



# LEGAL UPDATE

August 2023

*Our monthly Legal Update is to provide the summary of key regulatory news that potentially impact your investment and business activities in Vietnam.*

*This Legal Update covers the following:*

- *Ministry of Industry and Trade Proposes the Draft of Regulations of DPPA.*
- *Reporting of Electronic Money Transfer Transactions.*

## 1. Ministry of Industry and Trade Proposes the Draft of Regulations of DPPA

In the report No. 105/BC-BCT dated 25 July 2023 to the Prime Minister, the Ministry of Industry and Trade (MOIT) set out two models of direct power purchase between renewable power generation units and manufacturing units.

**Firstly**, buying and selling electricity through specified transmission lines developed by private investors. In this case, there is no limitation on capacity, output, connection voltage level or electricity use purposes binding the generators and consumers. However, the generators must be responsible for developing projects suitable to the electricity development plan and observe regulations on power operation licensing. Both generators and consumers have to comply with the regulations on electricity sales and electricity prices as prescribed.

The retail electricity prices applied to major consumers of electricity are cited in Decision No. 1062/QD-BCT dated 04 May 2023 (VND1,920.3732 per kwh) and circulars released by MOIT.

**Secondly**, buying and selling electricity between generators and consumers is made through the power retailers (Electricity of Vietnam - EVN - is the only retailer at this time).

To apply this model, the power generating units with wind or solar power plants have to connect to the national power system and have a capacity of 10MW or higher. Meanwhile, large electricity consumers (institutions, individuals who buy electricity to serve production purposes) must have a voltage level of 22KV or higher.

The retailer will apply Decision No. 24/2017/QD-TTg dated 30 June 2017 and Decision No. 28/2014/QD-TTg dated 07 April 2014 until the Law on Price and the legal documents guiding the implementation of the law takes effect.

## 2. Reporting of Electronic Money Transfer Transactions

On 28 July 2023, the State Bank Governor issued Circular No. 09/2023/TT-NHNN guiding the implementation of a number of articles of the Law on Anti-Money Laundering.

Circular No. 09/2023/TT-NHNN gives the definition of financial institutions engaging in electronic money transfer transactions. Accordingly, they are:

- (i) Transmitting organizations mean financial institution that create electronic money transfer order and transfer on behalf of the requestors;

- (ii) Intermediary organizations mean financial institutions that receive and relay electronic money transfer order on behalf of transmitting organizations and destination organizations or on behalf of other intermediary organizations;
- (iii) Destination organizations mean financial institutions that receive electronic money transfer from transmitting organizations or via intermediary organizations and transfer to beneficiaries.

This Circular also stipulates cases that must be reported to agencies performing the functions and tasks of preventing and combating money laundering when conducting electronic money transfer transactions, including:

- (i) An electronic money transfer transaction that all financial institutions participating in the electronic money transfer transaction are in Vietnam (Domestic Electronic Money Transfer) has the value of at least VND 500 million or equivalent value in foreign currency;
- (ii) An electronic money transfer transaction in which at least one of the financial institutions participates is in countries and territories outside Vietnam (International Electronic Money Transfer) has the value of at least USD1,000 or equivalent value in foreign currency.

The reporting requirements are prescribed in Article 9 and Article 10 of Circular No. 09/2023/TT-NHNN.

This Circular takes effect as of the issuance date.

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