

LEGAL DIGEST

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ISSUE HIGHLIGHT:

Vietnam: long-awaited Decree on **direct power purchase agreements** issued - improvement in bankability of energy projects for M&A transactions and project financing

BANGLADESH



Banking and Finance

PSD Circular No. 06 dated 6 June 2024 issued by the Payment Systems Department of the Bangladesh Bank on the "2024 Guidelines on the Issuance of Prepaid Instruments by Non-Payment System Entities"

Prepaid instruments ("PIs"), such as cash vouchers, gift cards, and wallets, are integral to the digital payment ecosystem, offering consumers convenient and secure transaction methods. With that in mind, the Bangladesh Bank has established guidelines to regulate the issuance of PIs by non-payment system entities. The aim is to discipline prepaid transactions used as marketing tools by private enterprises, including e-commerce companies and shopping centers.

Below are the key points of the guidelines:

Prohibited use

The legal framework prohibits their use for illegal activities such as online gambling, betting, and purchasing virtual currencies.

PI categories

- **Closed PIs:** Issued by any legal entity registered under the Company Act, 1994, these can be used for payments within the issuer's ecosystem (e.g. closed-loop gift cards).
- **Semi-closed PIs:** Also issued by registered legal entities, these are used for payments at a group of registered sellers (e.g. mobile wallets).
- **Open PIs:** Issued only by banks, non-bank financial institutions, mobile financial service providers, and payment service providers, these are not covered by the current guidelines.

Eligibility criteria

Entities seeking to issue PIs must meet specific conditions, including demonstrating financial stability and compliance with anti-money laundering regulations.

Issuance process

- **Application:** Entities must submit an application to the Bangladesh Bank, detailing the proposed PI, security measures, and compliance procedures.
- **Approval:** The Bangladesh Bank reviews the application, and upon approval, the entity is authorized to issue PIs.

Restrictions and reporting

PIs are subject to usage restrictions, such as transaction limits and validity periods. Issuers are required to maintain records and report transactions to the Bangladesh Bank regularly.

Supervision and penalties

The Bangladesh Bank supervises PI issuers to ensure compliance with the guidelines. Non-compliance can result in penalties, including fines and revocation of authorization.

CAMBODIA



Passport Services

Notification No. 1980 dated 17 June 2024 issued by the Ministry of Interior on "Additional Passport Services"

The Ministry of Interior is introducing an online passport application service; although it does not automate the process completely, it will simplify the passport application process and reduce waiting times at passport offices. The service can be accessed at <https://online.gdi.gov.kh/login> or by scanning the QR code provided below. After completion of the online application, applicants will have to make an appointment to visit the designated passport office in person to undergo an interview, have their photo taken and fingerprints scanned, pay the administrative fee, and submit their online application along with the required supporting documents.

There is an additional service offered in Phnom Penh City for applicants who are seriously ill, elderly, or disabled and cannot apply in person themselves. A family member or representative may apply on their behalf with the supporting documentation, such as a medical certificate or photographic evidence of the applicant's condition, and the completed off-site service passport application form (a separate form attached to the notification, solely used when the applicant cannot visit the passport office themselves). The General Department of Identification will then review the application and, if approved, a team will be assigned to provide assistance at the applicant's location to complete the process.

In addition, for added convenience, the passport office at Aeon 2 Sen Sok will now be open on the weekends for passport processing.



LAOS



Infrastructure

Decree No. 298/G dated 5 June 2024 issued by the Prime Minister Office on "Dry Ports"

This decree is effective from 11 July 2024 and replaces Decree on Dry Ports No. 513/G dated 4 August 2021. It provides more details and explanations on the development process. We provide a brief summary of the main points below.

Investments in dry port development have three forms as follows:

- (i) 100% state-owned investment
- (ii) A joint venture between the State and a Lao or foreign private company
- (iii) A 100% Lao private investment. In a joint venture between a Lao and a foreigner, the foreign shareholding cannot be more than 49%.

Below are the conditions for a developer of a dry port investment:

- Is a legal entity
- Is financially sound or has funding sources with certification from a domestic or foreign bank or financial institution
- Has personnel with experience in logistics or cargo transportation
- Has commercial relations with other countries, and domestic and international product sources
- Has engaged a consultant or consulting firm that has been authorized by the Ministry of Public Works and Transport ("**MOPWT**") to assess the feasibility of developing the dry port
- Has never filed for bankruptcy

Any legal entity wishing to develop a dry port must submit an application to the One-Stop Service at the Ministry of Planning and Investment ("**MPI**"). The application must have the following attached:

- Developer's profile and experience
- A copy of the developer's certificate of incorporation/enterprise registration certificate
- A copy of the joint venture agreement (if any)
- If the developer will not be submitting the application itself, a power of attorney appointing a representative to submit the application
- A proposal for conducting a feasibility study on developing the dry port project
- The certificate of the consultant or consulting firm who assessed the feasibility of developing the dry port
- A copy of the project developer's annual tax payment certificate

- A certificate of financial status or supporting documents from a financial institution or commercial bank
- Draft articles of association for the project company that will be set up
- Other supporting documents

Below is a brief overview of the process to obtain approval for a dry port development project:

- The application is submitted by the project developer to the One-Stop Service at the MPI and then to the MOPWT for consideration.
- The application package is reviewed by the MPI, which will then submit it to the Government of the Lao PDR for approval to sign a memorandum of understanding to conduct a feasibility study for the project.
- Following the Government of the Lao PDR's approval, the MOPWT specifies the tasks that the developer must carry out, and the MPI enters into a memorandum of understanding with the developer to conduct the feasibility study for the project.
- The project developer conducts the feasibility study, which needs to be completed within 12 months, in accordance with the tasks specified by the MOPWT.
- The project developer then conducts an environmental impact assessment and submits it to the Ministry of Natural Resources and Environment for approval.
- The MOPWT, the MPI, and the relevant ministries and administration offices then determine whether to approve the project developer's feasibility study.
- If the feasibility study is approved, the developer begins negotiating with the MPI on the terms and conditions of the concession agreement.
- The developer sets up the project company.
- The developer and the MPI sign the concession agreement.

Banking

Decision No. 607/G dated 12 June 2024 issued by the Bank of the Lao PDR on "Adjustment of the Benchmark Interest Rate"

The Bank of the Lao PDR has announced an increase in its interest rate for short-term loans from 8.5 percent to 10 percent per annum. This decision is in response to both domestic and global economic changes and reflects the bank's efforts to address ongoing economic challenges.

This decree is effective from the date of signature and replaces Decision No. 303/BOL dated 7 March 2024.

MYANMAR



Taxation

Notification No. 44/2024 dated 13 June 2024 issued by the Ministry of Planning and Finance (the "MOPF") on "Legal Actions for Non-Compliance with Tax Laws"

In this notification, the MOPF has tightened the rules regulating compliance with the provisions of the existing tax laws and specifies how to take legal action against tax defaulters under the 2019 Tax Administration Law (the "TAL").

Criminal Actions

Cognizable offenses and cognizable cases

The tax evasion offenses specified in Section 77 of the TAL are now deemed to be cognizable offenses. A **cognizable offense** is an offense, and a **cognizable case** is a case, whereby a police officer may, in accordance with the second schedule of the Code of Criminal Procedure (the "CRPC") or under any law for the time being in force, arrest the offender without a warrant under Section 4 (1) (f) of the CRPC.

Section 77 of the TAL states as follows:

"A person who willfully evades the assessment, payment, or collection of tax, or who willfully claims a refund of tax to which the person is not entitled, is guilty of an offense and is liable upon conviction to a fine that is the greater of MMK250,000 or 100 percent of the tax the person has evaded for the period, or to imprisonment for a term of up to seven years, or both."

Non-cognizable offenses and non-cognizable cases

Offenses specified in Sections 78 and 80 are now deemed non-cognizable offenses. A **non-cognizable offense** is an offense, and a **non-cognizable case** is a case, whereby a police officer may not arrest the offender without a warrant under Section 4(1) (n) of the CRPC.

For reference, Section 78 of the TAL states that:

"A person who willfully impedes or attempts to impede taxation staff in the administration of this Law is guilty of an offense and is liable upon conviction to a fine of MMK250,000, or to imprisonment for a term of up to one year, or both."

Section 80 of the TAL states that:

“A person who contravenes Subsection (b) or (c) of Section 8 is guilty of an offence of failure to preserve secrecy and is liable on conviction to a fine of not more than K200,000, or to imprisonment for a term of not more than one year, or both.”

Criminal case filing and criminal proceedings

The relevant tax authority is required to file a criminal complaint for cognizable offenses with a competent police station and to directly file a criminal case for non-cognizable offenses with a competent court in accordance with the CRPC.

Civil Actions

The relevant tax authority is empowered to file a civil suit with a competent court to recover the tax due from tax defaulters in accordance with the Code of Civil Procedure.

Persons against whom the legal proceedings are to be instituted

- (1) The companies themselves if they are still in operation
- (2) For companies that are not in operation, but have not been liquidated - the chairperson, managing director, members of the board of directors, the general manager, managing agent
- (3) For partnerships – the partners
- (4) For trusteeships – the trustees
- (5) For other corporate bodies – the people that are responsible to keep their accounts
- (6) For non-resident Myanmar citizens or foreigners – the managers or officers-in-charge of any legal entity owned by such non-resident persons
- (7) For a person having two or more legal representatives – all of the legal representatives
- (8) For liquidated companies – the shareholders who were shareholders within one year before liquidation and anyone who was a shareholder at the time the cause of the action arose
- (9) For taxpayers who have died or whose property is under receivership due to debt default – the receivers, trustees, or administrators
- (10) For business activities on mortgaged property or with pledged assets – the mortgagees or pledgees

Statute of Limitations for Legal Proceedings

Offense	Limitation Period
For alleged offenses that involve the doing of an act	Up to 12 years after the doing of the act
For alleged offenses that involves the failure to act	Up to 12 years after the occurrence of such failure; or If later, within three years after the Director General of the Internal Revenue Department becomes aware of such failure.

Offense	Limitation Period
For alleged offense that involve the non-disclosure or incorrect disclosure by a person of information relating to that person's liability under a tax law	Up to three years after the correct tax liability of that person becomes final for that tax period

Intellectual Property

Notification No. 43/2024 dated 4 June 2024 issued by the Ministry of Commerce on "Patent Rules"

These Patent Rules detail the process to apply for the protection of inventions and utility models under the 2019 Patent Law.

The term of the patent protection for inventions is 20 years from the filing date of the patent application.

The term of the utility model protection is 10 years from the filing date of the utility model application.

The annual fees will be specified in further notifications.

Banking and Finance

Notification No. 22/2024 dated 14 June 2024 issued by the Myanmar Accountancy Council on the "Compliance of Public Interest Entities ("PIEs") with International Financial Reporting Standards ("IFRS")"

From the date of this notification, the following entities are designated as PIEs:

- Stated-owned banks established under any existing law
- Financial institutions and scheduled institutions (except for microfinance institutions, credit societies, and postal savings banks) as defined in Section 2(b) of the 2016 Financial Institutions Law
- Myanma Insurance established under the 1993 Myanma Insurance Law and insurance companies established under the 1996 Insurance Business Law
- Public companies incorporated under the 2017 Myanmar Companies Law and listed on the Yangon Stock Exchange
- Unlisted public companies having more than 100 shareholders and subsidiaries of those public companies
- Other entities as specified by the Myanmar Accountancy Council from time to time in accordance with existing laws

With effect from the 2027-2028 financial year, the PIEs are required to comply with the IFRS as revoked, amended, and issued by the International Accounting Standards Board from time to time when preparing their financial statements.

VIETNAM



Energy

Decree No.80/2024/ND-CP dated 3 July 2024 issued by the Government of Vietnam on "Regulations for a Direct Power Purchase Mechanism between Renewable Energy Generation Units and Large Electricity Users"

The long-awaited regulation relating to the direct power purchase mechanism has been officially issued in Vietnam.

The key highlights include:

- 2 models (grid-connected and off-grid) power sales are envisaged;
- more flexibility in agreeing on key terms of the power purchase agreements;
- eligibility thresholds in the final version of the Decree are lower than in some of the interim drafts made available earlier.
- one of the first instances of express mentioning of the regime for **Renewable Energy Certificates** in the detailed procedural guidance document relating to the direct power sale market.

Direct power purchase can be conducted in 2 forms:

- **Through Dedicated Connection Lines:** by signing electricity purchase contracts and the transfer of electricity between renewable energy generation units and large electricity users as specified in Chapter II of the decree.

The purchasers of electricity must meet the threshold of consuming at least **200,000 kWh** on average per month.

- **Through the National Grid:** through signing a series of contracts under which:
 - Renewable energy generation units selling all produced electricity into the spot market of the competitive wholesale electricity market.
 - Large electricity users or authorized retail electricity units signing contracts with the Electricity Corporation (or authorized/subordinate units) to purchase all electricity needed.
 - Long-term contracts between renewable energy generation units and large electricity users or authorized retail electricity units.
 - Entities that can participate in this form include:

- Renewable energy generation units from **wind** or **solar** power with a capacity of **10MW** or more, connected to the national power system.
- Large electricity users purchasing electricity from the Electricity Corporation or other retail electricity units, connected at a voltage level of 22kV or higher.
- Retail electricity units in industrial zones or clusters authorized by large electricity users to purchase electricity from the Electricity Corporation and sign long-term contracts with renewable energy generation units.

OPPORTUNITIES UNLOCKED

The DPPA Decree 80 re-ignites the interest of more local and international developers in the Vietnam's energy sector, in particular the renewables. After a wave of investments during the earlier period of effectiveness of "feed-in-tariff" (FiT), the new Decree opens a **new route to structure energy projects**, negotiate **bankable PPAs**, and address key concerns of lenders and equity investors, including **tariff, curtailment** and **termination risks**.

This could allow developers, lenders and equity investors to have broader basis for negotiating **project finance** and **M&A** transactions for energy projects in Vietnam, with consequential benefits to transactions other sectors, including industrial parks, manufacturing and logistics infrastructure.

Please contact [our team in Vietnam](#), if you would like to discuss the possibilities opened by Decree 80 for your existing or new project.

Taxation

Decree No. 72/2024/ND-CP dated 30 June 2024 issued by the Government of Vietnam "Prescribing Value-Added Tax Reduction under Resolution No. 142/2024/QH15 dated 29 June 2024 of the Vietnam National Assembly"

The decree continues the value added tax ("VAT") rate policy previously ratified by the government under Resolution No. 142/2024/QH15. The reduction in VAT from 10% to 8% has been extended for the period 1 July to 31 December 2024. The goods and services eligible for the reduced VAT rate will remain the same as under the previous policy with the exception of the following products and services:

- Telecommunications, financial activities, banking, securities, insurance, real estate, metals and fabricated metal products, mining products (excluding coal mining), coke, oil refineries, and chemical products
- Goods and services subject to the special consumption tax
- Information technology according to the Law on Information Technology

In addition, the VAT reduction for goods and services uniformly applies across all stages of import, production, processing, and trading. For coal products, including those screened and classified before sale, the VAT reduction applies. However, coal products listed in Appendix I of the decree, at stages other than exploitation, are not sold and thus do not qualify for the VAT reduction.

The decree does not apply to goods and services that are either exempt from VAT or subject to a 5% VAT rate.

Labor

Decree No. 74/2024/ND-CP dated 30 June 2024 issued by the Government of Vietnam "Prescribing the Statutory Minimum Wages Paid to Employees Working under Employment Contracts"

The key points of the decree are as follows:

Increases in statutory minimum wages, as shown in the table below:

Region*	Statutory minimum wages per month (VND)		Statutory minimum wages per hour (VND)	
	2023	2024	2023	2024
Region I	4,680,000	4,960,000	22,500	23,800
Region II	4,160,000	4,410,000	20,000	21,200
Region III	3,640,000	3,860,000	17,500	18,600
Region IV	3,250,000	3,450,000	15,600	16,600

*A list of the areas under each of the regions is included in the appendix attached to the decree.

Application of the minimum wage by region:

- The applicable region is based on the location of the employer's operations.
- Units or branches should apply the minimum wage for the region where they operate.
- Industrial parks and export processing zones should apply the highest minimum wage of the areas involved.
- Areas for which there have been name changes or administrative division changes into another region should temporarily apply the previous minimum wage until new regulations are issued.
- Newly-established areas from multiple regions with different minimum wages should apply the highest minimum wage.
- Newly-established provincial cities from Region IV should apply the minimum wage of the remaining provincial cities.

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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.