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Legislative developments – February 2024



BANGLADESH



Banking and Finance

FEPD Circular Letter No. 07 dated 29 February 2024 issued by the Foreign Exchange Policy Department of the Bangladesh Bank on “Relaxation of Offshore Banking Operations Regulatory Requirements”

In order to enhance the efficiency of offshore banking operations, a decision has been made to exempt banks engaged in offshore banking operations from the obligation to maintain a cash reserve ratio with the Bangladesh Bank.

Additionally, offshore banking operations are now authorized to transfer funds to their domestic banking units without restrictions. This includes for settling import payments for capital machinery, industrial raw materials, government imports, and other permissible payment obligations in accordance with existing foreign exchange rules and regulations.

BRPD Circular Letter No. 11 dated 29 February 2024 issued by the Banking Regulation and Policy Department of the Bangladesh Bank on “Interest and Profit Rates on Loans and Investments”

In light of the decision made by the Monetary Policy Committee to curtail inflation, the effects of the policy’s interest rate increase have already been incorporated into the six-month moving average rate for treasury bills (“**SMART**”). To harmonize loan interest rates with the monetary policy and foster economic dynamism, the following guidelines will be adhered to:

- (a) The interest rate for loans will be determined by adding a maximum margin of 3.50% to SMART.
- (b) For pre-shipment export loans and agricultural and rural loans, the interest rate will be determined by adding a maximum margin of 2.50% to SMART.

Following the issuance of these instructions, the interest rate margins specified in paragraphs 2(a) and 2(b) will apply to newly disbursed loans. In the case of a change in the interest rate for previously disbursed loans, the instructions outlined in paragraph 5 of BRPD Circular No. 09/2023 will be followed.

With the issuance of this directive, the directive under BRPD Circular Letter No. 64/2023 is hereby revoked. Furthermore, the instructions stated in BRPD Circular No. 09/2023 and BRPD Circular Letter No. 27/2023 will remain unchanged.

*FEPD Circular Letter No. 04 dated 1 February 2024 issued by the Foreign Exchange Policy Department of the Bangladesh Bank on the “**Interest Rate Ceiling for Short-Term Permissible Trade Finance in Foreign Exchange**”*

To streamline foreign trade finance and align with global market trends and prevailing interest rates, an annual all-in cost ceiling has been established. This ceiling will include a markup of 4% over the benchmark rate, such as the Secured Overnight Financing Rate (SOFR), Euribor, etc., and will apply to the respective foreign currency for short-term permissible trade finance.

CAMBODIA



Mining, Taxation

Prakas No. 134 dated 21 February 2024 issued by the Ministry of Economy and Finance (“MEF”) (in collaboration with the Ministry of Mines and Energy (“MME”)) on “Procedures for Settling Non-Tax Financial Obligations for Mineral Product Exports”

This Inter-Ministerial Prakas sets out the formalities and procedures for payment of non-tax financial obligations for the export of mineral products to ensure a transparent and efficient collection of revenue and facilitate the cash flow of mineral product exporters. It applies to all approved exports of mineral products and enters into effect on 1 April 2024.

The key highlights are as follows:

1. Minimum deposit and deductible guarantee

Before exporting mineral products, exporters must pay:

- A minimum deposit of 5% of the royalties of the exported mineral products based on the approved quantity and quota for each exportation.
- A deductible guarantee of the non-tax financial obligations based on the actual export.

2. Timeline

- The minimum deposit and deductible guarantee must be paid upon receipt of a payment order from the MME.
- They must be paid at least five working days before the initial exportation of the mineral products.

3. Payment procedures

- The minimum deposit must be paid to the account at a partner commercial bank, whose owner is a representative of the MEF (Inter-Ministerial Debt Collection Working Group) and the MME.
- The deductible guarantee must be paid to the account at a partner commercial bank as set out in the payment order by specifying the type of mineral products, the type of revenue, and the date of payment. The account for this deductible guarantee must be approved by the MEF.

4. Submission after payment

- After paying the minimum deposit and deductible guarantee, exporters provide both the MME (General Department of Mineral Resources) and the MEF (Inter-Ministerial Debt

Collection Working Group) a copy of the payment certificate in hard or soft copy through an official-in-charge or Telegram or any other appropriate means.

- Exporters must submit monthly reports to the MME, with a copy to the MEF (Inter-Ministerial Debt Collection Working Group) the first week of each month with the payment receipts and customs declarations of the previous month's exports attached for verification.
- The MME and MEF will cooperate in setting up a mechanism for regular monitoring, recording, and reviewing of the non-tax financial obligations.

5. Seizure of the minimum deposit

Exporters will have their minimum deposit seized and deposited to the national budget in any of the following situations:

- Failing to pay the non-tax financial obligations and/or other obligations set forth in this Prakas and other relevant regulations in force.
- Being banned from exportation permanently by the MME for violation of the law.
- Having their approved quota for exportation revoked because of violation of the law.
- Having their mining license revoked.

The seizure of the minimum deposit does not exempt an exporter from the financial obligations and penalties for which the exporter is liable in accordance with the applicable laws and regulations.

LAOS



Insurance

*Instruction No. 3991/MOF dated 12 December 2023 issued by the Minister of Finance on “**Insurance Products**”*

The purpose of this instruction is to further clarify each type of insurance (life insurance and non-life insurance) under the Amended Law on Insurance No. 78/NA dated 29 November 2019, which includes having to request permission from the appropriate authorities before distributing insurance products for sale to the public.

The instruction entered into force on 15 February 2024.

*Decision No. 3995/MOF dated 12 December 2023 issued by the Minister of Finance on the “**Management Structure of Insurance Companies**”*

The decision entered into force on 15 February 2024 and replaces Decision No. 3058/MOF dated 27 September 2018.

It specifies insurance companies’ management structure, the rights and duties of shareholders, and the requirements regarding board of directors and the nomination of directors.

*Instruction No. 3996/MOF dated 12 December 2023 issued by the Minister of Finance on “**Implementation of the Amended Insurance Law**”*

The purpose of this instruction is to implement and further clarify the relevant articles under the Amended Law on Insurance No. 78/NA dated 29 November 2019.

This instruction entered into force on 15 February 2024 and supersedes Instruction No. 539/MOF dated 19 February 2014, Instruction No. 770/MOF dated 21 March 2016, Decision No. 3058/MOF dated 27 September 2018, Decision No. 3059/MOF dated 27 September 2018, and Decision No. 3060/MOF dated 27 September 2018.

Banking and Finance

*Law No. 45/NA dated 20 November 2023 issued by the National Assembly of the Lao PDR on “**Payment Systems**”*

The law entered into force on 15 January 2024 and replaces Law on Payment Systems No. 32/NA dated 17 November 2017.

It specifies payment system types, payment mechanisms, the development of payment technologies, and cross-border payments.

The law also covers the following:

- How to apply for a license to operate a payment business.
- What requirements must be met to be licensed to operate a payment business.
- What factors are taken into account for granting a license and how long it takes for to receive a decision on licensing.
- The restrictions on the use of the license, such as those concerning assignment, transfer, or letting someone else use it.

Accounting

*Law No. 46/NA dated 20 November 2023 issued by the National Assembly of the Lao PDR on “**Accounting (Amended)**”*

The law enters into force on 31 March 2024 and replaces Law on Accounting No. 47/NA dated 26 December 2013.

One of the notable changes is how numerical figures are shown for accounting, as follows:

- Arabic figures will now be used (0, 1, 2, 3... and 9).
- The value separator symbol for thousands, millions, billions, and so on will be a full stop (.) and the decimal separator symbol will be a comma (,).

Other areas of change in the law include, among others, accounting data collection and recording, accounting data summarization, closing of annual accounting books, accounting documents, and general accounting data processing.

Taxation

Instruction No. 0558/MOF dated 14 February 2024 issued by the Minister of Finance of the Lao PDR on “VAT Obligations of Non-Resident Suppliers of Digital Goods and Services, Digital Platforms, and E-Commerce Activities to Users in the Lao PDR”

The instruction defines the VAT obligations for foreign suppliers who provide digital goods and services, digital platform services, or e-commerce activities to users in the Lao PDR. It applies to foreign suppliers who are not residents of the Lao PDR and are not registered entities in the Lao PDR but earn income from those activities in the Lao PDR.

Non-resident suppliers of digital goods and services, digital platform services, and e-commerce providers to users in the Lao PDR must register for VAT through the Digital Service System (DTax System) starting from 1 March 2024.

Digital platform operators must also declare and pay VAT to the tax authorities.

The instruction enters into effect on 1 August 2024, and replaces some sections related to non-resident VAT obligations of Notification No. 0541/MOF dated 24 February 2022 on the Implementation of E-Commerce and Digital Platform Tax Obligations.

Decision No. 137/VTE dated 13 February 2024 issued by the Mayor of Vientiane Capital on “Annual Financial Statement Submission for Enterprises under Vientiane Capital Management”

The decision applies to all implementing enterprise accounting entities that are under the management of the Finance Division of Vientiane Capital. It is effective from the date of signing.

The decision defines the accounting period of implementing enterprise accounting entities as the calendar year starting from 1 January to 31 December.

For certain business entities, the Minister of Finance can approve a different reporting period start date. However, the reporting period remains 12 months.

Implementing enterprise accounting entities must prepare their annual financial statements within two months after the closing date of the annual accounts. The managing director/general manager and chief accountant must sign them to confirm their accuracy and deliver them to the relevant financial sector by the deadline of 31 March each year.

MYANMAR



Litigation

Announcement dated 1 February 2024 issued by the Supreme Court of the Union on the “Suspension of Applications for Writ during the State of Emergency”

The Supreme Court announced that applications for writ will be suspended for another six months under Section 296(b) of the Constitution of Myanmar, Section 3(b) of the Law on Writ Applications, and Section 16(a) of the 2010 Union Judiciary Law since the National Security and Defense Council Meeting 1/2024 resolved to extend the state of emergency for another six months.

Notification 205/2024 dated 14 February 2024 issued by the Supreme Court of the Union on the “Increase in Civil Suit Values under the Jurisdiction of Township Courts in Myanmar”

The Supreme Court has conferred jurisdiction upon judges of township courts to adjudicate civil suits or original cases under Section 64 of the 2010 Union Judiciary Law as below:

No.	Type of judge	Jurisdiction conferred
1	Township Judges	Jurisdiction to adjudicate civil suits or original cases valued at an amount not exceeding MMK50 million.
2	Additional Township Judges	Jurisdiction to adjudicate civil suits or original cases valued at an amount not exceeding MMK50 million.
3	Deputy Township Judges	Jurisdiction to adjudicate civil suits or original cases valued at an amount not exceeding MMK20 million.

Banking and Finance

Directive 1/2024 dated 6 February 2024 issued by the Central Bank of Myanmar on “Agent Banking Services”

The purpose of the directive is to adopt a mechanism by which banks in Myanmar are authorized to provide financial services through their corporate agents appointed to promote the provision of financial services across Myanmar, especially to ensure underserved communities have access to financial services. The directive provides guidelines on agent banking services that cover the following:

- How to apply for approval from the Central Bank of Myanmar for banks that wish to provide financial services through agents.
- What banking services can be provided by agents.
- The criteria that agents must meet.
- How banks can appoint agents.

Enforcement of Law Translation

Order 1/2024 dated 25 January 2024 issued by the Legal Translation Commission on the “Enforcement of the Burmese Translation of Certain Laws”

This order was published in Volume 77(8) of the Official Gazette dated 23 February 2024. By this order, the Legal Translation Commission is enforcing, under Section 9(a) of the 2015 Legal Translation Commission Law, the Burmese translation of the following laws:

- The Myanmar Laws Act
- The Destruction of Records Act
- The State Grants Act
- The Explosive Substances Act
- The Unlawful Associations Act
- The Bankers’ Books Evidence Act

Under this order, the translated version of the laws above shall have the same effect as the originals.

VIETNAM

PPP/ Taxation

Decree No.11/2024/ND-CP dated 2 February 2024 issued by the Government of Vietnam on the “Loan Interest, Fair Return, Payment Methods, Settlement of Investment Projects under Build-Transfer (“BT”) Contracts; Exemption From Corporate Income Tax, Personal Income Tax in Ho Chi Minh City”

Some key highlights of the decree are as follows:

- 1. Principles for control and payment of public investment capital applied to BT projects in Ho Chi Minh City:**
 - The State Treasury is the responsible party.
 - The BT contracting agency must open an account at the State Treasury where it is convenient for the transaction following the Government of Vietnam’s regulations.
 - Following receipt of the comprehensive capital allocation document of the public investment plan (along with any supplements or adjustments) from the People’s Committees at all levels of Ho Chi Minh City, the State Treasury will distribute capital for the project based on the payment request document for projects that have completed the investment procedures as outlined in Resolution 98/2023/QH15 and have been allocated.
 - The State Treasury is responsible for controlling and paying capital for the project in a timely (within three working days), full, and regulatory-compliant manner upon receiving legally adequate payment conditions and documentation; payment will not be made in the case of inadequate documentation or non-compliance.
 - The total capital for a BT project must not exceed the total investment approved by the competent authority. The amount of public investment capital disbursed during a year for a project must not exceed the planned capital allocated for the project for that year.
 - Under current legal regulations, BT contracting agencies are accountable for the correctness of the implementation volume, unit price, payment request value, and records and documents provided to the State Treasury. They are also responsible for managing and using capital for the appropriate purpose and target audience economically and effectively.
- 2. Exemption from corporate income tax and personal income tax in Ho Chi Minh City**

- 2.1. Exemption from corporate income tax applies to enterprises and supporting organizations who have income from innovative start-up activities in Ho Chi Minh City if they qualified under the Ho Chi Minh City People's Council priority fields, criteria, conditions, and content for innovative start-up activities.
- 2.2. Exemption from personal income tax applies to Individuals with income from capital contribution transfers and capital contribution rights to entities mentioned in Point 2.1 above.

Energy

Decision 165/QĐ-TTg dated 7 February 2024 issued by the Prime Minister on “Approval of Vietnam’s Hydrogen Energy Development strategy up to 2030, with a Vision for 2050”

The decision lays out principles under the development strategy as follows:

1. Path to 2030:

- Gradually develop the hydrogen energy market under and in sync with the fuel conversion roadmap in energy-using sectors of the economy, including electricity production, transportation (road, rail, waterways, air), industrial (steel, cement, and chemical production, oil refining, other industries), commercial, and civil.
- Deploy and apply hydrogen-based energy testing in several fields with the ability to take advantage of existing infrastructure while ensuring system safety and a reasonable price, specifically:
 - Electricity production: Research and pilot the co-firing of gas with hydrogen, and coal with ammonia, at gas and coal power plants to prepare for the implementation of the fuel conversion roadmap to hydrogen-based energy.
 - Transportation: Research and pilot the implementation of hydrogen energy for public transportation and long-distance transportation.
 - Industry: Research and pilot the implementation of green hydrogen energy to replace gray hydrogen in fertilizer production and petrochemical refining. Pilot the use of hydrogen and hydrogen-derived fuel in the production of green steel, cement, etc. with low emissions.

2. Path to 2050:

- Promote the application of green hydrogen energy and hydrogen-derived fuels in all energy-using sectors to decarbonize the economy and make an important contribution to the goal of achieving zero stream emissions by 2050, of which:
 - Electricity production: Implement fuel conversion for gas and LNG power plants to use hydrogen, and coal power plants to use ammonia according to the National Power Development Plan for the period 2021 - 2030, with a vision for 2050.

- **Industry:** Make the transition to using hydrogen energy in fertilizer production, the petrochemical industry, and steel and cement production to decarbonize the industrial sector.
 - **Transportation:** Make the transition to using hydrogen energy and hydrogen-derived fuel for vehicles under the green transformation roadmap for the transportation industry.
- Form and develop the hydrogen energy consumption market according to market mechanisms and healthy competition with other forms of energy.
 - Strive for the proportion of hydrogen energy and hydrogen-derived fuel to reach about 10% of final energy consumption needs.

Security

*Circular 01/2024/TT-BTP dated 1 February 2024 issued by the Minister of Justice on the “**Abolishment of Some Circulars issued by the Minister of Justice on the Registration of Security interests**”*

Per this circular, from 1 February 2024, the following two circulars are terminated:

1. Circular 01/2019/TT-BTP dated 17 January 2019 of the Minister of Justice providing guidance on the registration of security interests on aircraft and ships;
2. Circular 07/2019/TT-BTP dated 2 November 2019 of the Minister of Justice providing guidance on the registration of the mortgage of land-use rights and assets attached to the land.

In addition, the circular reiterates the cases where security interests must be registered:

- Registration of property mortgage, property pledge, and preservation of ownership rights according to the provisions of the 2015 Civil Code and other related laws.
- Registration under an agreement between the securing party and the secured party, or registration at the request of the secured party, except for liens.
- Registration of a notice of disposal of a secured asset registration if an asset is used to secure the performance of multiple obligations with multiple security recipients or in cases where the securing party and the secured party have an agreement.
- Registration of an amendment to the registered content and deregistration of the registered content for the aforementioned cases.

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