

# LEGAL DIGEST

BANGLADESH

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Legislative developments – March 2024



# BANGLADESH



## Energy

*S.R.O. No. 336-Law/2023 dated 3 March 2024 issued by the Bangladesh Energy Regulatory Commission on "Bangladesh Energy Regulatory Commission (Electricity Grid Code) Regulations, 2023"*

The Bangladesh Energy Regulatory Commission recently released electricity grid code regulations to address the management of various aspects of Bangladesh's electricity transmission system.

### Structure

The Grid Code is divided into the following sections:

**i. Grid code management:** This section outlines the responsibilities of the transmission licensee, the establishment and functioning of the grid code review panel, and the processes for reviewing and revising the grid code.

**ii. Planning:** This section details the technical and design criteria and procedures that the transmission licensee must adhere to in planning, designing, and developing the transmission system. It also applies to other users connected to or seeking a connection to the transmission system.

**iii. Connection:** This section specifies the technical design criteria and standards that must be followed by the licensee and other users connected to or seeking a connection to the transmission system.

**iv. Outages:** This section outlines the procedures for coordinating outages, particularly for scheduled maintenance of the transmission system, generating unit, and distribution system utilizing the transmission system.

**v. Scheduling and dispatch:** This section outlines the procedures that the system operator, the licensee, and users must follow concerning the scheduling and dispatch of generating units to meet electrical demand.

**vi. Operations:** This section specifies the conditions under which the licensee and system operator will operate the transmission system. Additionally, it details how other users of the transmission system should operate their plant and/or systems for electricity generation and distribution. This is necessary to safeguard the security and quality of the supply, ensuring the safe operation of the licensee's transmission system under both normal and abnormal operating conditions. Information under this section generally encompasses:

- Frequency and voltage management
- Contingency planning

- Cross-boundary safety
- Operational event and accident reporting tests
- Numbering and nomenclature
- Data registration

**vii. Protection:** This section outlines the coordination responsibilities and establishes the minimum standards of protection that users of the transmission system must install.

**viii. Metering:** This section specifies the minimum operational and commercial metering requirements to be provided by the single buyer, the licensee, and the users. It also includes communication requirements and data acquisition.

**ix. Performance standards:** This section specifies the technical standards, uniform accounting system, and financial standards and reporting indices that the licensee must implement in relation to performance standards.

## Banking and Finance

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*Law No. 2/2024 dated 14 March 2024 issued by the Bangladesh National Parliament on "The Offshore Banking Act 2024"*

The Bangladesh Parliament recently enacted the Offshore Banking Act 2024, aimed at bolstering the nation's foreign currency reserves and attracting foreign investment. Under this legislation, non-resident individuals or foreign entities can now open offshore bank accounts upon obtaining a license from the Bangladesh Bank. Those already licensed need not apply for a new one. However, only scheduled banks operating within Bangladesh are permitted to engage in offshore banking activities.

The act permits offshore banking transactions to be conducted in five major currencies: US dollars, pound sterling, euros, Japanese yen, and Chinese yuan. Notably, no income tax or other charges will be levied on the interest or profits earned by offshore banking units ("OBUs"), and no fees will be imposed on depositor or foreign lender accounts.

OBUs are authorized to accept deposits from 100% foreign-owned companies situated in export processing zones, economic zones, and hi-tech parks. Additionally, they are empowered to offer various services, such as short-term loans, letters of credit, guarantees, bill discounting, bill negotiating, and other foreign trade-related outsourcing services.

For resident Bangladeshis, OBUs can extend deferred export bill discounting facilities for imports, as well as services for direct and indirect exports. With approval from the Bangladesh Bank, OBUs may also provide medium and long-term loans to local industrial enterprises.

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*FEPD Circular Letter No. 08 dated 10 March 2024 issued by the Foreign Exchange Policy Department of the Bangladesh Bank on the "Settlement of Import and Export Transactions through Counter-Trade Arrangements"*

According to the circular, traders are now empowered to engage in import and export transactions through innovative counter-trade arrangements, eliminating the need for foreign currency

payments. Counter-trade, a distinct approach to international trade, involves the exchange of goods or services instead of relying solely on cash transactions. This reciprocal agreement, often observed between countries with limited foreign currency reserves, presents a unique opportunity for Bangladeshi exporters, importers, and traders to voluntarily participate in transactions where goods exported from Bangladesh are exchanged for goods imported from abroad. This initiative is poised to unlock the trade potential with previously untapped markets while mitigating foreign exchange losses within the country.

The directive stipulates that banks are authorized to establish and manage escrow accounts either in the name of foreign counterparts or jointly with Bangladeshi entities. These escrow accounts will serve as conduits for settling import payments through credits received from Bangladeshi importers, and export payments through debits to exporters against their export proceeds. To ensure the smooth operation of these accounts, Bangladeshi traders are encouraged to maintain communication with their counterparts, ensuring that the balances in the escrow accounts are regularly reconciled.

It is important to note that Bangladeshi traders must obtain prior approval from the Bangladesh Bank to open and maintain escrow accounts. However, the countertrade arrangement will not extend to transactions conducted through the Asian Clearing Union mechanism.

# CAMBODIA



## Transportation

*"Law on Inland Waterway Transportation" dated 23 March 2024 promulgated by Royal Kram No. NS/RKM/0324/002*

The law regulates the sustainable management and development of Cambodia's vital waterway and port sectors. It governs civilian ships, crews, ports, ship owners, waterway infrastructure, and other related activities other than those under the Ministry of National Defense and the Ministry of Interior.

The law requires that all coastal and inland waterway vessels operating in Cambodia (both domestic and foreign-owned) register, except for small family-operated cargo vessels. The registration process entails obtaining a certificate of vessel registration, either permanent or temporary (maximum of one year).

Registered vessels must undergo regular maintenance and technical inspections to ensure they are navigated safely, remain seaworthy, and are certified by a professional ship inspector. Vessels registered by other countries may be eligible to register as Cambodian vessels if the thresholds are met, while Cambodian-registered vessels are permitted to operate worldwide and are not subject to import tax. Foreign-registered vessels docking in Cambodian ports are subject to the supervision of a foreign ship inspector designated by the Ministry of Public Works and Transport, which is responsible for the entire process, including management and control.

## Taxation

*Prakas No. 169 dated 20 March 2024 issued by the Ministry of Economy and Finance on "Property Rental Tax"*

This Prakas sets out the rules and procedures for the management of property tax collection from owners or rights holders of immovable property leases not registered under the self-assessment regime. It applies to all types of immovable property leases in Cambodia except for property leased by the government, diplomatic entities, international organizations, non-profit entities, and for those leases where the monthly total rental fee is less than KHR500,000. Additionally, the immovable property rental tax is standardized at a fixed rate of 10% of the total real estate rental income, while the assessment of tax is based on the monthly rental income and total rental revenue the owner received from the lessee.

# Employment

*Notification dated 21 March 2024 issued by the Ministry of Labor and Vocational Training on "Employee Entitlements upon Termination of an Employment Contract"*

The notification aims to clarify any misinterpretation of the Labor Law and other relevant regulations in relation to the indemnity payment to be made upon termination of the two types of employment contracts—fixed duration contracts ("FDCs") and undetermined duration contracts ("UDCs"). The entitlements are as below (with the corresponding articles from the 1997 Labor Law and its amendment dated 26 June 2018 shown in parentheses):

## **1. Unilateral termination by the employer without cause**

### **A. For FDCs:**

- Unpaid wages (Article 116)
- Payment in lieu of the remaining unused annual leave (Articles 166 and 167)
- Severance pay of at least 5% of the wages paid during the length of the employment contract (Article 73)
- Damages in an amount at least equal to the remuneration the employee would have received until the termination of the contract (Article 73)

### **B. For UDCs:**

- Unpaid wages (Article 116)
- Payment in lieu of the remaining unused annual leave (Articles 166 and 167)
- Compensation in lieu of prior notice if the employer does not provide prior notice in accordance with the Labor Law (Articles 75 and 77)
- Seniority payment for the period in which the employee is dismissed and any outstanding seniority payments owed to the employee (Article 89 new)
- Damages paid as a lump sum amount equal to the total amount of seniority payment received (including the amount as mentioned in the bullet point above) during the length of the employment contract (Article 91 new)

## **2. Termination by an employer because of serious misconduct by the employee**

### **A. For FDCs:**

- Unpaid wages (Article 116)
- Payment in lieu of the remaining unused annual leave (Articles 166 and 167).

### **B. For UDCs:**

- Unpaid wages (Article 116)
- Payment in lieu of the remaining unused annual leave (Articles 166 and 167).

## **3. Termination because of the bankruptcy of the company**

### **A. For FDCs:**

- Unpaid wages (Article 116)
- Payment in lieu of the remaining unused annual leave (Articles 166 and 167)
- Severance pay of at least 5% of the wages paid during the length of the employment contract (Article 73)

### **B. For UDCs:**

- Unpaid wages (Article 116)

- Payment in lieu of the remaining unused annual leave (Articles 166 and 167)
- Compensation in lieu of prior notice if the employer does not provide prior notice in accordance with the Labor Law (Articles 75 and 77)
- Seniority payment for the period in which the employee is dismissed and any outstanding seniority payments owed to the employee (Article 89 new)

In the case of bankruptcy, the dismissed employees are not entitled to damages since it does not negatively impact their reputation or dignity, which differs from the case of dismissal without cause, which could affect an employee's reputation or dignity, and raise doubts about their productivity and ability among their fellow employees.

# LAOS



## Intellectual Property

*Law No. 50/NA dated 20 November 2023 issued by the National Assembly of the Lao PDR on "Intellectual Property"*

On 1 March 2024, the Lao Official Gazette published the amended Law on Intellectual Property. It is effective from 24 January 2024, and replaces the previous Law on Intellectual Property No. 38/NA dated 15 November 2017.

Below is a brief summary of the main changes:

- There is broader protection for intellectual property, including copyrights, trademarks, and patents.
- The application and enforcement processes are now more clearly defined, making it easier for rights holders to understand the system.
- The definition of a trademark has been expanded.
- After the dissolution of the Ministry of Science and Technology, the Ministry of Industry and Commerce now holds responsibility for the issuance of intellectual property certificates, including copyrights, trademarks, and patents.

## Taxation

*Presidential Edict No. 003/P dated 19 March 2024 issued by the President of the Lao PDR on "Adjustment of the VAT Rate"*

This Presidential Edict resets the VAT rate of 7% back to 10%. This change in rate will occur either late in the second quarter or early in the third quarter of 2024, 15 working days after the date that the edict is published in the Lao Official Gazette.



# MYANMAR



## Taxation

*Law No. 23 of 2024 dated 29 March 2024 issued by the State Administration Council on "The 2024 Union Tax Law"*

With effect from 1 April 2024, the annually enacted Union Tax Law was published by the State Administration Council for the 2024-2025 financial year (from 1 April 2024 to 31 March 2025). The only significant changes made were in the specific goods tax ("SGT") on liquor and wine and new commercial tax exemptions for the importation of goods after repairs under a repair and return customs procedure.

The changes in SGT are in the range of values applicable to the tax for both liquor and wine and in the SGT rates. The changes are outlined in the table below.

### Comparison of the SGT Rates applied to Liquor and Wine in the 2024 and 2023 Union Tax Laws

Type of specific good	2024 Union Tax Law		2023 Union Tax Law	
	Different tiers, ranging in value from:	SGT rates	Different tiers ranging in value from:	SGT rates
Liquor	<ul style="list-style-type: none"> <li>▪ MMK400 to MMK24,000 per liter</li> <li>▪ MMK24,001 per liter and above</li> </ul>	<ul style="list-style-type: none"> <li>▪ MMK237 to MMK5,745 per liter</li> <li>▪ 60% of the value per liter</li> </ul>	<ul style="list-style-type: none"> <li>▪ MMK200 to MMK19,850 per liter</li> <li>▪ MMK19,851 per liter and above</li> </ul>	<ul style="list-style-type: none"> <li>▪ MMK209 to MMK5,071 per liter</li> <li>▪ 60% of the value per liter</li> </ul>
Wine	<ul style="list-style-type: none"> <li>▪ MMK1 to MMK22,100 per liter</li> <li>▪ MMK22,101 per liter and above</li> </ul>	<ul style="list-style-type: none"> <li>▪ MMK176 to MMK4,532 per liter</li> <li>▪ 50% of the value per liter</li> </ul>	<ul style="list-style-type: none"> <li>▪ MMK 1 to MMK16,600 per liter</li> <li>▪ MMK16,601 per liter and above</li> </ul>	<ul style="list-style-type: none"> <li>▪ MMK92 to MMK3,724 per liter</li> <li>▪ 50% of the value per liter</li> </ul>

The rates for corporate income tax, personal income tax (including income tax on the salaries of non-resident Myanmar citizens), capital gains tax, and jewelry tax remain the same as those in the 2023 Union Tax Law and Amendment to the 2023 Union Tax Law dated 12 September 2023.

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*Notification No. 19 of 2024 dated 8 March 2024 issued by the Ministry of Planning and Finance on "Implementation of the Myanmar Tariff Reduction Schedule with the HS 2022 Version for the ASEAN-Hong Kong, China Free Trade Area"*

As per this notification, the Myanmar Tariff Reduction Schedule with the HS 2022 Version will take effect from 1 April 2024 in the ASEAN- Hong Kong (China) Free Trade Area. This notification replaces Notification No. 52/2020 dated 20 April 2020 of the Ministry of Planning and Finance on the same matter.

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*Notification No. 20 of 2024 dated 8 March 2024 issued by the Ministry of Planning and Finance on "Implementation of the Myanmar Tariff Reduction Schedule with the HS 2022 Version under ASEAN- China Free Trade Area"*

As per this notification, the Myanmar Tariff Reduction Schedule with the HS 2022 Version will take effect from 1 April 2024 in the ASEAN-China Free Trade Area. This notification replaces Notification No. 47/2019 dated 21 May 2019 of the Ministry of Planning and Finance on the same matter.

## Employment

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*Law No. 19 of 2024 dated 20 March 2024 issued by the State Administration Council on "Amendment to the Employment and Skills Development Law"*

In this new amendment, the following expressions stated in the definition section have been amended. "Labor, Employment and Social Security Ministry" has been replaced with "Ministry of Labor;" "Employment and Skill Development Body" with "Employment Development Body;" and "National Skill Standards Authority" and "Skill Development Body" with "National Skill Standards Authority."

## Energy

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*Law No. 17 of 2024 dated 12 March 2024 issued by the State Administration Council on "Amendment to the Petroleum and Petroleum Products Law"*

In this amendment, the term "Ministry of Electricity and Energy" in Section 2 (k), (w), (z-1), and (z-2) of the law has been replaced with the term "Ministry of Energy."

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*Law No. 18 of 2024 dated 12 March 2024 issued by the State Administration Council on "Amendment to the Petroleum Hand-Dug Well Law"*

In this amendment, the term "Ministry of Electricity and Energy" in Section 2 (b) of the law has been replaced with the term "Ministry of Energy."

## FOOD SAFETY

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*Law No. 20 of 2024 dated 20 March 2024 issued by the State Administration Council on "**Amendment to the National Food Law**"*

In this amendment, the fines and imprisonment terms have been increased for violation of Sections 22, 29, 30, and 31 of the National Food Law.

# VIETNAM



## Energy

*Decision No. 262/QĐ-TTg dated 1 April 2024 issued by the Prime Minister approving the "Plan for implementing the Eighth National Power Development Plan ("PDP VIII") for the Period 2021-2030, with a Vision to 2050"*

The key objectives of the decision are to:

1. Develop a roadmap for organizing the implementation of projects to meet the goals outlined in the PDP VIII and address the electricity requirements for socioeconomic growth in each phase.
2. Establish a robust energy transition strategy from fossil fuels to renewable sources to mitigate environmental pollution and greenhouse gas emissions, aligning with the government's commitment to achieve net zero emissions by 2050.
3. Implement solutions to attract investment in the power development sector.
4. Provide guidance for coordinating mechanisms among ministries, departments, and local authorities to execute assigned tasks effectively.
5. Ensure a balanced development of power sources across regions, focusing on matching supply with demand and ensuring the feasibility, synchronization, and adaptability of power sources and grid development within the national context.
6. Finalize policies and laws while enhancing the scientific and technological capabilities of the electricity industry during the planning period.
7. Maximize the mobilization of resources and involvement of various economic sectors in the power development plan.
8. Identify the list of essential and priority power source and grid projects, including regional interconnected power grids, as well as renewable energy projects for each locality until 2025, as outlined in Appendices II and III of the PDP VIII.

## Banking and Finance

*Law No. 32/2024/QH15 dated 18 January 2024 issued by the Vietnam National Assembly on "Credit Institutions"*

The law takes effect from 1 July 2024 and replaces the current Law on Credit Institutions 2010. It aims to strengthen credit institutions, promote economic growth, and stimulate innovation in the country's financial operations.

It introduces considerable changes, primarily to the operations of commercial banks and foreign bank branches compared to the current Law on Credit Institutions. Some of the most notable highlights are provided below:

- There are improved corporate governance procedures with the amendment and supplementation of regulations on organization, governance, administration, and risk management. Additionally, it provides for increased self-inspection and internal controls of credit institutions and foreign bank branches.
- A number of regulations were amended to limit the manipulation of credit institutions in addition to the stricter requirements on governance and administration.
- The new law clarifies regulations on credit institutions and overseas bank branches, and supplements regulations on controlled testing systems in the banking sector.
- There is a new chapter on policy banks.
- There are improved finance, accounting, and reporting regulations to promote the sustainable development of credit institutions and foreign bank branches while meeting international standards.
- The legislative framework to address weak credit institutions has been enhanced.
- There are improvements in the regulations on state management, including ones that enhance the State Bank's inspection and oversight obligations as well as improve coordination between the State Bank and agencies, including the Ministry of Finance, for efficient management, inspection, and supervision.
- There are supplemental regulations to protect customers' interests and prohibit certain behaviors along with adjust licensing regulations to reduce administrative burdens.

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