

Banking and Finance

Amendment to the regulations on private placement of corporate bonds in the domestic market and overseas

- On September 16, 2022, Decree No. 65/2022/ND-CP (“Decree 65”) amending and supplementing a number of articles of Decree No. 153/2020/ND-CP was issued and took effective with some new notable matters as follows:
 - The purpose of bonds issuance is to implement investment programs and projects, to restructure an enterprise’s debts or in accordance with specialized laws. In comparison with the previous regulations, the cases of bonds issuance for purposes of increasing operational capital scale and restructuring the enterprise’s capital have been removed under Decree 65.
 - Principles for issuing and using bonds have been amended. Accordingly, for the bonds already issued in the domestic market, an enterprise may only change the conditions and terms of the bonds upon the competent authority’s approval and approval of the bondholders representing at least 65% of the total number of the same type bonds in circulation on the market.
 - Par value of the bond offered in the domestic market was increased to VND 100 million or a multiple of VND 100 million (previously, VND 100,000 or a multiple of VND 100,000).
 - Decree 65 supplements the cases where the investors may request to redeem the bonds before maturity : (i) the issuer violates laws on offering and trading corporate bonds according to a decision of the competent authority, which cannot be remediated or the remedy thereof cannot be accepted by the bondholders representing at least 65% of the total number of the same type bonds in circulation on the market; or (ii) other cases as specified in the bond-issuing plan (if any).
- Additionally, the procedures for offering bonds in the domestic market and overseas have been amended under Decree 65.

Guiding Circular on management of foreign exchange for the issuance of bonds without government guarantee in international market

- ❑ Circular No. 10/2022/TT-NHNN (“Circular 10”) issued on July 29, 2022 took effective from September 15, 2022.
- ❑ Main regulations under this Circular 10 include:
 - Application dossier for the international bond issue;
 - Procedures for the registration of international bond issue including the procedures completed before and during the offering of bonds;
 - The cases in which the registration of changes in international bond issue are required and the relevant dossier and procedures.
- ❑ Further, the prescribed forms for the aforementioned procedures also have been enclosed with Circular 10.

Construction

New circular guiding the compulsory insurance in construction activities will take effective

- ❑ From October 1, 2022, Circular No. 50/2022/TT-BTC (“Circular 50”) providing guidelines for Decree No. 119/2015/ND-CP and Decree No. 20/2022/ND-CP shall take effective.
- ❑ Circular 50 has some new points as follows:
 - Insurance premiums for some types of construction works (multi-functional construction, complex construction, and civil construction) have been amended;
 - Based on the level of risk of the insured object, the insurance enterprise may increase or decrease the premium up to 25%;
 - Circular 50 supplements the regulations on insurance premium payment related to the construction works using capital resources from the State Budget. Accordingly, an insurance enterprise and an insurance policy buyer may agree on the payment term of insurance premium, provided that the payment term of insurance premium will be no later than the term of construction contract disbursement and the term of an insurance contract;

- Compulsory civil liability insurance for third parties is also a new regulation under Circular 50. The premium for this insurance type is equal to 5% of the compulsory insurance premium for the works under construction.

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