

RAJAH & TANN ASIA

LAWYERS  
WHO  
KNOW  
ASIA

REGIONAL  
ROUND-UP  
2020:  
VIETNAM



MYANMAR  
Rajah & Tann  
Myanmar Company

THAILAND  
R&T Asia (Thailand)

MALAYSIA  
Christopher & Lee Ong

SINGAPORE  
Rajah & Tann Singapore

INDONESIA  
Assegaf Hamzah  
& Partners

CHINA  
Rajah & Tann Singapore LLP  
Shanghai Representative Office

LAO PDR  
Rajah & Tann (Laos)

PHILIPPINES  
C&G Law

VIETNAM  
Rajah & Tann LCT Lawyers

CAMBODIA  
R&T Sok & Heng Law Office

RAJAH & TANN ASIA

CAMBODIA | CHINA | INDONESIA | LAOS | MALAYSIA | MYANMAR | PHILIPPINES | SINGAPORE | THAILAND | VIETNAM

[www.rajahtannasia.com](http://www.rajahtannasia.com)

---

# CONTENTS

|                       |    |
|-----------------------|----|
| Introduction          | 3  |
| Looking Back: 2020    | 4  |
| Gazing Into: 2021     | 6  |
| Key Contacts          | 8  |
| Our Regional Contacts | 9  |
| Disclaimer            | 10 |

# Introduction



Throughout the year, we have been keeping you up to date on noteworthy developments across the region with our Regional Round-up Publications. As we enter 2021, we are pleased to share with you our inaugural year-in-review edition of the Regional Round-up for our Regional Offices in the Rajah & Tann Asia network.

In each jurisdiction, we recount the milestones in the path that has been travelled in 2020, as well as consider the terrain of the road that lies ahead in 2021. In the "Looking Back: 2020" section, we take stock of the past year and highlight the key legal and regulatory developments affecting each jurisdiction in 2020. In the "Gazing Into: 2021" section, we look ahead to some key areas of development that you should take note of in the year to come, referencing the legal and business trends shaping up potential legislative and regulatory changes in each jurisdiction.

We hope that this year-in-review edition of the Regional Round-up provide some perspective and insight into the legal landscape of the jurisdictions across the region. As always, please feel free to contact our lawyers in our Regional Offices if you have any queries or for further discussions.

Please click on the links below to access the full collection of our country-specific Regional Round-up 2020:

- [Cambodia](#)
- [China](#)
- [Indonesia](#)
- [Laos](#)
- [Malaysia](#)
- [Myanmar](#)
- [Philippines](#)
- [Singapore](#)
- [Thailand](#)
- [Vietnam](#)

## Looking Back: 2020

2020 was a year of hardship for many in Vietnam, as the country was faced with a series of disasters, such as the **COVID-19 pandemic**, the floods in central Vietnam, and the Mekong Delta droughts. However, it was also a year that defined the resilience and fighting spirit of the Vietnamese people, the result of which has seen Vietnam being regarded worldwide as a COVID-19 success story.

Social distancing measures and extensive travel restrictions were rapidly imposed, and the Government also rolled out a multitude of **initiatives towards supporting affected individuals and businesses**.



Other key areas with important developments include:

- enactment of investment laws such as the **Law on Investment 2020** and the **Law on Enterprises 2020**;
- incentives and regulatory changes to facilitate **foreign direct investment ("FDI")**;
- focus on **clean energy**; and
- **EU-Vietnam Free Trade Agreement ("FTA")**.

Summaries of the key developments related to the above areas are provided below.

### COVID-19 - Government Initiatives for Individuals and Businesses

In response to the COVID-19 pandemic, the Government has rolled out a program for tax relief, which enables deferment of tax payments and reduction of corporate income tax for small and medium enterprises (SMEs). Click [here](#) and [here](#) for more information.

### Investment Laws - Law on Investment 2020 and Law on Enterprises 2020

On 17 June 2020, the Law on Investment 2020 and the Law on Enterprises 2020 were enacted, which would ease certain investment processes and introduce some corporate governance changes. Click [here](#) and [here](#) for more information.

### Facilitation of Foreign Direct Investment

Innovation has become a dominant theme in Vietnam's new investment laws and other legal instruments, with the Government offering incentives and streamlined regulatory procedures (e.g. abolishment of the Investment Registration Certificate process) to encourage FDI in certain sectors. Click [here](#) for more information.

## Clean Energy

Clean energy remained a priority item on the Government's 2020 agenda. Eligibility for investment incentives were introduced for investors in this industry in the new Law on Investment 2020, while a new Prime Ministry directive had facilitated solar power development – particularly rooftop projects. Click [here](#) for more information.

## EU-Vietnam Free Trade Agreement

The EU-Vietnam FTA that took effect on 1 August 2020 facilitated investments in the clean energy sector. In addition to providing a nearly 99% of the elimination of customs duties between EU and Vietnam, the EU-Vietnam FTA relaxes certain business restrictions for European investors, including in respect of encouraging clean energy businesses in the country. Click [here](#) for more information.

## Gazing Into: 2021

2021 will see many of the laws enacted in 2020 come into effect, such as the **Law on Investment 2020** and the **Law on Enterprises 2020**. This year will also see the **Labour Code 2019** come into effect.

However, over the course of 2020, the Government has been developing legislation that would further regulate **cybersecurity and content control** in the network environment. With draft decrees that have been publicly released, it is likely that these will be passed as laws in 2021, although the extent of controls that will ultimately be laid down remain to be seen.



Summaries of these developments leading to the trends highlighted above are provided below.

### Law on Investment 2020

It is expected that many of the licensing processes would be streamlined, in line with the Law on Investment 2020, which will effectively reduce the extent of red-tape associated with foreign investment in Vietnam. For example, the Investment Registration Certificate would not be required for investment in certain sectors, thereby streamlining greenfield investments. In addition, the "Acquisition Approval" would not be required for transactions that will not increase the extent of foreign ownership in the target company, thereby streamlining greenfield investments. The subsidiary legislation to lay down the extent of streamlining is expected to be enacted in early 2021.

### Labour Code 2019

The Labour Code 2019 has come into effect on 1 January 2021 (to replace the former Labour Code 2012). The new law would introduce material changes to the employment relationship. For example, it redefines how an employment relationship can be constituted (i.e. even contracts with contents that are similar to a labour contract may constitute an employment relationship). It also introduces extended probationary periods, new termination rights for employees, and new employment dispute resolution processes.

### Cybersecurity and Content-Control Regulations

In 2018, the controversial Law on Cybersecurity was enacted, which introduced data localisation and mandatory commercial presence to be established by players in the network environment. Between then and now, the Government has been developing a guiding decree to this law to specify the instances in which such localisation would be mandated. It is likely that such decree would become available within 2021.

Other laws in the pipeline include the amendment to Decree 72/2013/ND-CP on the management, provision and use of internet services and online information. The existing draft, which was publicly released in early 2020, imposes, among others, strict content take-down requirements that certain internet companies would need to comply with. 2021 would likely see further development of this decree (and potentially, its enactment).

## KEY CONTACTS



**Dr Chau Huy Quang**  
Managing Partner

T +84 28 3821 2382

[quang.chau@rajahtannlct.com](mailto:quang.chau@rajahtannlct.com)



**Vu Thi Que**  
Partner/Chairwoman

T +84 28 3821 2382

[que.vu@rajahtannlct.com](mailto:que.vu@rajahtannlct.com)



**Lim Wee Hann**  
Executive Committee Member

T +84 28 3821 2673

[wee.hann.lim@rajahtann.com](mailto:wee.hann.lim@rajahtann.com)



**Logan Leung**  
Partner

T +84 28 3821 2382

[logan.leung@rajahtannlct.com](mailto:logan.leung@rajahtannlct.com)



## OUR REGIONAL CONTACTS

### RAJAH & TANN | *Singapore*

#### Rajah & Tann Singapore LLP

T +65 6535 3600  
F +65 6225 9630  
sg.rajahtannasia.com

### R&T SOK & HENG | *Cambodia*

#### R&T Sok & Heng Law Office

T +855 23 963 112 / 113  
F +855 23 963 116  
kh.rajahtannasia.com

### RAJAH & TANN 立杰上海

#### SHANGHAI REPRESENTATIVE OFFICE | *China*

#### Rajah & Tann Singapore LLP Shanghai Representative Office

T +86 21 6120 8818  
F +86 21 6120 8820  
cn.rajahtannasia.com

### ASSEGAF HAMZAH & PARTNERS | *Indonesia*

#### Assegaf Hamzah & Partners

##### Jakarta Office

T +62 21 2555 7800  
F +62 21 2555 7899

##### Surabaya Office

T +62 31 5116 4550  
F +62 31 5116 4560  
www.ahp.id

### RAJAH & TANN | *Lao PDR*

#### Rajah & Tann (Laos) Co., Ltd.

T +856 21 454 239  
F +856 21 285 261  
la.rajahtannasia.com

### CHRISTOPHER & LEE ONG | *Malaysia*

#### Christopher & Lee Ong

T +60 3 2273 1919  
F +60 3 2273 8310  
www.christopherleeong.com

### RAJAH & TANN | *Myanmar*

#### Rajah & Tann Myanmar Company Limited

T +951 9345 343 / +951 9345 346  
F +951 9345 348  
mm.rajahtannasia.com

### GATMAYTAN YAP PATACSIL

#### GUTIERREZ & PROTACIO (C&G LAW) | *Philippines*

#### Gatmaytan Yap Patacsil Gutierrez & Protacio (C&G Law)

T +632 8894 0377 to 79/ +632 8894 4931 to 32  
/ +632 8552-1977 to 78  
F +632 552 1978  
www.cagatlaw.com

### RAJAH & TANN | *Thailand*

#### R&T Asia (Thailand) Limited

T +66 2 656 1991  
F +66 2 656 0833  
th.rajahtannasia.com

### RAJAH & TANN LCT LAWYERS | *Vietnam*

#### Rajah & Tann LCT Lawyers

##### Ho Chi Minh City Office

T +84 28 3821 2382  
F +84 28 3520 8206

##### Hanoi Office

T +84 24 3267 6127  
F +84 24 3267 6128  
www.rajahtannlct.com

Rajah & Tann Asia is a network of legal practices based in Asia.

Member firms are independently constituted and regulated in accordance with relevant local legal requirements. Services provided by a member firm are governed by the terms of engagement between the member firm and the client.

This publication is solely intended to provide general information and does not provide any advice or create any relationship, whether legally binding or otherwise. Rajah & Tann Asia and its member firms do not accept, and fully disclaim, responsibility for any loss or damage which may result from accessing or relying on this publication.

# DISCLAIMER

The contents of this publication are owned by Rajah & Tann Asia and subject to copyright protection under the laws of Singapore and, through international treaties, other countries. No part of this publication may be reproduced, licensed, sold, published, transmitted, modified, adapted, publicly displayed, broadcast (including storage in any medium by electronic means whether or not transiently for any purpose save as permitted herein) without the prior written permission of Rajah & Tann Singapore LLP.

Please note also that whilst the information in this publication is correct to the best of our knowledge and belief at the time of writing, it is only intended to provide a general guide to the subject matter and should not be treated as a substitute for specific professional advice for any particular course of action as such information may not suit your specific business and operational requirements. It is to your advantage to seek legal advice for your specific situation.