

NEW LAW PROPOSALS and PROJECTS

CONTACT US

For further information or assistance, please contact the following VTN professionals:



NGUYEN HUNG HA
Managing Partner

+84 365 888 396
ha.nh@vtn-partners.com



NGUYEN THANH NGHIEP
Partner

+84 982 450 996
nghiep.nguyen@vtn-partners.com

On January 24th and 25th, 2024, Prime Minister Pham Minh Chinh presided over a meeting at the Government's headquarters concerning various projects and proposals for amended laws. Among those are the law on enforcement of civil judgments and the law on corporate income tax.

A. Formulation proposal for Law on Enforcement of Civil Judgments (amended)

The Government unanimously recognized the necessity of formulating and disseminating this proposed Law in order to reinforce the institutionalization of the Party and State's ideologies and policies regarding the reformation of the organization and operations of civil judgment enforcement. The objective is to address existing institutional shortcomings and deficiencies, ensuring the efficient execution of judgments and decisions by courts and competent authorities. This initiative aims to safeguard national interests, protect the rights and interests of individuals and organizations, uphold social order and safety and ensure the utmost adherence to the law. Furthermore, it seeks to enhance the business and investment environment, bolster national competitiveness, and foster socio-economic development.

a. Requirements

The Government has delegated the Ministry of Justice with the responsibility of leading and coordinating efforts with the Ministry of National Defense, the Ministry of Public Security, the Ministry of Home Affairs, the Supreme People's Procuracy, the Supreme People's Court, the Government Office, and relevant agencies and organizations to conduct research and compile the proposal for the formulation of the Law as follows:

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- Thoroughly institutionalize the ideologies and policies of the Party and the directions of the Government concerning judicial reform, organizational and operational innovation of civil judgment enforcement agencies; be consistent with the Constitution and ensure the adherence to constitutional principles relating to the recognition and enforcement of all court judgments and decisions;
- Review and incorporate the policies and regulations from the existing Law that have been effectively and consistently applied in practice; address the inadequacies and challenges encountered during the implementation of the 2014 Law on Civil Judgment Enforcement; clarify the political, legal, practical, and a scientific basis of both inherited policies and the supplemented policies within the proposed Law;
- Ensure the coherence of the legal system, particularly laws closely related to civil judgment enforcement, such as the Civil Code, Penal Code, Law on Enforcement of Civil Judgements, Law on Court-Annexed Mediation and Dialogue, Law on Commercial Arbitration, etc.
- Enhance the process of decentralization and devolution of power, along with allocating human resources, improving the implementation capacity of lower levels of government; introduce robust mechanisms for inspection, supervision, and control of power, particularly at the levels of direct implementation; promote reforms of administrative procedures, aim to reduce the time required for judgment enforcement; apply cost reduction measures, create favorable conditions for individuals and organizations involved in civil judgment enforcement activities.
- Draw upon and adapt appropriate international experiences considering Vietnam's socio-economic conditions in order to optimize the model of judgement enforcement agencies, orders and procedures for the enforcement as well as the rights and obligations

of the agencies, creditors, debtors, and other relevant individuals and organizations.

- Conduct thorough consultations with experts, scientists, judges, inspectors, lawyers, arbitrators, and others involved in civil judgment enforcement; promote policy communication to foster consensus-building; ensure effective coordination with relevant ministries, departments, and agencies to finalize the proposal.

b. Policies

- Policy 1: The scope of judgments and decisions implemented by civil enforcement agencies and fundamental principles in civil judgement enforcement.

The Government has reached a consensus on the need to broaden the range of judgments and decisions that are to be enforced by judgment enforcement agencies. This includes official decisions on recognition of the settlement agreement in accordance with the provisions stated in the Law on Court-Annexed Mediation and Dialogue; fines and other judicial measures imposed on commercial juridical entities shall be implemented in accordance with the regulations outlined in the Penal Code and the Law on Enforcement of Criminal Judgments. This adjustment aims to ensure the coherence and unity of the legal system.

- Policy 2: Regulations concerning the rights and obligations of involved parties and participants in civil judgment enforcement.

The Government has agreed on the objectives and essential elements of this policy. With regard to the proposal of transferring the burden of proving the conditions for judgment execution from the enforcement officers (as per current regulations) to judgment creditors: the Ministry of Justice shall conduct a thorough evaluation of its impact and ensure the feasibility of its implementation in order to expedite the process of

judgment execution, safeguard the legitimate rights and interests of individuals and organizations; research to establish the order and procedures for enforcement officers to verify judgment execution conditions if the judgment creditor is unable to fulfill such obligation.

- Policy 3: The organization and operation of the civil judgment enforcement system; the tasks and powers of civil judgment enforcement agencies, the People's Procuracies, the People's Courts, and competent individuals in civil judgment enforcement; the roles and responsibilities of other agencies, organizations, and individuals involved in civil judgment enforcement.

The Government has endorsed the objectives and fundamental aspects of Policy 3, as put forth by the Ministry of Justice. Regarding the matter of the position, role, tasks, and power of the People's Procuracies and the Courts in civil judgment enforcement, it is essential to ensure consistency with the policies and regulations outlined in the Law on Organization of People's Procuracies and the Law on Organization of People's Courts. The Ministry of Justice shall engage in discussions and reach an agreement with the Supreme People's Procuracy and the Supreme People's Court on the relevant aspects.

The Government generally supports the principle regarding the arrangement and organization of district-level civil judgment enforcement agency units, taking into consideration of their limited tasks and financial resources for executing judgments each year.

However, the Ministry of Justice needs to conduct a thorough impact assessment of criteria for a proper arrangement and refinement; ensure alignment with the Party's policies, as well as the practical situation; facilitate the judgment execution process; adhere to the instructions provided by the National Assembly and the Government, which discourage the regulation of organizational matters in draft laws

other than the Law on Organizing the Government to enable the development of appropriate policy solutions.

- Policy 4: Regulations on the order and procedures, time reduction, cost minimization, and efficiency improvement of civil judgment enforcement.

The Government has endorsed the objectives and fundamental content of Policy 4, as put forth by the Ministry of Justice. However, regarding the specific regulation concerning the characteristic of complaints and denunciations in civil judgment enforcement: the Ministry of Justice shall conduct a thorough impact assessment based on scientific and practical basis, in collaboration with the Government Inspectorate and Government Office; prioritize uniformity and consistency with the Law on Complaints and Law on Denunciations; ensure the right to lodge complaints, file denunciations, and initiate administrative lawsuits in cases where judgment enforcement agencies fail to address the matter or fail to resolve it in accordance with the laws.

- Policy 5: Conditions to ensure and meet the requirements of management and civil judgment enforcement activities.

The Ministry of Justice shall conduct a comprehensive evaluation and analysis to identify existing shortcomings pertaining to the position, role, tasks, and powers of enforcers; undertake research and propose policy solutions to enhance the quality of enforcers. In terms of regimes, benefit standards, and salary policies: the development of policies for enforcers shall align with current legal regulations. Regarding suggestions concerning combat gears: the Ministry of Justice shall receive input from the Minister of Public Security and consistently implement them in accordance with the provisions of the

Law on Management and Use of Weapons, Explosives, and Combat Gears.

The Government has tasked the Ministry of Justice with leading and coordinating efforts with the Ministry of National Defense, the Ministry of Public Security, the Ministry of Home Affairs, the Government Office, and relevant agencies to research and incorporate feedback from the Government's Executive Committee, government officials, and the General Report of the Government Office; edit and finalize the proposal in accordance with the provisions of the Law on Promulgation of Legislative Documents and the directions of the Government's Executive Committee, submit to the Government during the January 2024 legislative session. Deputy Prime Minister Tran Luu Quang is overseeing the finalization of this proposal.

B. Formulation proposal for Law on Corporate Income Tax (amended)

The Government expressed strong appreciation towards the Ministry of Finance's leadership and coordination with relevant ministries and agencies in establishing a proposal in accordance with the provisions of the Law on Promulgation of Legislative Documents. The Government agrees with the objective of developing a Law that institutionalizes the Party's ideologies and instructions, state objectives on reforming the tax policy system, with a specific focus on corporate income tax policy¹; meet the practical

¹ Resolution No. 07-NQ/TW dated November 18, 2016, issued by the Politburo on policies and solutions to restructure the state budget, public debt management to ensure safe and sustainable national finances; Documents of the 13th National Congress of the Party; Resolution No. 23/2021/QH15 dated July 28, 2021 of the National Assembly on the 5-year national financial plan for borrowing and repaying public debt for the period 2021-2025; Decision No. 508/QD-TTg dated April 23, 2022 of the Prime Minister approving the Tax system reform strategy until 2030.

requirements and new development demands of the economy, contributing to the safe and sustainable restructuring of the state budget; create a favorable and equitable investment and business environment; ensure the coherence of the legal system, the needs of international economic integration and strengthen international cooperation on tax matters.

a. Policies

- Policy 1: Enhancing regulations concerning taxpayers and income subject to corporate income tax;
- Policy 2: Enhancing regulations on income exemptions from corporate income tax.
- Policy 3: Enhancing regulations concerning the determination of corporate taxable income and methods for calculating taxes;
- Policy 4: Enhancing regulations on the determination of deductible and non-deductible expenses when calculating income subject to corporate income tax.

- Policy 5: Adjusting corporate income tax rates for specific groups to align with emerging requirements in novel contexts.
- Policy 6: Enhancing regulations on corporate income tax incentives.
- Policy 7: Supplementing regulations related to corporate income tax policies to implement Pillar 2 Global Minimum Tax.

b. Requirements

The Ministry of Finance is actively conducting research and incorporating feedback from the Government and other ministries to further enhance such policies under the following directions:

- Conduct a thorough review of relevant legal regulations, identify inadequacies and limitations; collect input from experts and scientists to propose appropriate regulations; and strengthen decentralization and devolution of tasks implementation.
- Place greater emphasis on specifying and carefully evaluating the impact of policies on enhancing the persuasiveness of the proposal, especially on taxable income of taxpayers, Vietnam's taxing rights in the context of international economic integration; expansion on the scope of income exemption from corporate income tax, establishing clear criteria for incentives to ensure transparency, prevent fraud, and minimize tax losses, as well as ensure accurate and complete collection of revenue into the state budget; corporate income tax incentives will be applied consistently with the purpose to promote innovation and creativity; maintain consistency within the legal system and align with international practices.
- Conduct a comprehensive review of the objectives, content, and implementation solutions of the policies, ensure their consistency and compliance with regulations in specialized laws such as the Law on Cooperatives, Law on Environmental Protection, Law on State Budget, Petroleum Law, Law on Support for Small and Medium Enterprises, and other relevant laws; conduct research on electronic tax collection and establish a roadmap for electronic tax payment to enhance the efficiency of corporate income tax management and provide businesses with favorable tax payment conditions.
- Revise the names of certain policies in order to reflect their comprehensiveness and clearly define their content; review the implementation solutions to ensure alignment with Resolution No. 107/2023/QH15, dated November 29, 2023, issued by the National Assembly on the application of additional corporate income tax in accordance with regulations on global anti-base erosion, which is

complied with Pillar 2 Global Minimum Tax and other relevant international treaties to which Vietnam is a signatory.

- The Ministry of Finance shall lead and coordinate efforts with the Ministry of Justice, the Government Office, and other relevant agencies to conduct research, gather input from the Government and other ministries, and finalize the documentation required for the proposal, submit it to the Government during the legislative session in January 2024.