



# NEWSLETTER

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## **WHAT YOU WILL SEE AT THIS LETTER**

1. Major changes in foreign investment in Restaurant and Café
  - ✓ *Legal basis*
  - ✓ *Detail*
2. New law on real estate
  - ✓ *New points*
  - ✓ *Full Law*
3. New Law on residential housing
  - ✓ *New points*
  - ✓ *Full Law*

Dear Partners and Colleagues,

This is the newsletter from Viettonkin Consulting, a consulting firm based in Hanoi, Vietnam.

The newsletter contains the most updated legal information that affect doing business in Vietnam.

**Headlines:**

- 1. From 11<sup>th</sup> January 2015, foreign investors are legally allowed to establish a 100% foreign owned restaurant or café in Vietnam.*
- 2. The New Law on real estate and the law on Residential Housing, which will take effect from 1<sup>st</sup> July, with a lot of amendments tend to open more opportunities for foreign investors to own houses and do real estate business.*

**Details:**

**Foreign investors are legally allowed to establish a 100% foreign owned restaurant or café in Vietnam**

Before the year of 2015, in order to protect local enterprises, under WTO Commitment, Vietnam has not yet opened for restaurant and café industry for foreign investment. As the result, it was almost impossible to obtain 100% foreign owned company certificate for restaurant and café without buying back or building a new hotel. However, the restriction is valid only 8 years from 11st January 2007.

As a result, from 11st January 2015, the foreigner is legally entitled to establish 100% foreign owned restaurant and café in Vietnam.

**Legal Basis:** Part II - Schedule of Specific Commitments in Services, WORKING PARTY ON THE ACCESSION OF VIET NAM

**Checking code:** CPC 64110, CPC 642, and CPC 643

**More detail please see:** <http://www.viet-jo.com/news/economy/150414025459.html>

## New points in New Law on Residential House and New Law on Real Estate

### **New Law on Real Estate:**

- ✓ **Legal capital requirement:** New law said that the legal capital for real estate business including brokerage and consulting services related to real estate is minimum VND 20 billion. The previous amount was VND6 billion.
- ✓ **Liabilities of projects' investors:** New Law is aimed at reducing the strict obligations of investors as regulated at the former Law.
- ✓ **The Government shall provide** the form for real estate business contracts that are applied for sub-lease of land use right and Contract on transfer partly transfer or fully transfer of real estate projects.
- ✓ **Transfer real estate project:** The New Law on Real Estate Business 2014 provides for both partly and fully transfer of real estate project rights for investors.
- ✓ **The new law allows** the sale, lease and purchase of houses and buildings to be built in the future that was not allowed at the former Law. There are some requirements and regulations related to this regard.
- ✓ **Supplements of prohibited acts:**
  - Constructing residential houses on the land which is not residential land; applying the method of calculation of area not in compliance with the one that has been that what is specified in the house sale and purchase contract, house hire and purchase contract;

- Using the mobilized capital or the advance residential house purchase payment money for the wrong purposes; and
- Authorizing other organizations or individuals by the investor of the residential housing construction project to execute the contracts for lease out, hire-purchase, sale, and purchase of residential houses or deposit contracts for residential house-related transactions or land use right trading

**DOWNLOAD:**<http://viettonkin.com.vn/upload/files/laws-and-regulations/New%20Law%20on%20Real%20Estate.pdf>

### **Law on Residential Houses**

- ✓ The New Law creates new groups of buyers for residential houses by revising the right to own houses by overseas Vietnamese, foreign organizations and individuals.
- ✓ Foreign individuals and overseas Vietnamese are permitted to exercise the rights and obligations with respect to ownership of houses in the same way as local Vietnamese
- ✓ Echoing the Land Law, the New Law confirms that organizations can mortgage their houses only at credit institutions operating in Vietnam but expands the right of individuals to mortgage their houses.
- ✓ The New Law allows the transfer of ownership of a house for a definite term. At the end of such term, the ownership of the house will revert back to the original owner.

**More detail please see:**

<http://viettonkin.com.vn/news/new-law-on-housing-in-vietnam-184/>

**DOWNLOAD:**<http://viettonkin.com.vn/upload/files/laws-and-regulations/New%20Law%20on%20housing%282%29.pdf>