

ClientAlert

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Dear Reader,

This month saw a handful of new regulations that affect business in Vietnam. We've briefed them and outlined the most important changes from each new regulation. They cover topics from new rules for notaries to payment forms for enterprises.

We also discuss the key differences in networking between western countries and Southeast Asia.

As always we hope you find this month's Client Alert helpful and wish you prosperity in the coming month. We look forward to working with you.

Sincerely,

Dang The Duc
Managing Partner

Executive Summary

The Government released a new decree coalescing the rules surrounding the opening and operation of notary offices. It also touched on issues of privatization of public notaries. See [NEW RULES FOR NOTARIES](#).

The Ministry of Finance issued a new circular detailing the payment forms for enterprises. The new circular provides for payment in numerous forms including currency and cheque, though the banking requirements do remain the same. See [PAYMENT FORMS OF ENTERPRISES](#).

And we take a brief look at the niceties of networking in Southeast Asia. See [NETWORKING IN SOUTHEAST ASIA](#). |

Briefs New Rules for Notaries

On 15 March 2015 the Government enacted Decree No. 29/2015/ND-CP on the elaboration of and guidelines for the law on notarization ("**Decree 29**"). Decree 29 took effect on 1 May 2015. It replaces Government's Decree No. 04/2013/ND-CP dated 7 January 2013 on guidelines for the Law on Notarization No. 82/2006/QH11 dated 29 November 2006 ("**Decree 04**").

Decree 04 only governed the requirement of private notary offices on buying professional liability insurance for its notaries. Decree 29 has a separate chapter which stipulates the requirement of professional liability insurance for notaries. In particular, the notary office must buy professional liability insurance for its notaries within 60 days from the day on which such notaries are registered for practice. The insurance premium will be mutually agreed between the insurer and the notary office but must not fall below VND3 million per year for a notary.

Another point to note is that the method for converting public notary offices under Decree 29 shall be made by bids. The bidder for the right to conversion of the public notary office must be a notary practicing in the province where the public notary office is located. In addition, the intended head of the private notary office must have worked as a notary for at least 2 years. It is also noted that any notary who is the head of a private notary office or a general partner of private notary office is not allowed to bid for the right to conversion of the public notary office.

Decree 29 also stipulates that the private notary offices which are located in disadvantaged areas and extremely disadvantaged areas will be granted incentive policies, including: tax incentives prescribed by regulations of law on corporate income tax; and the right to lease an office building at concessional rates, borrow office buildings, and be provided with support for working equipment for the first 3 years of operation. |

Payment Forms of Enterprises

On 29 January 2015 the Ministry of Finance enacted Circular No. 09/2015/TT-BTC ("**Circular 09**") guiding financial transactions of enterprises pursuant to Article 6 of Decree No. 222/2013/ND-CP of the Government, dated 31 December 2013, on payments made by cash. Particularly, Circular 09 regulates the payment forms of enterprises in their transactions regarding capital contribution portions; and the payment forms of enterprises as non-credit institutions in the relationships of lending, borrowing or loan repayment with each other within the territory of Vietnam.

- According to Circular 09, the enterprises when conducting transactions of capital contribution, transfer of contribution capital in other enterprises are not allowed to use

cash (paper money or metal coins issued by the State Bank) for payment. For such transactions, the enterprises may apply the following payment forms:

- Payment by cheque;
 - Payment by authorized payment orders – transfer orders; and
 - Other appropriate non-cash payment forms under current regulations.
- Transactions related to capital contribution portions using assets to make payment shall be implemented in accordance with the law on enterprises.
 - For the transactions of lending, borrowing and loan repayment by enterprises which are not credit institutions, their payments in money shall be made according to the payment forms as prescribed above; whereas, their payments by assets or by offsetting debts or by transferring debts and liabilities shall be made in accordance with the law on enterprises.

Circular 09 took effect on 17 March 2015. |

Networking in Southeast Asia

I recently attended the INTA conference in San Diego, California. It was a massive conclave of trademark attorneys from all over the world. Thousands and thousands of lawyers attended, meeting with other lawyers, clients, and strangers. It was a prime networking experience and a whole hell of a lot of fun.

But for all the fun there were practical lessons to be learned, especially about networking with Asians, and as a reminder, Vietnamese.

From the first moment I entered the conference center in downtown San Diego I was assaulted by the sheer number of attorneys. It is impossible to speak with everyone at a conference like this so I had to be choosy. I typically target Japanese and Korean attorneys as they are some of the attorneys who are most likely to invest or have business in Vietnam, but I also talk with folks from Europe, especially northern Europe, and Australia. Identifying which is which comes with practice and a certain amount of practiced profiling.

Deciding that I am going to approach primarily Asian investors, I have to understand the best way to go about it. For most Asians—especially men—the easiest way to greet them is through a regular frontal approach. You smile, say hello, and shake their hand. If the networking target is female, there may be a cultural prohibition against shaking hands with strange men. As I am a strange man, if I run into a Laotian or Thai or a woman from certain middle eastern countries, it is more polite not to shake hands and to continue to the next step.

Business cards.

Asians like their business cards. There is in and of itself a ceremony around the exchange of business cards. First you exchange business cards and then you must take a moment to scrutinize the card. This is where you confirm where the networking target is from and potentially find other information that is fruitful towards continuing a conversation. No matter what, though, one needs to take some moments to review the card before pocketing it. To put the card away without inspection would be considered rude.

Now, another faux pas to avoid is underdressing. To my chagrin I discovered that business casual means suits and button up shirts with or without ties. This isn't a deadly sin, and in fact

offers opportunities to break the ice, but it is better to overdress than underdress, especially dealing with Asians.

And then there's the booze. Lawyers love their booze. As do Asians, at least Southeast Asians. Usually they drink beer of Johnnie Walker. They also like to drink with friends and associates. I can't count the times that I've been invited to drink together with colleagues and associates. It is quite easy to get drunk and completely lose your sense of propriety, but avoid this. For even while your associates and colleagues go for broke, it is important to remember that Face is vital, and that doing something unprofessional or rude will act as a mark against you.

Now, I've been writing about these aspects of networking in a legal context, but the rules apply regardless. Networking with Asians, at least Southeast Asians, requires an awareness of tact and Face, and a careful navigation of camaraderie and civility. |

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"Payment Forms of Enterprises"

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"Networking in Southeast Asia"

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About Indochine Counsel

Established in October 2006, Indochine Counsel is one of the leading commercial law firms in Vietnam. The firm provides professional legal services for corporate clients making investments and doing business in Vietnam. The legal practitioners at Indochine Counsel are well qualified and possess substantial experience from both international law firms and domestic law firms. The firm boasts more than 35 legal professionals working at the main office in Ho Chi Minh City and a branch office in Hanoi.

Indochine Counsel's objective is to provide quality legal services and add value to clients through effective customized legal solutions that work specifically for the client. The firm represents local, regional and international clients in a broad range of matters including transactional work and cross-border transactions. The firm's clients are diverse, ranging from multinational corporations, foreign investors, banks and financial institutions, securities firms, funds and asset management companies, international organizations, law firms to private companies, SMEs and start-up firms in Vietnam.

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- ❖ Banking & Finance
- ❖ Taxation
- ❖ Intellectual Property
- ❖ Technology & Media
- ❖ International Trade
- ❖ Mining & Energy
- ❖ Property & Construction

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