

## Recent Legal Developments in Vietnam

### 1. Circular No. 34/2017/TT-BTNMT on recall and treatment of discarded products:

On 04 October 2017, the Ministry of Natural Resources and Environment promulgated Circular No. 34/2017/TT-BTNMT on recall and treatment of discarded products (“**Circular 34**”) as a guidance for Decision No. 16/2015/QĐ-TTg providing regulations on recall and treatment of discarded products, which comes into force on 20 November 2017, laying down major points as follows:

Recall stations include 3 types as to internal, stationary and mobile one. The quantity and locations thereof are determined on the basis of quantity of products sold in Vietnamese market, supply chain of the manufacturer and distance to the intended discarded product treatment and recycling establishment<sup>1</sup>. Circular 34 also clarifies technical requirements and procedures for management of recall stations.

Manufacturers, owners or operator of the stationary recall station, owners or operators of the internal recall station the waste collection and treatment establishment shall prepare an annual report on recall and treatment of discarded products (beginning from 01 January to 31 December inclusive).<sup>2</sup>

### 2. Guidance on business of betting on horse racing, greyhound racing and international soccer.

On 04 October 2017, the Ministry of Finance issued Circular No. 101/2017/TT-BTC (Circular 101) guidelines for some article of the Government’s Decree No. 06/2017/ND-CP on business of betting on horse racing, greyhound racing and international soccer which will take effect on December 01, 2017.

The Circular No 101 stipulates notable expenditures on betting business as follows:

- i. Payout is the amount of money paid by the betting enterprise to bet winners in accordance with the betting rules and tax law<sup>3</sup>;
- ii. The commission rate shall be decided by the betting enterprise and specified in the agent contract between the betting enterprise and the bet ticket agents<sup>4</sup>. The betting enterprise shall withhold personal income tax payable by employees of the bet ticket agent before paying commission according to tax law<sup>5</sup>;
- iii. Payment of remunerations to members of the race surveillance council;
- iv. Regarding cost of payout authorization: The fee for payout authorization shall be decided by the betting enterprise and shall not exceed 0.2% of the payout provided by the agent under authorization<sup>6</sup>.

The Circular also states that the race may be suspended and handled in some cases such as cheating in organizing the race, inappropriate weather or surface for the race<sup>7</sup>.

<sup>1</sup> Circular 34, Article 3

<sup>2</sup> Circular 34, Art 7

<sup>3</sup> Circular 101, Art 11.1

<sup>4</sup> Circular 101, Art 11.2.(a)

<sup>5</sup> Circular 101, Art 11.2.(c)

<sup>6</sup> Circular 101, Art 11.4.(b)

<sup>7</sup> Circular 101, Art 7.2.(c)

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**3. New Decree on manufacturing, assembly, import, warranty and maintenance service of motor vehicles**

On 17 October 2017, the government of Vietnam issued Decree No. 116/2017/ND-CP setting out the conditions for the manufacture, assembly, importation, and offering of warranty and maintenance services of automobiles (Decree 116).

Under the Decree, automobile manufacturers and assemblers have to comply with the conditions of facilities, human resources, labor safety and hygiene, fire safety, and environmental protection<sup>8</sup> as well as obtain a certificate from the Ministry of Industry and Trade (the "MOIT").<sup>9</sup>

Automobile importers, in order to obtain an Automobile Importing Business License, are required to engage appropriate warranty and maintenance center(s) owned/leased by the motor vehicle importer or belonging to the dealer network authorized by such importer as well as be authorized by the relevant offshore manufacturer/assembler to conduct recalls in Vietnam.<sup>10</sup>

In order to obtain a certificate from the Vietnam Register, enterprises which provide warranty and maintenance services shall meet conditions on workshops, premises, work areas, tools and equipment, human resources and quality management systems in accordance with the national standard TCVN 11794:2017, as well as occupational safety and health, fire prevention and firefighting, records on environmental protection<sup>11</sup>.

**4. New guidance on casino business**

On 05 November 2017, the Ministry of Finance issued Circular No. 102/2017/TT-BTC ("Circular 102") guiding a number of articles of Decree No. 03/2017/ND-CP ("Decree 03") on casino businesses, which takes effect on 1 December 2017.

The Circular stipulated notable points include (i) the logbook recording information about Vietnamese players at casino on a trial basis must be kept for at least 5 years for the purpose of consolidating and evaluating the pilot scheme for allowing Vietnamese citizens to gamble at casinos<sup>12</sup> and (ii) the company's revenues and other income consist of revenues from casino business, revenues from other business lines other than casino business as per the law, financial revenues and other income (if any).<sup>13</sup> Especially, Circular 102 also provides detailed documents justifying a Vietnamese financially eligible for gambling at casinos.<sup>14</sup>

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<sup>8</sup> Decree 116, Article 7

<sup>9</sup> Decree 116, Article 8

<sup>10</sup> Decree 116, Article 15

<sup>11</sup> Decree 116, Article 21

<sup>12</sup> Decree 102, Art 3.1

<sup>13</sup> Decree 102, Art 10

<sup>14</sup> Decree 102, Art 4

## Contacts



**Chau Huy Quang**  
Managing Partner

D +84 28 3821 2382  
F +84 28 3520 8206  
[quang.chau@rajahtannlct.com](mailto:quang.chau@rajahtannlct.com)



**Vu Thi Que**  
Partner

D +84 28 3821 2382  
F +84 28 3520 8206  
[que.vu@rajahtannlct.com](mailto:que.vu@rajahtannlct.com)



**Pham Manh Dzung**  
Partner

D +84 28 3821 2673  
F +84 28 3821 2685  
[dzung.pham@rajahtannlct.com](mailto:dzung.pham@rajahtannlct.com)



**Lim Wee Hann**  
Partner  
Rajah & Tann Singapore  
LLP

D +65 6232 0606  
F +65 6428 2201  
[wee.han.lim@rajahtann.com](mailto:wee.han.lim@rajahtann.com)

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## Our Regional Contacts

### RAJAH & TANN | *Singapore*

**Rajah & Tann Singapore LLP**  
T +65 6535 3600  
F +65 6225 9630  
sg.rajahtannasia.com

### CHRISTOPHER & LEE ONG | *Malaysia*

**Christopher & Lee Ong**  
T +60 3 2273 1919  
F +60 3 2273 8310  
www.christopherleeong.com

### R&T SOK & HENG | *Cambodia*

**R&T Sok & Heng Law Office**  
T +855 23 963 112 / 113  
F +855 23 963 116  
kh.rajahtannasia.com

### RAJAH & TANN NK LEGAL | *Myanmar*

**Rajah & Tann NK Legal Myanmar Company Limited**  
T +95 9 73040763 / +95 1 657902 / +95 1 657903  
F +95 1 9665537  
mm.rajahtannasia.com

### RAJAH & TANN 立杰上海 SHANGHAI REPRESENTATIVE OFFICE | *China*

**Rajah & Tann Singapore LLP  
Shanghai Representative Office**  
T +86 21 6120 8818  
F +86 21 6120 8820  
cn.rajahtannasia.com

### GATMAYTAN YAP PATACSIL GUTIERREZ & PROTACIO (C&G LAW) | *Philippines*

**Gatmaytan Yap Patacsil Gutierrez & Protacio (C&G Law)**  
T +632 894 0377 to 79 / +632 894 4931 to 32 / +632 552 1977  
F +632 552 1978  
www.cagatlaw.com

### ASSEGAF HAMZAH & PARTNERS | *Indonesia*

**Assegaf Hamzah & Partners**  
  
**Jakarta Office**  
T +62 21 2555 7800  
F +62 21 2555 7899

### RAJAH & TANN | *Thailand*

**R&T Asia (Thailand) Limited**  
T +66 2 656 1991  
F +66 2 656 0833  
th.rajahtannasia.com

**Surabaya Office**  
T +62 31 5116 4550  
F +62 31 5116 4560  
www.ahp.co.id

### RAJAH & TANN LCT LAWYERS | *Vietnam*

#### Rajah & Tann LCT Lawyers

**Ho Chi Minh City Office**  
T +84 28 3821 2382 / +84 28 3821 2673  
F +84 28 3520 8206

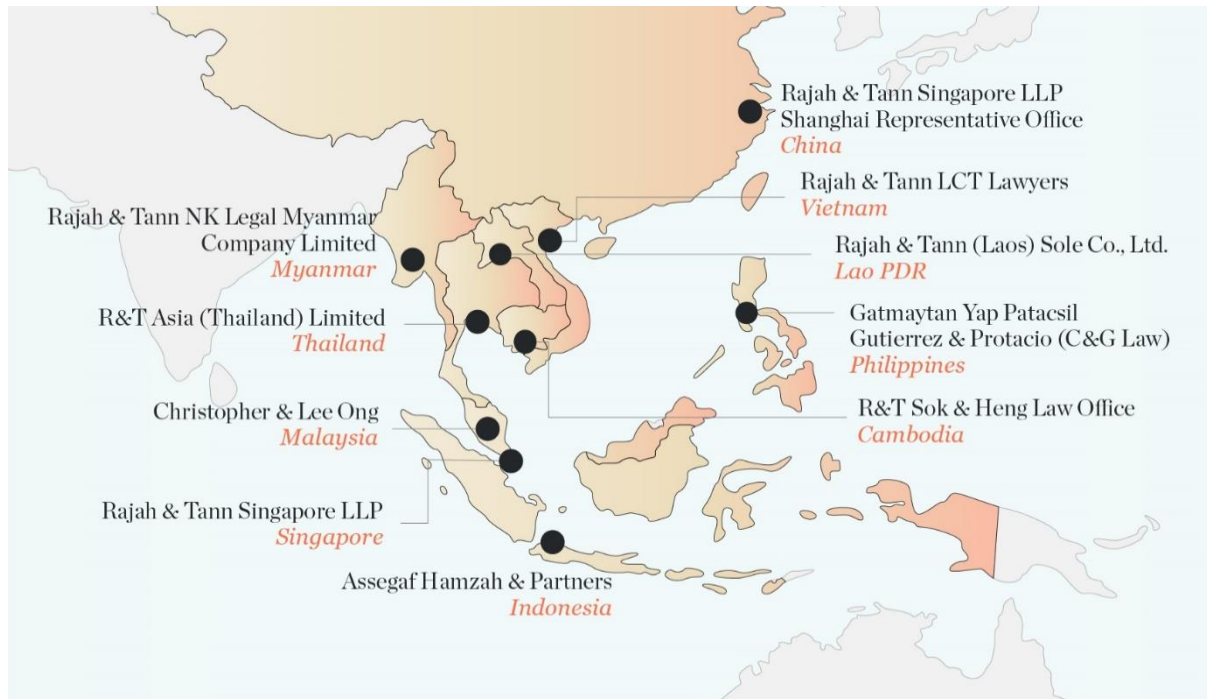
### RAJAH & TANN | *Lao PDR*

**Rajah & Tann (Laos) Sole Co., Ltd.**  
T +856 21 454 239  
F +856 21 285 261  
la.rajahtannasia.com

**Hanoi Office**  
T +84 24 3267 6127  
F +84 24 3267 6128  
www.rajahtannlct.com

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