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NEWLY ISSUED LEGAL DOCUMENTS

1. Some notable novelties of the Law on Social Insurance 2024

On June 29, 2024, the National Assembly passed the Law on Social Insurance No. 41/2024/QH15 (“LSI 2024”). The LSI 2024 will take effect from July 1, 2025 and replace the Law on Social Insurance No. 58/2014/QH13 (“LSI 2014”) and Resolution No. 93/2015/QH13. The following are notable novelties that may have a direct impact on enterprises and employees.

1.1 More subjects are required to participate in compulsory social insurance

In addition to inheriting the provisions of the LSI 2014 on subjects that must participate in compulsory social insurance (“SI”), the LSI 2024 stipulates additional cases where employees must participate in compulsory SI, including:

- (1) Employees working under part-time labor contracts, with monthly salaries equal to or higher than the lowest salary used as the basis for compulsory SI contributions.
- (2) Controllers, representatives of state capital contributions, representatives of enterprise capital contributions as prescribed by law; members of the Board of Directors, General Directors, Directors, members of the Supervisory Board or controllers and other elected executive positions of cooperatives and cooperative unions as prescribed by the Law on Cooperatives **who are paid a salary.**
- (3) Enterprise managers, controllers, representatives of state capital contributions, representatives of enterprise capital contributions as prescribed by law; members of the Board of Directors, General Directors, Directors, members of the Board of Supervisors or supervisors and other elected management positions of

cooperatives and cooperative unions as prescribed by the Law on Cooperatives **who are not paid a salary.**

- (4) Business household owners.
- (5) Regular militia.
- (6) Spouses who do not receive salaries from the state budget and are sent on a mission with members of the Vietnamese representative agencies abroad who are entitled to a living allowance.

1.2 Salary used as the basis for paying and enjoying SI benefits is based on a reference level

The LSI 2024 stipulates that the salary used to pay and enjoy SI benefits is based on a reference level. Specifically, Article 7 of the LSI stipulates that *the reference level is the amount of money used to calculate the payment and enjoyment levels of some SI benefits decided by the Government.* The reference level is adjusted based on the increase in the consumer price index, economic growth, in consistency with the capacity of the state budget and the SI fund.

Accordingly, Article 31 of the LSI 2024 stipulates that the salary used as the basis for paying compulsory SI contributions is at least equal to the reference level and at most 20 times the reference level at the

time of payment. The income used as the basis for paying voluntary SI contributions is at least equal to the poverty line in rural areas and at most 20 times the reference level at the time of payment. In addition, the levels of allowance for employees are also based on the reference level instead of the base salary as currently regulated.

Thus, from July 1, 2025, the reference level will replace the base salary with respect to payment and enjoyment of SI benefits. In the cases where the base salary has not been abolished, the reference level prescribed in the LSI 2024 will be equal to the base salary. At the time the base salary is abolished, the reference level will not be lower than that base salary.

1.3 Compulsory SI contribution rate for non-salaried enterprise managers

According to Article 33.4 of the LSI 2024, enterprise managers, controllers, representatives of state capital contributions, representatives of enterprise capital contributions as prescribed by law; members of the Board of Directors, General Directors, Directors, members of the Supervisory Board or supervisors and other elected executive positions of cooperatives and cooperative unions as prescribed by the Law on Cooperatives who **are not paid a salary** must pay compulsory SI contributions monthly at a rate of **3% of the salary as the basis for payment of SI contributions to the sickness and maternity fund and 22% of the salary as the basis for payment of SI contributions to the retirement and death fund**. These people can pay directly to the SI agency or pay through enterprises, cooperatives, and cooperative unions every month, every 3

months or every 6 months; The payment deadline is the last day of the month immediately following the payment cycle.

1.4 Enterprises that delay payment or evade compulsory SI contribution will be fined 0.03%/day

The LSI 2024 strictly prohibits acts of delay or evasion of compulsory SI and unemployment insurance ("UI") contributions. Accordingly, if an employer delays or evades compulsory SI and UI contributions, in addition to being required to pay the full amounts of delay or evasion and being administratively sanctioned, they **must also pay to the SI and the UI funds amounts equal to 0.03%/day of the compulsory SI and UI contributions that are delayed or evaded calculated on the days of delay or evasion**. *(Meanwhile, the current LSI 2014 stipulates that if an employer delays or evades SI contributions for 30 days or more, in addition to having to pay the full amounts of delay or evasion and being administratively sanctioned, they must also pay interest equal to twice the average SI fund investment interest rate of the immediately preceding year calculated on the amount and duration of delay).*

In addition, employers who delay or evade compulsory SI and UI contributions will also be publicly disclosed by the SI agency on the SI agency's electronic information portal, and will be notified to the state management agency on SI and UI and relevant inspection agencies for treatment according to their authority. In addition, acts of evading compulsory SI and UI contributions may also be subject to criminal prosecution.

1.5 Voluntary SI participants are entitled to maternity benefits

According to the current LSI 2014, voluntary SI participants are only entitled to pension and death benefits. Now, the LSI 2024 stipulates that in addition to pension and death benefits, voluntary SI participants are also entitled to maternity benefits. Specifically, Articles 4.3, 94, 95 of the LSI 2024 stipulate that female employees who give birth or male employees whose wives give birth who have paid voluntary SI contributions or have paid both compulsory and voluntary SI contributions for 6 months or more within 12 months before his wife gives birth are entitled to maternity benefits at the rate of **VND 2,000,000 for each child and each fetus from 22 weeks of age or older dies in the uterus or dies during labor**. Female workers who are ethnic minorities or female workers who are Kinh people whose husbands are ethnic minorities and are from poor households, when giving birth, they are also entitled to other support policies as prescribed by the Government.

1.6 Employees taking a half-day sick leave are also entitled to sick leave regime

According to Article 45.5 of the LSI 2024, when calculating the sick leave allowance for employees who take a part-day sick leave, **the absence of less than half a day is counted as half a day**; from half a day to less than one day is counted as one day. The sick leave allowance for one day is calculated by dividing the monthly sick leave allowance by 24 days. **The half-day sick leave allowance is calculated as half the one-day sick leave allowance.**

1.7 Reducing the minimum number of years of SI payment for the purpose of enjoying pensions

If the LSI 2014 stipulates that the condition for employees working under normal conditions to receive pensions is to have at least 20 years of compulsory SI participation and reach the prescribed retirement age. Now, Article 64 of the LSI 2024 reduces the years of compulsory SI payment to **15 years for employees to receive pensions, still provided that the retirement age is reached.**

Accordingly, the monthly pension in this case for female employees will be equal to 45% of the average salary used for SI contributions, then for each additional year of contribution, an increase of 2% will be added, with a maximum of 75%; The monthly pension of male workers will be equal to 40% of the average salary used for SI contributions. After that (from the 16th to the 19th year of contribution), for each additional year of contribution, an increase of 1% will be added, when reaching 20 years of SI contributions, male workers will receive a pension of 45%, then each additional year of contribution will result in an increase of 2%, with a maximum of 75%.

1.8 Cases where employees are eligible for one-time SI benefits

According to Article 70 of the LSI 2024, Vietnamese employees who have stopped paying SI and request to receive one-time SI benefits are eligible for one-time SI benefits if they fall into one of the following cases:

- (1) Reaching retirement age but not having full 15 years of SI contribution.

- (2) Going abroad to settle down.
- (3) Suffering from one of the following diseases: cancer, paralysis, decompensated cirrhosis, severe tuberculosis, AIDS.
- (4) People with a labor capacity reduction of 81% or more; people with extremely severe disabilities.
- (5) Employees who have paid SI contributions since before July 1, 2025, after 12 months they are determined as non-compulsory SI payers but have not paid voluntary SI and have less than 20 years of SI payment.

Thus, for employees who start paying SI from July 1, 2025 onwards, they will not be able to withdraw one-time SI benefits in case (5) but will be able to receive one-time SI benefits in the remaining 4 cases.

2. Detailed regulations on a number of articles of the Law on Real Estate Business 2023

On July 24, 2024, the Government issued Decree 96/2024/ND-CP (“Decree 96/2024”) detailing a number of articles of the Law on Real Estate Business (“REB”) dated November 28, 2023 (“Law on REB”). Decree 96/2024 will take effect from August 1, 2024 and replace Decree 02/2022/ND-CP with notable novelties as follows:

2.1 Outstanding loans of REB enterprises must not exceed 4 - 5.67 times the owner's equity

According to Articles 5 and 6 of Decree 96/2024, in order to mobilize capital to implement a project, REB enterprises must ensure the ratio of outstanding debt balance and outstanding debt to owner's equity with the following 3 conditions:

- (1) Meet the financial safety ratios of an enterprise; comply with regulations of the law on credit and the law on corporate bonds;
- (2) In case the REB enterprise borrows from a credit institution, issues corporate bonds to implement a real estate project (“RE”) in which it has been approved by a competent state agency as the investor, it must ensure that the total outstanding loans at a credit institution, outstanding corporate bonds and owner's equity as prescribed for each project do not

exceed 100% of the total investment capital of that project; and

- (3) The total ratio of outstanding loans at credit institutions and outstanding corporate bonds to implement the project **must not exceed 4 times the enterprise's equity for each RE project with a land use scale of less than 20 hectares and must not exceed 5.67 times the enterprise's equity for each RE project with a land use scale of 20 hectares or more.**

In which, the equity is determined based on the results of financial statements or audited equity item in the year; or the results of financial statements or audited equity item in the immediately preceding year. For enterprises established and operating for less than 12 months, the equity is determined according to the contributed charter capital as prescribed by the law on enterprises.

Of note, the ratio of outstanding debt balance and outstanding corporate bonds of REB enterprises will not apply to outstanding loans at credit institutions, and outstanding corporate bonds of RE project investors that arose before August 1, 2024.

2.2 Criteria for determining small-scale REB; transactions not for business purposes and below the small-scale level

According to the Law on REB, organizations and individuals when conducting REB must establish a REB enterprise, except for individuals conducting small-scale REB, or organizations and individuals conducting RE transactions not for business purposes or below the small-scale level, they do not have to establish a REB enterprise but must declare and pay taxes as prescribed by law

Accordingly, Article 7 of Decree 96/2024 stipulates the criteria for determining small-scale REB; transactions not for business purposes and below the small-scale level as follows:

(1) *For individuals conducting small-scale REB*, they must meet the following requirements:

- Not falling into the cases where it is required to establish an investment project as prescribed by the law on construction and housing.
- Not falling into the cases where each contract has a value of more than VND 300 billion and there are more than 10 transactions per year. In case of having only one transaction in a year, the value is disregarded.

(2) *For organizations and individuals conducting REB not for business purposes or on a small scale*, including:

- Individuals who are not required to establish an investment project as prescribed by the law on construction and the law on housing.
- Organizations conducting transactions neither have any contract of more than VND 300 billion nor have more than 10 transactions per year. In case of having only one transaction in a year, the value is disregarded.

Of note, the criteria for transactions with a value of more than VND 300 billion per contract and having more than 10 transactions per year do not apply to individuals and organizations that have signed contracts to buy, sell, or transfer RE, including off-plan RE in the RE projects before Decree 96/2024 takes effect (i.e. before August 1, 2024).

2.3 Types of sample contracts in REB and principles of use

Decree 96/2024 promulgates 11 sample contracts used in REB, including the following sample contracts: (1) Sale of houses, lease-purchase of houses; (2) Lease of houses; (3) Sale, lease-purchase of construction works; sale, lease-purchase of construction floor areas in construction works serving tourist and accommodation purposes; (4) Lease of construction works, construction floor areas in construction works serving tourist and accommodation purposes; (5) Sale, lease-purchase of construction works; Sale, lease-purchase of construction floors in construction works serving educational, healthcare, sports,

cultural, office, commercial, service, and industrial purposes and construction works with mixed functions; (6) Leasing construction works, construction floor area in construction works serving educational, medical, sports, cultural, office, commercial, service, industrial purposes and construction works with mixed functions; (7) Transferring use rights over land with technical infrastructure in RE projects; (8) Lease contracts, sub-lease contracts for use rights over land with technical infrastructure in RE projects; (9) Transferring the entire RE projects; (10) Transferring a part of a RE project; and (11) Transferring purchase and sale contracts, lease-purchase contracts for houses and construction works.

When establishing, signing and implementing sample contracts, REB enterprises must comply with the following principles:

- (1) Allowed to use REB contracts after publicizing information about the RE and RE projects put into business.
- (2) Comply with the inspection and supervision by REB management authorities of the use, establishment, execution and implementation of sample contracts.
- (3) Comply with and do not change the contents of REB contracts according to the samples in the Appendices of Decree 96/2024. Except for cases where the sample contract allows for additional content, the addition of contract content must not change or contradict the original contents in the sample contract.

(4) Publicly disclose the revised and supplemented contents of the REB contract (*if any*).

(5) Be subject to sanctions and compensation for damages if the contracts signed with customers have contents different from contents of the sample contract or not in accordance with the publicly published sample contract.

2.4 Regulations on confirmation of RE transactions via RE trading floors

According to Articles 15 and 16 of Decree 96/2024, a RE trading floor must meet the conditions as prescribed in Article 55 of the Law on REB. At the same time, it must have a name and a stable transaction address for more than 12 months and technical equipment that meets the requirements based on the RE trading floor's activities. In particular, the confirmation of RE transactions is one of the important contents of the RE trading floor's activities. Accordingly, confirmation of RE transactions via REB floors is carried out as follows:

- (1) RE transactions through direct forms are confirmed in writing. In case of RE transactions through electronic forms, electronic confirmation is carried out as prescribed by the Law on Electronic Transactions, the law on e-commerce and relevant laws.
- (2) The written confirmation on the RE transaction must have the signatures of the representative of the enterprise as the project investor or owner of the RE, the representative of the RE trading floor, the individual broker and the stamp of the enterprise corresponding to the transaction form.

3. Detailed regulations on a number of articles of the Land Law 2024

On July 30, 2024, the Government issued Decree 102/2024/ND-CP (“Decree 102/2024”) detailing the implementation of a number of articles of the Law on Land dated January 18, 2024. Decree 102/2024 will take effect from August 1, 2024, replacing Decree 43/2014/ND-CP (“Decree 43/2014”) and have some notable contents as follows:

3.1 Receiving land use rights in the areas with restricted access to land must have written opinions from the Ministry of National Defense and the Ministry of Public Security

According to Article 10 of Decree 102/2024, the areas with restricted access to land are those belonging to border communes, wards and towns; coastal communes, wards and towns; islands; other areas that affect national defense and security as prescribed by the law on investment and the law on housing.

For investment projects using land by foreign-invested economic organizations that request the State to allocate or lease land in the areas with restricted access to land, they must obtain opinions from the Ministry of National Defense and the Ministry of Public Security.

In the case where foreign-invested economic organizations receive land use rights (LURs) in industrial parks, industrial clusters and high-tech zones; or capital contribution in the form of LURs to carry out investment projects in areas with restricted access to land, the transferee of LURs or capital contribution in the form of LURs must submit a written request to the People's Committee of the province where the land is located to allow the transfer or capital contribution in areas with restricted access to land to obtain opinions from the Ministry of National

Defense and the Ministry of Public Security.

3.2 The investor is allowed to continue using the land for 24 months from the date the investment project is terminated

Article 35.2 of Decree 102/2024 stipulates that in case the State reclaims land due to the termination of the investment project, the investor is allowed to continue using the land for 24 months from the date the investment project is terminated as prescribed by the law on investment and is allowed to transfer the LURs and sell the land-attached assets to other organizations and individuals. After the sale of assets and transfer of LURs have been carried out, the buyer of the land-attached assets and the recipient of the LURs will continue to exercise the rights and obligations of the land user to implement the investment project or propose implementation of a new investment project as prescribed by law.

In case the investor fails to transfer the LURs or sell its land-attached assets to another investor after the prescribed period, the State will reclaim the land without compensation for the land or assets attached to the land (except in case of force majeure where the deadline shall be considered for extension equal to the duration of the force majeure).

3.3 Two forms of land fund development for housing and urban area projects

According to Articles 41 and 42 of Decree 102/2024, the land funds for housing and urban area projects are implemented in the following two forms:

- (1) Infrastructure construction projects to create land funds for auctioning LURs to implement investment projects to build urban areas with mixed functions, synchronizing technical infrastructure systems, social infrastructure with housing; and
- (2) Infrastructure construction projects to create land funds for auctioning LURs to implement rural residential area projects; for resettlement arrangements; projects to arrange residential land for ethnic minorities.

These two forms of land fund creation projects are assigned by the competent-level People's Committee to the affiliated land fund development organization to implement, and the capital source for implementing the land fund creation project is taken from foreign capital for public investment or public investment capital as prescribed by the law on construction and the law on public investment.

3.4 Short-term land lease mechanism

Article 43 of Decree 102/2024 allows land fund development organizations being State-assigned land managers, to lease land areas and assets attached to land (if any) for a period of no more than 5 years and they must comply with some principles as follows:

- (1) Short-term land lease neither requires auctioning of LURs, nor requires bidding to select investors to implement projects using land, and

nor has to meet requirements on conformity with planning and land use plans such as land allocation and land lease for investment project implementation.

- (2) The lease must be signed under a contract and the lessee does not have to register the land and is not granted a Certificate.
- (3) Organizations and individuals leasing land are not allowed to build permanent structures and must be committed to voluntarily dismantling the structures when notified by the land fund development organization of the termination of the contract, and will not be compensated for land, assets and investment costs in the land.
- (4) Organizations and individuals leasing land must pay a deposit for the responsibility of dismantling the structures.
- (5) During the term of the contract, when the State implements the land use plan, the contract must be liquidated and no compensation or support for assets invested in the land will be provided.

3.5 Land allocation and land lease in case of land auctioned twice unsuccessfully due to no bidders

According to Article 54.3 of Decree 102/2024, in case of land auctioned twice unsuccessfully due to no bidders, the People's Committee with authority to allocate or lease land will publicly post information on the land auction within 30 days and publicly post it at the headquarters of the People's Committee

of the commune where the land is located for investors to propose investment projects. When this period expires and an investor proposes an investment project, the competent state agency will carry out procedures for land allocation and land lease. In case of 2 or more investors proposing an investment project, an auction of LURs must be organized as prescribed.

The land price for calculating land use levies and land rent is the starting price for LURs auctions, valid for 12 months from the date of unsuccessful auction; in case the land has not been allocated or leased after 12 months, the starting price must be re-determined and the auction must be re-organized as prescribed.

3.6 Regulations on multi-purpose land use

According to Article 99 of Decree 102/2024, the multi-purpose land use is understood as the use of a part of the land area of the main land use purpose for another purpose specified in Article 218 of the Law on Land. The main land use purpose is the purpose of the land plot allocated by the State, leased land, recognized LURs, and such land is being used stably and meeting the conditions for granting a Certificate.

Accordingly, the multi-purpose land use must satisfy the following conditions:

- (1) The use of land for the combined purpose is not subject to change of land use purpose.
- (2) The land area used for the combined purpose does not exceed 50% of the

land area used for the main purpose, except for the residential land area used for the combined multi-purpose.

- (3) Construction works on agricultural land for multi-purpose land use must have appropriate scale, nature, and be easy to dismantle.
- (4) Construction and renovation of works for combined use must comply with the law on construction and other relevant laws.
- (5) The duration of land use for combined purposes must not exceed the remaining land use period of the main purpose.

The multi-purpose land use for commercial and service purposes must be planned and approved by a competent authority. Before the end of the combined land use period of 30 days, if the land user needs to extend, he/she must submit a written request for extension of the land use plan. In case the land user does not continue to use the land according to the approved plan, he/she must submit a written notice to the competent-level People's Committee and must restore it to meet the conditions for continued use for the main purpose.

Land area used for combined commercial and service purposes; non-agricultural production facilities; used for mineral activities; construction of postal, telecommunications, technology and information infrastructure works; outdoor advertising; solar power must pay annual land rent.

GV Lawyers would like to introduce our valued readers to an article by **Ms. Ngo Thi Diem** and **Mr. Nguyen Ngoc Ho** titled **“Spin-off transactions in Hong Kong listings”** published on The Legal 500 site on June 14, 2024.

In this day and age, along with the continuous development of businesses, spin-off transactions have increasingly become prevalent in many economies worldwide. This phenomenon occurs when a company aims to pursue its strategic objectives by reallocating financial resources away from non-core industries and concentrating more on its primary business activities.

To examine this trend further, it is essential to elucidate the term “spin-off”. Although this term may vary from country to country because of the difference in legislation, the spin-off process generally refers to a company created by separating part of an existing company. This new entity operates independently but often retains a connection, especially beneficial interest to the parent company. This definition aligns with Vietnamese laws, which outline the procedure for establishing a new entity through the transfer of a portion of the existing company’s assets, rights, and obligations without ceasing the existence of the original company (*Article 199 of the Law on Enterprises 2020*).

From the perspective of listing rules, spin-off transactions can be categorized into two types: conducting the spin-off before the listing and conducting the spin-off after the listing. In the former scenario, an existing company is still an unlisted one, which only needs to meet the statutory requirements applied for the spin-off process by-law of the relevant jurisdiction where the company was established and such spin-off process will be considered as a reorganization and pre-IPO step of the list-co. Meanwhile, in the latter scenario, as the existing company is a list-co, it must satisfy additional requirements that apply to listed companies to ensure transparency in the listing market, making this approach more complex and time-consuming.

The post-listing spin-off is often implemented to reorganize corporate resources or to circumvent the listing rules of certain Stock Exchanges for some business strategies. For example, under the practice note of the Hong Kong Stock Exchange – HKEx (Practice Note 15-PN15) as applied to both

listed companies on Main Board and GEM Board, **one business cannot support two listings**. Therefore, some groups will normally implement spin-off transactions for re-assessing their compliance with the listing requirements.

Given the complication of the latter approach, each Stock Exchange may have its own guidance to support listed issuers on their compliance journey. In May 2024, the Hong Kong Stock Exchange (“HKEx”) noticeably issued a regulation newsletter to keep listed issuers updated on regulatory developments, including matters on spin-offs. In summary, the HKEx’s updates could be briefed as follows (*for details, please refer to the Listed Issuer Regulation Newsletter*):

- 1. Preparation of pro forma financial information of the remaining group as a kind of profit test** (*an existing company after a spin-off*):^[1] Providing a detailed reconciliation of its financial data, similar to its published financial statements and explaining major financial statement line items in the pro forma financials to

show they arise from regular business activities of the remaining group.

2. Requirement for the minimum market capitalization under looks of cash flow and revenue tests: This requirement is a reasonableness test, depending on the issuer's circumstances. There are two scenarios as below:

- (a) For issuers with market capitalizations substantially above the minimum requirement, spinning off a small portion of the business, a simple test by subtracting the spinco's valuation from the issuer's market capitalization is typically sufficient; or
- (b) Issuers with market capitalizations only slightly above the minimum requirement and/or spinning off a substantial part of their business must provide a more robust analysis as mentioned in Item 2(a). In this case, all necessary supporting information should be included in the first draft for increased scrutiny.

3. Business

description: There are two the HKEx's suggestions for this matter as below:

- (a) Business delineation and non-competition: Issuers must clearly outline the business models of both the remaining group and spinco, especially if they share similarities in terms of products, technologies, brands, customers, and suppliers. They should use plain language supported by industry-specific metrics, with up-stream and down-stream illustrations, avoiding jargon. Visual aids like charts may help. In case of the need to verify the non-competition, a corporate guarantee of the group holding company in favour of the spinco may benefit the applications.

- (b) Spinco group's independence: Material transactions between the remaining group and spinco after the spin-off could question spinco's independence. Issuers should highlight such transactions in the proposal (in the pro forma financial

information), explaining their nature and impact on spinco's independence (under looks of finance, management, administration and related party-transaction, etc.).

In contrast, Vietnam has its own regulations on securities governing spin-offs, which differ from those of the HKEx. For example, Vietnam requires financial statements from the two years before a spin-off rather than pro forma financial information and does not explicitly stipulate non-competition undertakings as a separate document. Apart from these disparities, both Stock Exchanges share the common goal of ensuring transparency in spin-off transactions.

In conclusion, despite slight differences in legislation, spin-off is often referred to as the process where a parent company creates new and independent companies by transferring parts of its business, without ceasing its own operations. In economic value, the spin-off approach allows a company to have flexibility in organizing its business purposes, enhancing the competitiveness of markets. When dealing with a listed company, the spin-off

process involves a more complex procedure and requires additional documents to ensure transparency in the listing market. To alleviate this, apart from keeping updated on new guidance from the Stock Exchange to streamline the spin-off applications for the interest of time, the listed companies should also seek professional legal support from legal advisors practicing in relevant jurisdictions, including where their subsidiaries are located to have a comprehensive

reorganization plan and spin-off proposal thereon.

*These are only highlights of the key considerations for enterprises who contemplate a spin-off listing in Hong Kong Stock Exchanges. This publication is not a substitute for professional legal advice. This answer does not create an attorney-client relationship, nor is it a solicitation to offer legal advice. We however hope that the above is useful for your purposes. If you are concerned that you have difficulty in finding a **Hong Kong IPO Vietnamese***

advisor, please contact us via email info@gvlawyers.com.vn or call us at +84 (28) 3622 3555.

[1] For the purpose of assessing the listco's compliance with the financial track record requirement and the minimum market capitalization requirement, the following entities will normally be excluded in defining the "remaining group" by the HKEx: (i) Subsidiaries listed on the HKEx; and (ii) Subsidiaries not listed on the HKEx and previously spun off under PN15



GLOBAL VIETNAM
LAWYERS

1. Corporate income tax incentives for business lines added

This is the case where the Company is enjoying corporate income tax (CIT) incentives by the locality for new investment projects located in industrial parks that do not have favorable socio-economic conditions. During its operation, the Company has added a new business line of "Exercising the right to export, the right to import, the right to distribute wholesale (without establishing a wholesale facility) of goods (details according to some HS codes)" to the amended investment certificate. If the change in the above investment certificate does not lead to a change in the satisfaction of the tax incentive conditions of the investment project as prescribed in Article 18.5 of Circular No. 78/2014/TT-BTC (amended and supplemented in Article 10.3 of Circular No. 96/2015/TT-BTC), the Company will continue to enjoy CIT incentives for the remaining period as prescribed in Article 18.4 of Circular No. 78/2014/TT-BTC (amended and supplemented in Article 10.2 of Circular No. 96/2015/TT-BTC).

Bac Giang Provincial Tax Department replies to the question of Yongji Precision Hardware Products (Vietnam) Co., Ltd. in Official Letter No. 5714/CTBGI-TTHT dated August 12, 2024.

2. Instructions for invoicing when customers do not provide information

When selling goods or providing services, the Company must issue an electronic invoice to the buyer and must fully record the content as prescribed in Article 10 of Decree No. 123/2020/ND-CP, in which the name, address, and tax code of the buyer are among the mandatory contents thereon, except where the buyer does not have a tax code, the invoice does not have to show the buyer's tax code, and in some cases of selling goods and providing specific services to individual consumers as prescribed in Article 10.14 of Decree No. 123/2020/ND-

CP, the invoice does not have to show the name and address of the buyer.

Can Tho City Tax Department replies to the question of Nguyen Kieu Tax Accounting Co., Ltd. in Official Letter No. 3644/CTCTH-TTHT dated August 1, 2024.

3. Issue trade discount invoice

In case the Company applies a form of trade discount for customers as prescribed by law, the trade discount must be clearly shown on the invoice. In case the trade discount is based on the quantity and turnover of goods and services, the discount amount of the sold goods will be adjusted on the invoice of the goods and services of the last purchase or the following period. Based on the adjusted invoice, the seller and the buyer declare the adjustment of the purchase and sale revenue, output and input taxes.

Can Tho City Tax Department replies to the question of Co Chien Seafood JSC. in Official Letter No. 3720/CTCTH-TTHT dated August 6, 2024.

4. Currency shown on invoice

The currency on the invoice is Vietnam Dong, the national symbol is "d". In case the Company issues an invoice for exports, economic and financial transactions arising in foreign currency as prescribed by the law on foreign exchange, the unit price, total amount, value added tax amount according to each tax rate, total value added tax amount, total payment amount will be recorded in foreign currency. The seller will also show on the invoice the foreign currency exchange rate with Vietnam Dong according to the exchange rate as prescribed by the Law on Tax Administration and implementing documents.

Binh Duong Provincial Tax Department replies to the question of Maruichi Sun Steel JSC. in Official Letter No. 22037/CTBDU-TTHT dated August 9, 2024.

1. Up to 20% of rooftop solar power installation capacity may be sold

At the meeting to review and give opinions on the finalization of the draft Decree on self-produced and self-consumed rooftop solar power on August 13, 2024, chaired by Deputy Prime Minister Tran Hong Ha, regarding the plan to buy and sell surplus electricity to the national power system, the Ministry of Industry and Trade proposed a rate of 20% of the actual installed capacity in the North and 10% in the remaining regions.

According to Mr. Do Van Nam, Member of the Board of Members of the Northern Power Corporation, with this regulation, people will save when using electricity during peak hours, at the same price of surplus electricity sold to the system, after about 5-6 years, households can recover their investment capital, while the lifespan of a solar panel is currently about 12-15 years.

The Deputy Prime Minister emphasized that "There is still a lot of room for developing rooftop solar power in the North, so there must be policies to encourage investment and effective development", and requested the Ministry of Industry and Trade to review load demand, transmission capacity, and

system safety as a basis for adjusting planning and implementation plans, opening "room" for self-produced and self-consumed rooftop solar power, especially in the North.

In addition, the Deputy Prime Minister requested the Ministry of Industry and Trade to study and agree on the rate of selling surplus electricity from self-produced and self-consumed rooftop solar power to the national power system at 20% of the actual installed capacity. Accordingly, the installed capacity of less than 100 kWh will be connected to the system of the power unit. The installed capacity of more than 100 kWh (whether or not selling surplus electricity to the national power system) must be connected to the power distribution dispatch level.

In addition, the Deputy Prime Minister noted that there must be technical management solutions to control the capacity of self-produced and self-consumed rooftop solar power sources to ensure system safety; especially power sources connected to the medium voltage grid.

By laodong.vn

2. Proposal to impose value added tax only on a goods revenue of VND 200 million per year

At the legal seminar of the National Assembly Standing Committee on August 14, 2024 on giving opinions on the draft revised Law on Value Added Tax (VAT), the Ministry of Finance proposed two options for individuals and business households falling into the

category not subject to VAT. *Option 1*, goods and services of individuals and business households with revenue of VND 200 million or less will not be subject to VAT. If the consumer price index (CPI) fluctuates by more than 20%, the Government will submit to the

National Assembly Standing Committee to adjust the revenue level in accordance with price fluctuations and socio-economic development. *Option 2*, the revenue level not subject to VAT is prescribed by the Government.

Thus, the threshold for VAT taxable revenue for goods and services of individuals and business households can be VND 200 million or more per year. This level is double the current regulation (VND 100 million per year).

Mr. Le Quang Manh, Chairman of the Finance and Budget Committee, said that the regulation of the VAT taxable revenue level from the legal perspective is necessary, because the current VAT taxable revenue is VND 100 million per year, calculated according to the GDP growth rate and the average CPI since 2013. With current economic growth, the average revenue of business households has increased to VND 285 million per year. Therefore, the Standing Committee of the Finance and Budget Committee proposed that individuals and business

households with annual revenue of less than VND 200 or 300 million will not be subject to VAT and assigned the National Assembly Standing Committee to adjust to the appropriate level.

Explaining at the discussion session, Mr. Le Tan Can - Deputy Minister of Finance said that the drafting agency proposed that the Government specify the taxable revenue level of business households for flexibility. For example, if the revenue threshold is raised to VND 200 million or VND 300 million per year, how many non-taxable businesses will be eliminated, and how will it affect the budget revenue?

Vice Chairman of the National Assembly Nguyen Duc Hai requested the Ministry of Finance to continue reviewing and agreeing with the auditing agency to complete the draft law, and submit it to the National Assembly for approval at the scheduled session in October.

By vnexpress.net

No.	Document title	Issuance date	Effective date
NATIONAL ASSEMBLY			
1	Law No. 43/2024/QH15 amending and supplementing a number of articles of the Land Law No. 31/2024/QH15, Housing Law No. 27/2023/QH15, Law on Real Estate Business No. 29/2023/QH15 and Law on Credit Institutions No. 32/2024/QH15.	June 29, 2024	August 1, 2024
2	Law No. 41/2024/QH15 on Social Insurance.	June 29, 2024	July 1, 2025
3	Law No. 37/2024/QH15 amending and supplementing a number of articles of the Law on property auction.	June 27, 2024	January 1, 2025
4	Law No. 36/2024/QH15 on Road traffic order and safety.	June 27, 2024	January 1, 2025
5	Law No. 35/2024/QH15 on Road.	June 27, 2024	January 1, 2025
GOVERNMENT			
1	Decree 104/2024/ND-CP regulating the Land Development Fund.	July 31, 2024	August 1, 2024
2	Decree 103/2024/ND-CP regulating land use levies and land rents.	July 30, 2024	August 1, 2024
3	Decree 102/2024/ND-CP detailing a number of articles of the Land Law.	July 30, 2024	August 1, 2024
4	Decree 101/2024/ND-CP stipulates basic land survey; registration, issuance of Certificates of land use rights, ownership of assets attached to land and Land information system.	July 29, 2024	August 1, 2024
5	Decree 100/2024/ND-CP detailing a number of articles of the Land Law on on social housing development and management.	July 26, 2024	August 1, 2024
6	Decree 98/2024/ND-CP detailing a number of articles of the Land Law on renovation or reconstruction of condominiums.	July 25, 2024	August 1, 2024
7	Decree 96/2024/ND-CP detailing a number articles of the Law on Real Estate Business.	July 24, 2024	August 1, 2024
8	Decree 95/2024/ND-CP detailing a number of articles of the Law on Housing.	July 24, 2024	August 1, 2024
9	Decree 92/2024/ND-CP on registration of cooperative groups, cooperatives, and cooperative unions.	July 18, 2024	July 18, 2024
10	Decree 88/2024/ND-CP on compensation, support and resettlement upon land recovery by the State.	July 15, 2024	August 1, 2024
MINISTRY OF NATURAL RESOURCES AND ENVIRONMENT			
1	Circular 10/2024/TT-BTNMT prescribing land records and certificates of land use rights and ownership of houses and other land-attached assets	July 31, 2024	August 1, 2024
MINISTRY OF CONSTRUCTION			
1	Circular 05/2024/TT-BXD detailing a number of articles of the Law on Housing.	July 31, 2024	August 1, 2024



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