VIETNAM – NEWS AND REGULATIONS

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HEADLINES

[BANKING & FINANCE](#_Toc164260205)

[Vietnam's Central Bank to Restart Gold Auctions to Curb Price Volatility](#_Toc164260206)

[Banks record positive business indicators in Q1 2024](#_Toc164260209)

[ECONOMY](#_Toc164260212)

[Việt Nam has opportunities to attract, develop the offshoring market](#_Toc164260213)

[Garment & textile sector tries to keep growth momentum](#_Toc164260214)

[INVESTMENT](#_Toc164260216)

[Investment in HCMC's industrial zones tops $190M in Q1](#_Toc164260217)

[Beacon Investment Fund to expand Lotus Group's F&B operations](#_Toc164260218)

[PROPERTY](#_Toc164260219)

[Industrial land rents to rise 7-9% per year: forecast](#_Toc164260220)

[Apartment prices soar in Hanoi, edge down in HCMC](#_Toc164260221)

[OIL&GAS&ENERGY&MINING](#_Toc164260223)

[SK E&S and T&T Group research LNG project in Quang Tri](#_Toc164260224)

[Global aid for energy transition ramps up](#_Toc164260225)

[LEGAL](#_Toc164260226)

[New legislations on import, export of the schedule chemicals under the Chemical Weapons Convention](#_Toc164260227)

[No ban on cryptos but legal framework needed: Ministry of Justice](#_Toc164260228)

# BANKING & FINANCE

**Vietnam's Central Bank to Restart Gold Auctions to Curb Price Volatility**

*VET*

**The State Bank of Vietnam aims to quell dramatic price surges and narrow the gap between domestic and international gold prices, addressing concerns about market stability and potential manipulation.**

The State Bank of Vietnam (SBV) is moving swiftly to address the escalating volatility of its domestic gold market with plans to resume gold bar auctions after an 11-year suspension.

The SBV said on April 15 the move comes as domestic gold prices in Vietnam have experienced unprecedented surges, consistently outpacing international benchmarks by substantial margins.

The SBV is actively collaborating with the Ministries of Finance, Public Security, and Industry and Trade to expedite the process.

This inter-ministerial coordination signals a comprehensive approach, with the Ministry of Finance supporting customs clearance of gold imports, the Ministry of Industry and Trade ensuring market oversight, and the Ministry of Public Security playing a key role in guaranteeing the security and transparency of the bidding procedures.

**The Rationale Behind Resuming Auctions**

The SBV has identified increasing the supply of gold bars on the domestic market as a crucial step in curbing rampant price fluctuations. Auctions are viewed as an efficient mechanism to achieve this goal.

The central bank is drawing on its experience in 2013 when it held 76 gold bar auctions that successfully narrowed the price gap between domestic and global markets at the time.

Recent price surges within Vietnam have raised concerns about market stability and the potential for manipulative activities.

While geopolitical tensions and gold's traditional status as a safe-haven asset have exerted upward pressure on prices globally, the extreme discrepancy in Vietnam points to additional local factors, including speculative buying and potential supply constraints.

**Details on the Auctions**

The SBV has outlined details of the upcoming auction process. Potential participants, currently consisting of approximately 15 qualified commercial banks and gold trading enterprises, will be notified one day prior to an auction.

The central bank will set a floor price, after which bidders will have a limited timeframe to submit their bids, specifying both volume and price. Results, including winning bidders and volumes, will be announced swiftly after bidding closes to bolster transparency.

**Expert Analysis**

Market analysts anticipate that the renewed gold auctions, combined with other potential interventions, could contribute to stabilizing the Vietnamese gold market.

However, the success of this strategy hinges on several factors. The volume of gold offered at each auction will be significant – too little, and the impact will be negligible. Additionally, the level of participation and bidding aggressiveness from authorized enterprises and banks will play a deciding role.

**Gold's Cultural Significance in Vietnam**

To fully understand the recent dynamics of Vietnam's gold market, it's essential to acknowledge the unique cultural significance of gold within the country.

Traditionally, gold serves as a safe-haven asset, a hedge against inflation, and a symbol of wealth and prosperity. This deeply rooted affinity for gold, coupled with escalating global uncertainties and concerns about domestic economic conditions, has likely fueled the exceptional demand surge and subsequent price volatility.

The resumption of gold auctions marks a decisive step by the SBV to restore order to Vietnam's domestic market. As auctions commence, it will be paramount to closely monitor their impact on prices, market sentiment, and the overall balance of supply and demand.

The outcome of this initiative will undoubtedly shape future policy decisions in Vietnam and potentially serve as a reference point for other countries grappling with gold market volatility.

[Back to Top](#_top)

**Banks record positive business indicators in Q1 2024**

*VNS*

# According to experts, the prosperity of the banking industry in the period came from many supporting factors, including favourable policies to credit growth.

Many banks have reported positive business indicators, especially credit growth, in the first quarter of this year.

SeABank's pre-tax profit in the first quarter of 2024 reached more than VNĐ1.5 trillion, an increase of nearly 41 per cent over the same period in 2023. The bank’s total operating income also surged by 19.54 per cent to VNĐ2.7 trillion and its total revenue increased by 4.6 per cent to nearly VNĐ6.44 trillion. At the same time, SeABank's net non-interest income (NOII) also recorded an impressive growth of nearly 51 per cent over the same period last year to VNĐ705 billion.

As of March 31 this year, SeABank's total assets were more than VNĐ271.6 trillion, an increase of 2.06 per cent compared to December 31, 2023.

Trần Hùng Huy, chairman of ACB, said at the end of the first quarter, credit growth at ACB reached 3.7 per cent, double the growth rate of the whole banking industry and also better than the same period last year. The bank’s raised capital also grew by 2.1 per cent, of which non-term deposits increased by 6.4 per cent.

ACB’s profit was estimated at VNĐ4.9 trillion, close to the bank’s plans.

Đặng Khắc Vỹ, chairman of VIB, said the bank’s credit growth was about 1 per cent in the first quarter of this year. VIB’s profit reached more than VNĐ2.6 trillion, equivalent to the same period last year.

Nguyễn Đình Tùng, general director of OCB, said by the end of the first quarter of 2024, OCB's credit growth reached about 4.6 per cent and capital mobilisation increased by about 5 per cent. The bank’s pre-tax profit in the first quarter of 2024 was about VNĐ1.2 trillion.

In a recent report, MB Securities Company (MBS) forecasts profit of the banking industry will increase by 20 per cent in the first quarter of 2024.

According to experts, the prosperity of the banking industry in the period came from many supporting factors, including favourable policies to credit growth.

Credit of the banking industry as of March 25, 2024 increased by 0.26 per cent compared to the end of 2023 to about VNĐ13.6 quadrillion, the State Bank of Vietnam (SBV) reported. In March alone, credit rose by 0.98 per cent.

To boost credit growth, the SBV has requested credit institutions to firmly implement effective credit growth solutions since early February. Accordingly, credit institutions must review to simplify lending procedures with an aim to increase people's ability to access capital.

Besides, they must focus on strengthening digital transformation in the credit process to increase access to capital and more widely popularise banking credit activities.

In addition, the SBV said it was necessary to improve the operational efficiency of funds such as the credit insurance fund for small- and medium-sized enterprises (SMEs), and the development fund for SMEs, to enhance SMEs' ability to access credit.

[Back to Top](#_top)

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# ECONOMY

**Việt Nam has opportunities to attract, develop the offshoring market**

*VNS*

Việt Nam is an attractive choice for businesses who are looking for outsource solutions, given its affordable workforce, highly skilled human resources and the constantly developing infrastructure of information technology and the telecommunications industry.

Việt Nam is an attractive choice for businesses who are looking for outsource solutions, given its affordable workforce, highly skilled human resources and the constantly developing infrastructure of information technology and the telecommunications industry, said real estate consultancy firm Knight Frank in its report Asia-Pacific Horizon: Harnessing the Potential of Offshoring.

The report studies the essential factors that define the region's appeal as the best location for offshore services and sheds light on the significant changes in the industry.

Amid a challenging business environment that saw a reduction in sentiment among corporate real estate leaders, the Asia-Pacific offshoring market is forecast to more than double to US$185.1 billion by 2032.

In the global context, the market is forecast to grow to $544.8 billion in 2032, reflecting an 8.5% compound annual growth rate (CAGR). Although North America will continue to retain its dominant market share, Asia-Pacific is expected to record the highest CAGR globally at 10.2%.

According to the Knight Frank’s report, global companies increasingly seek cost-effective solutions to minimise expenses. A growing number are now looking towards offshoring functions as a strategic avenue. Within the Asian-Pacific region, four markets – India, the Philippines, Malaysia and Việt Nam - offer the best offshoring locations around the world.

For Việt Nam, the offshoring market revenue is expected to reach $840 million with a 2024-2028, CARG of 8.78%, the report said, citing statistics of Statista. The country is ranked the 7th best global outsourcing location. The presence of major technology firms positions the country as a global digital hub.

Việt Nam is a popular choice in Business Process Outsourcing (BPO), especially in the information technology industry, with skilled human resources just after India.

Việt Nam also offers the highest value for business costs, specifically in terms of labour, together with a bright outlook for tenants when office rent, which can account for 10% to 15% of operating costs, is decreasing. It is expected that office rents in major cities in India will be higher than rents in HCM City in the next three years.

With abundant supply from new and upcoming office building projects in Thủ Thiêm new urban area in Thủ Đức City, rents are expected to decrease by more than 20% by 2026.

Analysing the trends and main factors developing the outsourcing market, Knight Frank experts said that Việt Nam’ s affordable labour force is the main factor to attract outsourcing activities. A notable trend in the offshore market in Việt Nam is the shift toward high-value services such as software programming or research and development.

On the other hand, Vietnam has human resources with high skills and foreign language proficiency. Consulting firm A.T. Kearney ranks Việt Nam seventh in the Global Service Location Index (GSLI) for top outsourcing destinations.

According to Knight Frank, another notable point is that Việt Nam's information technology and telecommunications industry infrastructure is constantly developing. The Vietnamese government has been increasing investment to improve internet speed, build data centres and technology infrastructure, and ensure a high-speed, reliable communication network to serve offshore activities.

[Back to Top](#_top)

**Garment & textile sector tries to keep growth momentum**

*VNS*

The Vietnamese garment and textile sector is carrying out various measures to bolster production and business activities amidst formidable challenges posed by falling demand, high inventory, and geopolitical instability in several countries.

The Vietnamese garment and textile sector is carrying out various measures to bolster production and business activities amidst formidable challenges posed by falling demand, high inventory, and geopolitical instability in several countries, according to insiders.

Enterprises have received more export orders but seen no improvement in prices while several contracts even plunge 30-50 per cent in value, they said.

Furthermore, cotton prices are expected to soar in the coming time due to speculation and logistics difficulties. In the meantime, it could be hard for Vietnamese firms to compete in the Chinese market where tax incentive and support policies on transport costs and electricity have been rolled out to back up domestic production.

Against this backdrop, General Director of the Vietnam National Textile and Garment Group (Vinatex) Cao Hữu Hiếu said that firms need to capitalise on all opportunities, make rational forecast, and get updated with the situation so as to take timely measures.

Besides, they should drastically restructure their organisations, apply advanced management solutions, and push ahead projects that help improve productivity, he added.

Vinatex Chairman Lê Tiến Trường stressed that besides challenges, there is ample room for development for those with sound business strategies, diverse products, deep engagement in supply chain, and rational steps towards digital economy and green economy.

The group will keep a close watch on the market and operation of its members so as to pen flexible and breakthrough measures to develop products and seek new markets to ensure business efficiency, he said.

Meanwhile, Chairman of Hưng Yên Garment Corporation Joint Stock Company Nguyễn Xuân Dương held that high input cost and workforce transition to such markets as the Republic of Korea and Japan have placed a burden on the company.

Along with global demand falling by 5-10 per cent, large fashion brands teetering on the brink of bankruptcy is another challenge that makes it hard for Vietnamese firms to recover tens of millions of US dollar, he said.

Duong suggested competent ministries and sectors to issue suitable policies to help enterprises get access to capital to strengthen investment and bolster production, adding workers also need assistance to improve their livelihoods.

During January – March, the garment and textile sector’s export turnover grew nearly 10% year-on-year to some $10 billion, a locomotive for enterprises to fulfill the set target of $44 billion for the whole year.

[Back to Top](#_top)

# INVESTMENT

**Investment in HCMC's industrial zones tops $190M in Q1**

*VNA*

Industrial and export processing zones in Ho Chi Minh City attracted $191.93 million in investment in the first quarter.

This number is equivalent to 34.9% of the target for 2024 and 112.12% higher than the figure in the same period last year, the HCM City Export Processing and Industrial Zones Authority (HEPZA) reported Friday.

Of the total sum, foreign investment stood at $4176.7 million, rising 3.6-fold from a year earlier. Meanwhile, domestic investment fell 63.15% to VND352.42 billion ($14 million).

Head of HEPZA Hua Quoc Hung said that in Q1, businesses based in local export processing and industrial zones operated stably. Many got orders again after facing difficulties for a long period.

Businesses at the zones posted an estimated export turnover of $2.17 billion in Q1, up 6% over the same period last year. They employed about 277,000 workers, an increase of 10% against the end of 2023, he noted.

[Back to Top](#_top)

**Beacon Investment Fund to expand Lotus Group's F&B operations**

*VIR*

Beacon Investment Fund and Vietnam's Lotus Group on April 15 unveiled a substantial collaboration, committing millions of dollars to bolster the expansion and development of Lotus Group's food and beverages (F&B) arm.

Vietnam has emerged as a beacon in the F&B sector, with Euromonitor projecting a robust 10.92 per cent increase in the country's F&B market value for 2024 compared to 2023.

In the spotlight is Lotus Group, which recorded an impressive growth of over 20 per cent in 2023, marked by the inauguration of five new restaurants, thus elevating its total outlets to 28. Noteworthy among Lotus Group's renowned restaurant brands in the Vietnamese market are Marukame Udon, Coco Ichibanya, and Chiyoda Sushi.

Recognising the immense potential, Beacon Fund - an advocate for women-owned and led enterprises in Southeast Asia - has opted to inject capital into Lotus Group's F&B sector.

Led by Le Van May, CEO and chairwoman of the board of directors, Lotus Group has left a lasting impression with its profound industry knowledge and extensive experience, particularly in Japanese cuisine.

Do Hong Yen, investment manager at Beacon Fund, remarked, "Lotus Group's resilience in operations and robust post-pandemic resurgence have earned significant investor interest."

Under the leadership of May, Lotus Group underscores its commitment to gender diversity, with over half of its nearly 1,000-strong workforce made up of women.

Focusing on workforce quality, Lotus Group invests in regular training and development activities tailored to international standards.

Beacon's investment will drive the expansion of Lotus Group's F&B division, with plans underway to unveil 10 new Japanese restaurants under different banners in 2024.

This collaborative initiative between Beacon Fund and Lotus Group not only supports the company's F&B expansion but also catalyses the development of human capital, nurturing and enhancing leadership skills for female employees within the group.

Established in 1996, Lotus Group has emerged as a premier supplier and distributor of premium Japanese products and services, prioritising health and safety in the Vietnamese market.

Presently, Lotus Group operates across four primary domains: food production and distribution; imports and distribution of consumer goods; restaurants, and retail.

With extensive experience collaborating with Japanese partners, particularly in food and restaurant brands, Lotus Group's astute understanding of the Japanese market, coupled with its insight into Vietnamese consumer preferences, underscores its contemporary success.

Beacon, founded by Patamar Capital in 2020, spearheads gender lens investing and impact initiatives from Singapore. Distinguished from traditional venture capital or lending institutions, Beacon pioneers debt investment, with a focus on supporting women-owned and led small- and medium-sized enterprises.

[Back to Top](#_top)

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# PROPERTY

# Industrial land rents to rise 7-9% per year: forecast

*VE*

Industrial land rents are expected to rise by 7% in the south and 9% in the north every year for the next three years, property consultancy CBRE has said.

[Demand from various industrial sectors and foreign businesses](https://e.vnexpress.net/news/business/economy/investment-in-hcmc-s-industrial-zones-tops-190m-in-q1-4734102.html) would boost rents in the segment across the country, it said in its first-quarter report on the real estate market.

The potential for growth could be seen from the segment’s performance in the first quarter, it said.

In the north, average rents in top markets such as Hanoi and Hai Phong City and Bac Ninh, Hung Yen and Hai Duong Provinces increased by 7.8% year-on-year to $133 per square meter over the lease cycle.

The average occupancy rate at industrial zones also rose 1.3 percentage points to 83%, it said.

Meanwhile, in the south, industrial zones particularly in HCMC and Binh Duong, Dong Nai and Long An Provinces had an occupancy rate of 92%, the same as last year, and average rent of $189, up 2.4%.

With supply drying up in the top markets, more domestic and foreign enterprises would expand into new areas like Ba Ria-Vung Tau and Tay Ninh Provinces, driving up rents there,

Concurring with this, experts from real estate agency Avison Young said as more FDI flows into Vietnam, demand for industrial land across the country would rise, dragging up rents.

"HCMC, Da Nang and Hanoi are attracting more investment in high-tech fields such as semiconductor manufacturing and high-value industries that are less labor-intensive."

CBRE said other [industrial real estate segments](https://e.vnexpress.net/news/property/industrial-property-will-continue-to-thrive-this-year-analysts-4711974.html) such as ready-built warehouses and factories also saw 2.2-3.9% hikes in rent and high occupancy rates of 57-87%.

The demand in these segments was mainly from manufacturers in high-tech, renewable energy and semiconductor materials such as Taiwanese energy firm JiaWei, VDL and Dutch drive motor producer Tecnotion, and e-commerce players such as Singapore’s Shopee, it said.

Looking at the next three years, rents of ready-built warehouses and factories across the country would likely see a 1-4% uptick per year, CBRE added.

[Back to Top](#_top)

**Apartment prices soar in Hanoi, edge down in HCMC**

*VE*

Apartment prices fell by 3% year-on-year in the first quarter in HCMC but jumped 19% in Hanoi, according to a report by property consultancy CBRE.

In the southern metro new apartments were sold at an average of VND61 million (US$2,441) per square meter.

Around 80% of new apartments were sold. Another consultancy, JLL, said average prices fell by 1.3%. In Hanoi, new apartment prices rose by 19% to VND56 million, the CBRE report said.

On the secondary market, prices rose by 17%, the highest ever quarterly gain. This means prices in HCMC are now only 10% higher than in Hanoi, a gap that used to be 35% just two years ago.

Nguyen Hoai An, an analyst at CBRE, said the HCMC [apartment market](https://e.vnexpress.net/news/property/hanoi-apartment-market-will-skew-towards-high-priced-segment-analysts-4722842.html)is now in a stable period after recording strong price surges in recent years.

There is a large supply of high-end and luxury apartments and developers are selling them at discounts to prepare for new projects, she added.

A developer is offering a fixed interest rate of 6% a year for 15 years at a project in the east of the city. Buyers only need to make a 30% down payment. Others are offering discounts of up to 24% if buyers pay 100%.

Nguyen Quoc Anh, deputy CEO of listing platform Batdongsan, said a number of investors in the south are now looking to buy in Hanoi where prices are lower.

Since 2021 the number of searches for Hanoi apartments by people living in HCMC have risen 7.5-fold, he said. Their searchers for HCMC apartments only doubled in the period, he added.

[Back to Top](#_top)

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# OIL&GAS&[ENERGY](http://tuoitrenews.vn/society)&MINING

# SK E&S and T&T Group research LNG project in Quang Tri

*VIR*

A consortium of investors, including South Korea's SK E&S and Vietnam's T&T Group, have made a proposal to research the development of a liquefied natural gas (LNG) project in the central province of Quang Tri.

After reviewing the proposal, Quang Tri Department of Planning and Investment has given approval for the consortium to carry out a feasibility study.

However, [Quang Tri](https://vir.com.vn/search_enginer.html?p=search&q=Quang%20Tri) authorities will still need to check if the project falls into the provincial master plan as well as National Power Development Plan VIII (PDP8).

In addition, the province is completing procedures to terminate an MoU on the construction of a long-stalled thermal power plant in the province. The MoU was signed by Thailand's EGAT International Co. Ltd and Quang Tri People's Committee.

Following the upcoming termination of the MoU, Quang Tri Department of Planning and Investment has recommended the granting of in-principle approval to the SK E&S and T&T Group consortium.

"According to PDP8, as of June 2024, if the Quang Tri thermal power plant project has not started, it can be switched from coal-fired to LNG power generation," said Pham Quang Minh, director of Quang Tri Economic Zones Management Authority. "The consortium of SK E&S and T&T Group has made a proposal to implement this project if the government approves the conversion from coal-fired to LNG power generation. The investors have also sent a proposal to the prime minister."

The 1,200MW thermal power plant would have covered 450 hectares in Quang Tri. The project, approved in 2013, has yet to be launched, although local authorities and EGAT held a groundbreaking ceremony in 2019.

[Back to Top](#_top)

**Global aid for energy transition ramps up**

*VIR*

Vietnam has earned a great deal of financial and technical assistance from the international community in recent months for its energy transition.

Washington State’s Office of the Governor last week led a delegation of about 46 leaders from business, government, industry, and education on a five-day trade mission to Vietnam. The delegation was focused on strengthening trade and collaboration opportunities in advanced technology sectors such as agriculture, clean energy, and AI. The US has pledged to support Vietnam in advancing climate, energy, and the environment, among other areas.

“As the Just Energy Transition Partnership (JETP) turns towards implementation, the US is enhancing technical assistance support for Vietnam’s clean energy transition, including through the Vietnam low-emission energy programme,” the embassy said.

“The US Department of State, Vietnam’s Posts and Telecommunications Institute of Technology, and VMO Holdings have launched the Coalition for Climate Entrepreneurship Hub to promote startup activities in the field of climate change. Meanwhile, the US Department of Agriculture’s Foreign Agricultural Service signed an MoU with Vietnam’s Ministry of Agriculture and Rural Development’s Plant Protection Division to make better use of fertiliser to reduce costs, greenhouse gas emissions, and water pollution,” it added.

The US and nine international partners launched the JETP with Vietnam in 2022 that provides investment and technical expertise to help Vietnam transition its energy sector and reach net-zero greenhouse emissions by 2050.

At a meeting in New York on April 6 between Vietnam’s Deputy Prime Minister Le Minh Khai and Amina J. Mohammed, Deputy Secretary-General of the United Nations, the latter said that UN organisations stand ready to support Vietnam in mobilising sufficient resources to accelerate all development goals.

According to Vietnam’s Power Development Plan VIII (PDP8), in order to achieve energy transition, Vietnam would need about $134.7 billion from domestic and international sources by 2030, of which around $120 billion would be for power generation sources and the rest for the power transmission grid expansion and improvement. This would come from both domestic and international public and private sources.

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| Global aid for energy transition ramps up |

This excludes costs of just aspects and research with relevance to the power sector, whereas the PDP8 estimate includes investments in new fossil fuel power generation, which is inconsistent with the JETP scope. Nevertheless, a significant part of PDP8 projects will match JETP priorities, including renewable power production, energy storage, and many transmission investments.

Exactly which part of PDP8’s projection matches the JETP scope cannot be as ascertained, but it is likely to be several times the total of €15.5 billion ($16.8 billion) committed by members of the International Partners Group and the Glasgow Financial Alliance for Net Zero, whereas they aim to leverage and raise additional funding, depending on the Vietnamese policy environment.

“The plan will help boost Vietnam’s renewable energy production. From a planned 36 per cent of renewables that Vietnam has in its electricity production, the country now aims for 47 per cent in its energy mix,” said European Commission President Ursula von der Leyen. “The plan is tailored to the needs of the local economy and society. It will help develop wind and solar power, grids, or electric vehicles, for example.”

At a Hanoi meeting two weeks ago between Deputy PM Tran Hong Ha and Tanimoto Masayuki, managing director of the Japan Bank of International Cooperation (JBIC), the latter said the JBIC will support Vietnam in green energy development.

Last December, JBIC signed an MoU with VietinBank to support decarbonisation and the energy transition, as well as to support Japanese mid-tier enterprises and smaller businesses entering its market.

A couple of months previously, JBIC also inked loan agreements with Japan’s Erex Co., Ltd for biomass manufacturing and sales business through its two subsidiaries in Vietnam, Erex Sakura Biomass Tuyen Quang and Erex Sakura Biomass Yen Bai, with each amounting to $6 million. The loans are co-financed with Sumitomo Mitsui Banking Corporation

[Back to Top](#_top)

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# LEGAL

## New legislations on import, export of the schedule chemicals under the Chemical Weapons Convention

*VLLF*

Organizations and individuals that import or export the schedule chemicals are required to obtain a license granted by the competent authority. Such a license is a condition for customs clearance of imported or exported schedule chemicals.

Organizations and individuals that import or export the schedule chemicals are required to obtain a license granted by the competent authority. Such a license is a condition for customs clearance of imported or exported schedule chemicals.

Accordingly, Decree 33/2024/ND-CP, issued by the Government on March 27, on the implementation of the Convention of the Prohibition of the Development, Production, Stockpiling, Use and Destruction of Chemical Weapons (CWC) in the territory of the Socialist Republic of Vietnam, covers general provisions on the implementation of CWC; the production, trade, export, import, processing, use, and stockpiling of the schedule chemicals, production of DOC (chemical compounds consisting of all compounds of carbon except for its oxides, sulfides, and metal carbonates) and DOC-PSF (any unscheduled discrete organic chemical containing one or more elements phosphorus, sulfur or fluorine); the reporting on the schedule chemicals, DOC, and DOC-PSF; the supervision, inspection and examination; and the state management of the schedule chemicals, DOC, and DOC-PSF.

Specifically, the toxic chemicals and their precursors are specified in Schedules 1, 2 and 3 of the Annex on Chemicals to the CWC. Organizations and individuals may only import or export Schedule 1 and Schedule 2 chemicals from the CWC’s state parties. In case the export of Schedule 3 chemicals is conducted with an organization or individual of a non-state party to CWC, the certificate of end-use granted by the competent authority of that state party is required. In order to import schedule chemicals for the trading purpose, an entity or individual is required to obtain a schedule chemical trading license granted by a competent agency in charge of schedule chemical management.

In addition, those that import or export the schedule chemicals are obliged to report thereon under Articles 23, 24 and 25 of the Decree and submit to inspection and examination by competent agencies under Articles 34 and 35.

Schedule chemical import permit holders are not required to make chemical declarations for chemicals on the list of chemicals subject to declaration under the Chemical Law and Decree 113/2014/ND-CP, as revised under Decree 82/2022/ND-CP.

[Back to Top](#_top)

# No ban on cryptos but legal framework needed: Ministry of Justice

*VE*

Cryptocurrencies and virtual assets are not banned but a legal framework needs to be created to manage them, a Ministry of Justice official has said.

Cryptos and virtual assets are defined and dealt with differently around the world, and Vietnam has yet to have regulations to manage them, Cao Dang Dinh, deputy head of the ministry’s department of civil law, said Friday.

The regulations need to be created soon since virtual assets face "high risks that can be easily taken advantage of," he added.

The government has instructed the State Bank of Vietnam to study cryptos and virtual assets to prevent their use in money laundering.

It has tasked the Ministry of Finance with creating a legal framework for them by May 2025.

While cryptos are not legal tender in Vietnam, people trade them through foreign platforms or directly with each other.

Vietnam ranks third globally (behind the U.S. and the U.K.) in [cryptocurrency gains](https://e.vnexpress.net/news/markets/vietnam-ranks-third-in-crypto-gains-4723743.html) last year with US$1.18 billion in profits, according to a report by U.S. crypto data provider Chainalysis.

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[Back to Top](#_top)