

LEGAL DIGEST

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Legislative developments – **September 2023**



BANGLADESH



Banking and Finance

*Circular No. 11 dated 19 September 2023 issued by the Foreign Exchange Policy Department of the Bangladesh Bank on “**Inward Wage Remittances by Licensed Payment Service Providers**”*

To boost the inflow of remittances and allow for more flexibility, the Bangladesh Bank has granted permission to licensed payment service providers (“PSPs”) to facilitate the receipt of wage remittances from abroad in collaboration with globally-recognized online payment gateway service providers, banks, digital wallets, card networks, and foreign PSPs.

To implement this, PSPs will be required to establish standing arrangements with foreign PSPs to receive a wage earner’s foreign currency and then convert it into the equivalent value in Bangladeshi Taka and credit it to the wage earner’s PSP account, as outlined in further detail in the circular.

The Bangladesh Bank will begin a pilot phase of this initiative. PSPs interested in participating must apply to the Foreign Exchange Policy Department at the Bangladesh Bank head office by 31 December 2023 with details of the proposed arrangements.

Taxation

*“**The Land Development Tax Act 2023,**” Act No. 31 dated 18 September 2023 passed by the Bangladesh Parliament The Bangladesh Parliament recently repealed the Land Development Tax Ordinance of 1976 and introduced the new Land Development Tax Act 2023. The primary objective is to streamline land-related taxes and introduce several new provisions.*

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Under the new law, individuals and families engaged in agricultural activities are exempt from paying land development tax if they own up to 8.25 acres or 25 bighas of agricultural land. However, if their land exceeds this threshold, the entirety of the agricultural land becomes subject to land development tax. Additionally, land used for sugarcane and salt farming, as well as farmers’ ponds (excluding commercial fisheries), should also enjoy this exemption.

The act designates the July-June financial year as the tax year for the collection of land development tax.

One noteworthy feature of the law is that uniform land development tax rates and conditions are applicable to all cases, regardless of whether the agricultural land is situated in a rural or a municipal area. It allows for the categorization of non-agricultural land across the country based on land quality and usage to determine the land development tax rates.

Furthermore, the government has the authority to grant an exemption from land development tax to specific individuals, groups, or organizations. The act also permits the electronic collection of land development taxes. Until the electronic system is fully implemented nationwide, land development tax can be collected through banks in addition to the electronic system.

In cases where the land development tax goes unpaid in a city for three consecutive years, a penalty of 6.25% per year will be imposed from the first to the third year.

Pharmaceuticals

***“The Drug and Cosmetics Act 2023,”** Act No. 29 dated 18 September 2023 passed by the Bangladesh Parliament*

Aiming to regulate the production, import, and sale of drugs and cosmetics and protect against the production and sale of adulterated drugs and cosmetics in the country, the Bangladesh Parliament passed the Drug and Cosmetics Act 2023. The new law repeals the Drugs Act, 1940 and the Drugs (Control) Ordinance, 1982.

In a change from previous practice, the responsible authority for overseeing both drugs and cosmetics is the Directorate General of Drug Administration (“**DGDA**”) (previously the Bangladesh Standards and Testing Institution had authority over cosmetics). The DGDA is now responsible for issuing licenses, regulating production, and controlling the quality of drugs and cosmetics.

Licensing and Cosmetics

Licenses and cosmetic registration certificates are now required to produce, distribute, import, or export cosmetics.

Research

To conduct analysis, research, or medical research, researchers are not required to have a license from the DGDA.

Import of raw materials and packaging for drugs

A license is required to import raw materials or packaging materials for drugs.

Drug manufacturing and sales

Besides needing a marketing authorization license and a drug registration license, drug manufacturers will need a license to produce, sell, store, distribute, and display drugs for sale. A license from the DGDA is also required for drug manufacturers to expand their business or for any new production.

The DGDA, as the licensing authority, cannot register a drug without the acknowledgment or permission of the Medicine Regulatory Committee. In case of an emergency situation like a pandemic or epidemic, the DGDA can initially give permission for drug production, without confirmation from the Medicine Regulatory Committee, but then must apply for permission within 90 days after approving such license.

The licensing authority may visit the office premises of drug manufacturers. Manufacturers must follow the World Health Organization's Good Practice and Good Manufacturing Practice guidelines in terms of the quality control, production, distribution, supply, and storage of drugs.

Failure by a manufacturer to follow the instructions mentioned in the law or any other notification or official gazette published by the government could result in cancellation of their license. In such a case, the manufacturer has 30 days to appeal the decision.

Drug production licenses are valid for two years and are renewable. Drug registration license and marketing authorization licenses are valid for five years and are renewable.

CAMBODIA



Government Services

Decision No. 100 dated 13 September 2023 issued by the Royal Government of Cambodia, on “Suspension of the Provision of Certain Municipal and District Administrative Services”

This decision suspends municipal and district business registration services for certain types of businesses (essentially eliminating the need for them to register with the government before beginning operations), as specified below. Note that it does not mention if this is a permanent change, since there is no time period specified for the suspension:

1. Culture and Fine Arts
 - Visual arts businesses: Production and sales of concrete sculptures
 - Salon and wedding planner businesses that have only 4-5 seats
2. Education, Youth and Sports
 - Sporting goods businesses (including revalidation)
3. Tourism Sector
 - Local restaurants and eateries, food stalls, coffee, noodle shops, tourist motorbike & Three-Wheeler hiring services
4. Industry and Handicrafts and Mines and Energy
 - Craft registration: Manufacturing of tiles, candle making
 - Energy: Installation of battery charging services with power of not more than 25kW
 - Services: Electrical appliance repair services, Car and motorcycle washing services
5. Commercial Sector
 - Letter of approval for business registration
6. Agriculture Sector
 - Letter of approval for agricultural equipment wholesale and retail business registration

Energy

*Notification dated 20 September 2023 issued by the Ministry of Mines and Energy on “**Decrease in Electricity Charges for Industrial and Agriculture Type Users**”*

To promote the expansion of factories and enterprise production in the industrial and agricultural sectors to create more employment and income opportunities for citizens, the Cambodian government, via the Ministry of Mines and Energy, is lowering the electricity price for a certain amount of electricity used by industrial and agricultural users that are connected to medium-tension and high-tension networks in every part of the country, including users who pay a medium price rate for their electricity, those whose rate depends on the duration and amount used each day, and those who have solar panels connected to the national grid, under the conditions below:

- Price reduction of 10% for the quantity of power that is more than the monthly average of the last six months used Monday to Saturday from 7:00 am to 9:00 pm.
- Price reduction of 20% for the quantity of power that is more than the monthly average of the last six months used Monday to Saturday from 9:00 pm to 7:00 am and 24 hours on Sundays and national holidays.
- The price reductions will be **valid for the three-month period of October to December 2023**; the government will notify users of any extension beyond that period 30 days in advance.
- Industrial and agricultural users who qualify and wish to receive the reduced rate must submit a request letter to the electricity authority in their area.

LAOS



Energy

*Notification No. 3630/EM.CO dated 15 September 2023 issued by the Ministry of Energy and Mines on the “**Suspension of the Consideration of Wind Energy, Solar Power, Pumped Storage Power, and Hydrogen Power Projects**”*

The Ministry of Energy and Mines issued this notification to the departments, institutions, and offices of energy and mines at the provincial level under its management to instruct them to suspend consideration of all proposed wind energy, solar power, pumped storage power, and hydrogen power projects at this time in order to allow the Department of Energy Policy and Planning to complete its master energy plan first.

MYANMAR



Corporate

*Announcement dated 6 September 2023 issued by the Directorate of Investment and Company Administration on “**Guidelines for Directors and Shareholders**”*

The Directorate of Investment and Company Administration (“**DICA**”) issued an announcement in regard to concerns about the information of company directors and shareholders who are registered in the MyCO system. There have been reported instances where the details of directors and shareholders were involuntarily removed from the MyCO registry of companies. To prevent such occurrences, the DICA recommends adhering to the guidelines provided as follows:

- The DICA emphasized the importance of maintaining and updating the pertinent records in accordance with the Myanmar Company Law.
- Directors and shareholders are required to establish their individual MyCO accounts and secure authorization from the company where they serve as a director or shareholder.
- Directors and shareholders are obliged to submit their contact details, including email addresses and personal telephone numbers, in the MyCO registration system. This facilitates easier communication with the company registrar when necessary.

VIETNAM



Import-Export

Decree No. 68/2023/NĐ-CP dated 7 September 2023 issued by the Government of Vietnam on "Amending and Supplementing Decree 115/2022/ND-CP on Preferential Export Tariffs and Special Preferential Import Tariffs of Vietnam to Implement the Comprehensive and Progressive Agreement for Trans-Pacific Partnership ("CPTPP")"

The governments of Malaysia, Chile, and Brunei joined the CPTPP with effect on 29 November 2022; 21 February 2023; and 12 July 2023, respectively.

In response, the Vietnamese Government issued this decree to stipulate the addition of these three countries to the regulations on Preferential Import and Export Tariffs applied in Vietnam within the framework of implementing the CPTPP.

This decree went into effect on the issuance date.

Employment

Decree 70/2023/ ND-CP dated 18 September 2023 issued by the Government of Vietnam on "Amending and Supplementing some Articles of Decree No. 152/2020/ND-CP on Foreign Workers Working in Vietnam and the Recruitment and Management of Vietnamese Workers Working for Foreign Organizations and Individuals in Vietnam"

This decree, which entered into effect on the date of issuance, makes certain modifications to the procedure for obtaining approval to employ foreign workers, as follows:

Requirement to post a recruitment notice for Vietnamese workers for the expected foreign worker position

Starting from 1 January 2024, employers are required to take an additional step before recruiting foreign workers. **At least 15 days before reporting** to the labor authorities on the need to employ foreign workers, the employer must post a recruitment notice for Vietnamese workers to fill those positions via the Electronic Information Portal ("**EIP**") of the Ministry of Labor, War Invalids and Social Affairs ("**MOLISA**") or the Employment Service Center's EIP established by the People's Committee of centrally-governed cities/provinces.

Shortened timeline for submitting an explanatory report on the need to recruit foreign workers

If no Vietnamese worker is recruited for an expected foreign worker position after posting the notice as mentioned above, the employer must submit an explanatory report on the need to recruit a foreign worker to the MOLISA, or the Department of Labor, War Invalids and Social Affairs (“**DOLISA**”) located in the province of the employees’ workplace **at least 15 days in advance** of the planned date for employing the foreign worker (formerly, the timeline prescribed was at least 30 days in advance).

Eased requirements to obtain work permits

The requirement that a foreign **expert or technical worker’s** educational background match their experience and position has been removed. Instead, they only need work experience relevant to the job position.

Clarification on CEO work permits

The term “**CEO**” is now used to describe an executive director. A foreign worker must fulfill the following requirements to be eligible for a CEO work permit:

- Be the manager of a branch, a representative office, or the company’s main office; or
- Be the person who directs and oversees at least one section of an organization or business, and who is under the administration and direction of the head of the organization or business.

Change in one of the competent authorities responsible for approving the employment of foreign workers

Previously, the authorities who had the right to approve the employment of foreign workers were the MOLISA or the Provincial People’s Committee. Under this decree, authority remains with the MOLISA, but the provincial approval authority has changed to the DOLISA in the province of the employees’ workplace.

The decree entered into effect on the date of issuance, with the recruitment notice posting requirement beginning on 1 January 2024.

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** Information included in this document does not represent legal, tax, or other advice. This document is not intended to represent a comprehensive list of all new laws and regulations issued or published in the relevant jurisdictions.*