2022, initiating Decree No. 38/2022/ND-CP. Accordingly, in the case in which the employees with vocational training are paid 7% higher than the minimum wage that has already been implemented, such regime shall remain unchanged unless otherwise agreed by the two parties in accordance with the labor code.

Banking & Finance

Restructuring credit institutions associated with bad debt settlement

- ❑ The Prime Minister issued the Decision No. 689/QĐ-TTg on 8 June 2022, approving the “restructuring of credit institutions associated with bad debt settlement in 2021 – 2025 period” scheme (“Decision 689”). Decision 689 aims to strengthen the systems of banks and credit institutions, efficiently handle bad debt, and improve credit quality.
- ❑ Under Decision 689, missions and solutions are classified into three groups of remedies, including general solutions; solutions for credit institutions; and solutions for settlement of bad debts.

New circular regulating application for interest rates on premature withdrawal of deposits from credit institutions and foreign bank branches

- ❑ The State Bank of Vietnam (SBV) has issued Circular No. 04/2022/TT-NHNN regarding the application for interest rates on premature withdrawal of deposits from credit institutions and foreign bank branches.
- ❑ The interest rates on premature withdrawal are regulated as follows:
 - Deposit withdrawal in full: credit institutions shall apply a maximum interest rate equal to their lowest interest rate of demand deposits based on the type of client and/or the currency of the deposit when such client withdraws it.
 - Deposit partial withdrawal: Regarding the part withdrawn, credit institutions shall apply a maximum interest rate equal to their lowest interest rate of demand deposits based on the type of client and/or the currency of the deposit when such client withdraws it.
Regarding the part remaining, credit institutions shall apply the interest rate equal to the one applicable to the initial deposit in full.

Import & Export

New regulations regarding certain issues for the implementation of Rules of origin in Vietnam-Korean Free Trade Agreement (VKFTA)

- ❑ Ministry of Industry and Trade recently issued Circular No. 09/2022/TT-BCT dated 1 June 2022, amending and supplementing certain articles of Circular No. 40/2015/TT-BCT, in particular:
 - The Product Specific Rules in Appendix 2 of Circular 40/2015/TT-BCT shall be replaced with the new Product Specific Rules in this Circular.
 - The procedure of issuing and checking Form VK of Certificate of Origin shall be implemented pursuant to Appendix IV of Circular 40/2015/TT-BCT, Decree No. 31/2018/ND-CP and Circular No. 05/2018/TT-BCT.

New regulations regarding certain issues for the implementation of Rules of origin in ASEAN Trade in Goods Agreement (ATIGA)

- Circular 10/2022/TT-BCT was circulated as a replacement for the previous procedures and form as given by Circular 22/2016/TT-BCT and Circular 19/2020/TT-BCT, including:
 - New mechanism of certifying, inspecting and verifying origins of goods;
 - New Form D of Certificate of origin;
 - Instructions for declaration of Form F C/O for exporting goods.

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