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Legislative developments – July 2024



BANGLADESH



Legislation

"Payment and Settlement System Act, 2024" No. 9 dated 4 July 2024 passed by the National Parliament of Bangladesh

On 4 July 2024, the Bangladesh National Parliament passed the Payment and Settlement System Act, 2024. This legislation aims to mitigate risks in financial transactions and safeguard consumer interests by regulating, integrating, and overseeing payment, clearing, and settlement systems. The act will enter into effect when the government publishes it in the official gazette.

The act's statement of objectives and reasons highlights the absence of existing laws in Bangladesh specifically governing payment and settlement systems. Currently, all payment and settlement activities are conducted under the Bangladesh Payment and Settlement Systems Regulations, 2014 and the Regulations on Electronic Fund Transfers, 2014 issued by the Bangladesh Bank under Article 7A(e) of the Bangladesh Bank Order-1972. Due to the lack of a dedicated legal framework, banks operate under agreements with the Bangladesh Bank, complying with these regulations under the Contract Act-1872. Additionally, there is no existing law to regulate the payment activities of non-bank financial institutions. The new act aims to bring non-bank payment service providers under a legal framework alongside banks, thereby protecting consumer interests and enhancing the overall integrity of the financial system.

The act stipulates that no individual, institution, or company can issue, purchase, or sell "advance payment documents" without the approval of the Bangladesh Bank. Moreover, online and offline platforms are prohibited from accepting investments, offering loans, holding funds, or engaging in financial transactions with the public without authorization from the Bangladesh Bank. Violating these provisions could result in a penalty of up to five years' imprisonment, a fine of up to BDT5 million, or both.

The act also mandates that no banking institution may participate in, operate, or provide electronic payment services in any payment system without the Bangladesh Bank's approval. Similarly, no individual, institution, or company may operate a payment system or provide payment services without obtaining a license from the Bangladesh Bank. Violations of these provisions carry a maximum penalty of five years' imprisonment or a fine of up to BDT5 million, or both. Offenses under this law are designated as cognizable, non-bailable, and non-compoundable.

CAMBODIA



Property Registration

Sub-Decree No. 158 dated 15 July 2024 issued by the Royal Government of Cambodia on "Procedures for the Management and Implementation of the Fund to Promote the Initial Systematic Land Registration Campaign"

This Sub-Decree, which enters into effect from the date of signing, aims to promote the completion of the ongoing initial systematic land registration campaign, setting a goal of two to four years. As part of this, the collection and recording of the cadastral land registration fees will temporarily (from now until 31 December 2027) be assigned to and supervised by the Ministry of Land Management, Urban Planning, and Construction. The revenue collected will be allocated to cover the expenses and costs associated with the initial systematic land registration process and the costs for poor households.

After 31 December 2027, the capital and provincial administrations will take over supervision of the revenue collection for land registration under their jurisdiction.

Prakas No. 050 dated 19 July 2024 issued by the Ministry of Land Management, Urban Planning and Construction on "Procedures and Formalities for the Registration of Private Units in Co-Owned Buildings Built prior to 19 December 1997"

This Prakas applies only to co-owned buildings built before 19 December 1997 and establishes the rules and procedures for the registration of private units in those buildings.

Below are the key highlights of the Prakas:

1. Registration formalities

To apply for co-ownership registration, the applicant must submit the following documents:

- The completed registration application form, in Khmer and executed appropriately (see below)
- Two copies of the document confirming co-ownership
- Two copies of the document confirming legal possession of the immovable property

The supporting documents are not required to be certified by the local authorities.

The requirements for execution of the application form depend on the type of the applicant, as follows:

a) Individuals

The application form must be signed or include the right thumbprint of the applicant.

b) Sole proprietorships

The application form must have the entity's official stamp affixed, and be signed or include the right thumbprint of the legal representative, with their full name.

c) Partnerships and companies

The application form must have the entity's official stamp affixed, be signed or include the right thumbprint of the legal representative, with their full name, and there needs to be a power of attorney from the shareholders or board of directors as specified in the entity's articles of incorporation.

d) Other legal entities

The application form must have the entity's official stamp affixed, be signed or include the right thumbprint of the legal representative, with their full name, and there needs to be a power of attorney from the designated decision-maker of the entity.

Note: The application form and power of attorney templates are provided in Annexes 1 and 2 of the Prakas, respectively.

2. Registration procedures

The procedures for registration will be the same as those outlined in Sub-Decree No. 46 dated 31 May 2002 and subsequent regulations. If the building is part of the systematic land registration process and owners missed out on doing the registration, they may register their property through the complementary land registration outlined in Sub-Decree No. 48 dated 31 May 2002 and other subsequent regulations. Applicant must pay a registration fee as stipulated in other Prakas.

As part of the procedures, owners of private units must provide the original current title certificate or other legal documents confirming the legal possessory rights over the property to the cadastral administration in exchange for a strata title of the co-owned building.

Advertising

*Prakas No. 84 dated 23 July 2024 issued by the Ministry of Information on "**Formalities, Procedures, and Rules for Managing the Advertising of Alcoholic Products**"*

This Prakas aims to regulate all forms of advertising of alcoholic products with an alcoholic content that exceeds 3% in order to ensure social order, public welfare, and the protection of the national economy, culture and tradition, while promoting fair competition.

Before advertising alcoholic products, a permit must be obtained from the Alcohol Control Working Group ("**ACWG**"). The application can be applied for online or in person at the One Window Service Office ("**OWSO**") of the ACWG during working hours. The review and approval

process could take up to seven working days. Once a permit is granted, all advertisements for alcoholic products must adhere to the principles and guidelines outlined in Article 3 of the Prakas, which include avoiding the targeting of minors in any advertising content, refraining from using sexual images or themes that negatively affect the cultural value and dignity of Cambodian women, and ensuring advertisements are displayed at least 200 meters away from educational, religious, cultural, and health institutions, international airports, and other sensitive locations.

In addition, local authorities must cooperate to grant permission for the display of billboards or other promotional materials within their jurisdictions through the OWSO of capital and provincial administrative offices, following authorization from the ACWG.

LAOS



Banking and Finance

*Decision No. 679/BOL dated 1 July 2024 issued by the Bank of the Lao PDR on “**Standard Bank Identification Numbers for Card Issuers**”*

This decision defines the requirements for standard bank identification numbers for card issuers, customer numbers, and card type numbers, in accordance with international standard ISO/IEC 7812.

Card issuers who previously issued their payment cards to cardholders with the old primary account number are required to start the process of changing all payment cards in accordance with this decision before 1 January 2025.

This decision is effective from the date of signature and replaces Decision No. 491/BOL dated 9 September 2021.

*Decision No. 686/BOL dated 4 July 2024 issued by the Bank of the Lao PDR on the “**Determination of Exchange Rates**”*

The Bank of the Lao PDR (“**BOL**”) issued this decision to support currency stability.

Commercial bank exchange rates

The purchase and sale exchange rates for Lao Kip (“**LAK**”) to US dollars (“**US\$**”) must be set to fall within the range of $\pm 7.50\%$ of the reference exchange rate published daily by the Monetary Policy Department of the BOL, and the difference between the purchase and sale rates must not exceed 2%.

Likewise, the difference between the purchase and sale exchange rates for LAK to Thai baht, Chinese yuan renminbi, the euro, and pound sterling must not exceed 2%.

Additionally, the difference between the purchase and sale exchange rates for LAK to other foreign currencies must not exceed 5%.

Publishing of exchange rates and reporting to the BOL

The exchange rates of commercial banks must be published via their website or other platforms clearly and accurately.

The exchange rates and the total amount of foreign currency purchased and sold must be reported to the BOL by 16:00 on a daily basis.

This decision enters into force from the date of signing onwards and replaces Decision on the Determination of Exchange Rates No. 553/BOL dated 19 June 2023.

*Notice No. 645/PSD dated 5 July 2024 issued by the Deputy Director General of the Payment Systems Department on "**Adjustment of Bank Identification Numbers ("BINs")**"*

The purpose of this notice is to further clarify the provisions under the Decision on Standard Bank Identification Numbers for Card Issuers No. 679/BOL dated 1 July 2024 ("**Decision No. 679**") in order to ensure that the issuance of payment cards complies with the Payment System Law No. 45/NA dated 20 November 2023 (the "**Payment System Law 2023**").

Below are the key points of the notice:

- Card issuers who are not part of the international card network and wish to issue new payment cards with new primary account numbers to their cardholders need to comply with Decision No. 679. Additionally, card issuers who issued payment cards prior to the implementation of Decision No. 679 must begin the process of renumbering all of their cards before 1 January 2025.
- Card issuers who are not a part of the international card network must first submit a letter to the Payment Systems Department of BOL requesting permission to use the BIN.
- Card issuers must change from providing ATM-only cards to debit cards in accordance with the Payment System Law 2023.
- ATM-only codes that have already been issued are still valid for use.

This notice replaces Notice No. 763/PSD dated 16 September 2021 and Notice No. 814/PSD dated 5 October 2021.

Land

*Decision No. 1095/MONRE dated 18 June 2024 issued by the Minister of Natural Resources and Environment on "**Land Category Conversion**"*

The decision outlines the steps involved in applying for a land category conversion, as well as the documents required for each category.

According to this decision, there are three land conversion categories:

- Conversion of land for concession projects and activities
- Conversion of land from one land category to another
- Conversion of land in accordance with the local land allocation plan

The government agencies that have the authority to decide on the conversion of land categories are as follows:

- **The National Assembly.** It decides on the conversion of national protection forests, national conservation forests, provincial production and protection forests, and provincial conservation forests to other land categories based on a proposal from the Government.
- **The Government.** It decides on the conversion from one land category to another based on a proposal from the Ministry of Natural Resources and Environment in collaboration with the relevant ministries and local administrative authorities.
- **Provincial People's Assemblies.** These decide on the conversion from one land category to another based on a proposal from the provincial administrative authorities.

The official fees and service charges in relation to the conversion of land category shall be complied with the presidential ordinance on official fees and charges promulgated from time to time.

This decision is effective from 1 August 2024 and replaces Decision on Land Type Conversion No. 3806/MONRE dated 29 December 2023.

MYANMAR



Commerce

*Export and Import Bulletin No. 4/2024 dated 16 July 2024 issued by the Ministry of Commerce (the "MOC") on "**Amendment of the List of Tariff Lines Allowed to be Imported under the Automatic Licensing System**"*

Under Export and Import Bulletin 9/2023 dated 21 June 2024, the MOC published a list of 1,532 tariff lines allowed to be imported under the automatic licensing via the Myanmar Tradenet 2.0 System.

Under this Bulletin No. 4/2024, the MOC has significantly reduced the number of tariff lines allowed to be imported under the automatic licensing system—from 1,532 to 72. Therefore, with effect from 1 August 2024, importers must obtain import licenses to import the other 1,460 tariff lines.

VIETNAM



Land

“Land Law 2024” No. 31/2024/QH15 dated 18 January 2024 issued by National Assembly of Vietnam, becomes effective from 1 August 2024

The Land Law 2024 enters into effect on 1 August 2024, along with a series of new guiding decrees that were issued on 30 July 2024. Some of the notable changes are highlighted below:

- The new law clarifies that foreign-invested entities (“**FIEs**”) are companies in which foreign investors hold more than 50% of the equity (the previous version of the law did not specify a percentage). Therefore, companies in which foreign investors hold 50% or less of the equity are considered domestic companies.
- The regulation on land price frameworks has been abolished, and an annual Land Price Table will be introduced. Each provincial People's Committee must develop a Land Price Table based on market principles and the specific conditions of each province; the table will be detailed down to each individual plot of land. The provincial People's Committee will prepare and submit the initial Land Price Table to the provincial People's Council for approval, with the table to be announced and applied starting 1 January 2026 (until that time, the land price list under the provisions of the old law will apply).

After that, each provincial People's Committee will present its proposed adjustments, amendments, and additions to the Land Price Table to the provincial People's Council for approval, and then the updated table will be followed from 1 January of the subsequent year.

- The transfer of leasehold rights in a land lease agreement¹ is a new provision introduced by the Land Law 2024, offering more flexible investment and land use opportunities for economic entities (including FIEs). The transfer of leasehold rights includes the transfer of any assets attached to the land. The transferee of the leasehold rights inherits the rights and obligations of the transferor with respect to the State; therefore, this transfer of obligations requires the State's approval. The new law allows economic organizations, individuals, overseas Vietnamese, and FIEs to switch from paying land rent in a one-time

¹ Leasehold rights in a land lease agreement refer to the rights of the land user that are established when the State leases land with annual rent payments (Article 3.37 of the Land Law 2024).

lump sum to annual payments, and vice versa (the old law only allowed switching from annual payments to a one-time lump sum).

- **Where the land rent has already been paid in a lump sum:** When switching from a one-time payment to annual payments, no refund of the amount already paid will be given but the amount will be deducted from the annual land rent payments over time. The annual land rent may increase due to the appreciating value of the land over time or as influenced by new legal policies.
- **Where the lump-sum payment has not yet been made and payment of land rent is switched to annual payments:** This provision offers economic benefits, such as reducing the financial pressure and burden during the initial stages of project implementation. The land rent for the period during which the land has been used must be paid, along with any late payment fees.
- The new law stipulates that if land allocated for an investment project is not used for a continuous period of 12 months from the date of handover on-site, or if the land use progress is delayed by 24 months compared to the schedule stated in the investment project, the investor may be granted an extension of no more than 24 months and must pay an additional fee to the State. If, by the end of the extension period, the investor still has not utilized the land (except in cases of force majeure), the State will reclaim the land without compensation (this penalty did not exist in the old law).

Banking and Finance

"Law on Credit Institutions"** No. 32/2024/QH15 dated 18 January 2024 issued by National Assembly of Vietnam, **effective from 1 July 2024

Notable changes from this new law are provided below:

- The new law permits a controlled testing mechanism in the banking sector (known as a **"Regulatory Sandbox"**²), which sets the foundation for the legal framework governing digital banking services offered by commercial banks and activities such as payment processing, data sharing via Open API (Application Programming Interface), peer-to-peer lending, credit scoring, and more by financial technology companies. Currently, the State Bank of Vietnam ("**SBV**") is drafting decrees regulating the Regulatory Sandbox.
- The new law enhances transparency in the corporate governance of credit institutions, addressing issues such as cross-ownership and manipulation within these organizations through several significant changes:

² An environment that allows experiments on technologies, products, services, and business models on a limited scale, space, and duration; institutions participating in the regulatory sandbox must satisfy the conditions and criteria for participation and be subject to supervision by the competent State agencies. (Article 106.1 of the Law on Credit Institutions 2024).

- The concept of “related persons” has been expanded to include grandparents, uncles, aunts, and cousins of an individual.
- Credit institutions and their subsidiaries are prohibited from contributing capital to or purchasing shares in other businesses or credit institutions that are related persons of major shareholders. The SBV is drafting circulars regulating the development and implementation of compliance schedules for this provision.
- Any shareholder owning 1% or more of a credit institution’s charter capital must provide to the credit institution personal identification information, detailed information about related persons, and the number and percentage of shares owned by themselves and related persons. The credit institution must submit this information in writing to the SBV and publicly disclose it.
- An institutional shareholder is not allowed to hold more than 10% (the old regulation was 15%) of the charter capital of a credit institution. The total ownership of a shareholder and their related persons must not exceed 15% (the old regulation was 20%) of the charter capital of a credit institution.
- The new law provides clearer criteria for detecting and managing problematic credit institutions and grants the SBV greater authority to oversee and intervene in the operations of these institutions, including by the use of special loans (which were previously only available to credit institutions under special supervision).
- The proceeds from the liquidation of collateral for non-performing loans are distributed in the following priority order:
 - (i) Collateral preservation expenses
 - (ii) Expenses incurred for the seizure and liquidation of collateral
 - (iii) Court fees and expenses for the enforcement of court judgments and decisions related to the liquidation of collateral (these were not clearly prioritized before; this encourages courts to resolve disputes and handle debts more effectively)
 - (iv) Taxes and fees directly incurred from the transfer of collateral, including personal income tax and registration fees
 - (v) Debts secured by the credit institution, foreign bank branch, or bad debt purchaser/manager
 - (vi) Other unsecured liabilities, as specified in the laws and regulations

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