

Legal Alert March 24th 2021

Dear Esteemed Company,

V&A would like to update you on certain newly-issued legal documents relating to enterprises' community.

1. New legal case announced by the Supreme People's Court

Legal case No. 42/2021/AL regarding the right of consumers to choose a Court to settle disputes in the case of a model contract with an arbitration agreement was announced by Decision No.42/QĐ-CA dated 12 March 2021 of the Supreme People's Court to be applied in hearing as from 15 April 2021.

Accordingly, even a model contract executed with consumers has terms to choose foreign arbitration to settle disputes, but when a dispute occurs, consumers still may sue in Vietnamese Court; as the Court determined in its first instance judgment that in this case, it would be understood that consumers do not choose the arbitration and have the right to choose the Vietnamese Court for resolution of the dispute.

2. More properties used for collateral arrangements securing civil obligations

On 19 March 2021, the Government issued Decree No. 21/2021/ND-CP, detailing articles of the Civil Code on collateral arrangements for the performance of civil obligations ("Decree 21").

This Decree shall replace Decree No. 163/2006/ND-CP dated 29 December 2006 and Decree No.11/2012/ND-CP dated 22 February 2012 of the Government on secured transactions, and shall take effect on 15 May 2021.

Decree 21 adds properties used for collateral to secure the performance of civil obligations with:

- Property sold under a property sale agreement with title retention;
- Property that is subject to the obligations under a bilateral contract is breached with respect to the lien.

3. New guidance on enterprise registration

On 16 March 2021, the Ministry of Planning and Investment issued Circular No. 01/2021/TT-BKHDT, providing guidelines for enterprise registration (“Circular 01”).

Circular 01 issued 99 forms to be used in registration of enterprises and business households, and provided detailed guidelines on a number of issues related to registration of enterprises and business households.

This Circular shall take effect on 1 May 2021 and replace Circular No. 20/2015/TT-BKHDT dated 1 December 2015 of the Minister of Planning and Investment, providing guidelines for enterprise registration, as amended by Circular No. 02/2019/TT-BKHDT dated 8 January 2019 of the Minister of Planning and Investment.

Respectfully yours,

VISION & ASSOCIATES LEGAL

Should you need any further information or assistance regarding the above matter, please do not hesitate to contact us:

Mrs. LE Quynh Anh
LE Tuan Anh

Executive Partner

Mr.

Partner

E: lq.anh@vision-associates.com
associates.com

E: lt.anh@vision-

M: +84 913 563 961
250 313

M: +84 903
