

Technical Update

December 2022



1. Decree on registration of security interests

On 30 November 2022, the Government of Vietnam issued Decree No. 99/2022/ND-CP on the registration of security interests ("**Decree 99**"). Decree 99 will replace Decree No.102/2017/ND-CP of the Government regulating the same content and will take effect on 15 January 2023 with the following highlights:

- Regulating the registration of security interests in securities registered at the Vietnam Securities Depository and Clearing Corporation and stipulating the authority to register security interests in centrally registered securities of Vietnam Securities Depository and Clearing Corporation.
- Abolishing regulations on compulsory registration of security interests for pledge or mortgage of aircraft, and mortgage of ship.
- Stipulating the effective time of registration of security interests for each type of property; specifying cases that do not change the effective date or do not terminate the validity of the security interest registration.
- Regulating the validity period of registration is the basis for determining the effective duration of countervailing security interests against third parties in accordance with the Civil Code.
- Supplementing regulations on compulsory registration for the following security interests: Mortgage of residential, and non-residential construction investment projects, agricultural investment projects, forest development projects, and other investment projects using land concurrently with land use rights allocated by the State with the collection of land use levy, leased in the form of a one-time payment for the entire lease period.
- Supplementing registration of security interests as requested by the parties include other properties attached to land to be constructed in the future and properties attached to land already constructed which are not houses.
- Supplementing the definition of houses and other properties attached to land to be constructed in the future, are eligible for registration of security interests.
- Supplementing the authority to register security interests of the Asset and Transaction Registration Center for unregistered securities, dividends, and property rights arising from securities.
- From 1 January 2024, the Security Interests Database will be available for looking up by organizations and individuals.

2. Circular on risk management, internal control, and internal audit of the insurance business

Law on Insurance Business 2022, issued by the National Assembly on 16 June 2022, will take effect on 01 January 2023 supplementing new regulations on risk management, internal control, and internal audit of insurance business and reinsurance business branches of foreign non-life insurance enterprises and branches of foreign reinsurance enterprises ("**Branch in Vietnam**"). To clarify these new regulations, the Ministry of Finance has issued Circular No. 07/2022/TT-BTC ("**Circular 07**"), dated 16 November 2022, effective from 1 January 2023 with the following highlights:

- Introducing a number of new concepts in insurance business activities such as risk, risk appetite, risk limit, material risk, insurance risk, market risk, operational risk, counterparty risk, liquidity risk ...
- Regulating the responsibility for setting up the risk management system includes risk management organization with 03 independent lines of protection; develop risk management policies, internal regulations on risk management; identify, measure, monitor and control risks; annual capital and solvency test; building an internal management information system; prepare and submit risk management reports to the Ministry of Finance annually.
- Regulating the responsibility for implementing internal control includes building professional processes to meet the requirements of the law; principles to be followed when performing internal control activities; detailing the duties of the compliance control department.
- Regulating the internal audit responsibilities includes tasks requiring internal audit; operating principles, powers, and responsibilities of the internal audit department and the person doing the internal audit; promulgating internal audit regulations and procedures.

3. **Circular on insurance certificates, insurance agent certificates, insurance broker certificates, and insurance auxiliary certificates**

On 16 November 2022, the Ministry of Finance issued Circular No. 69/2022/TT-BTC detailed regulating on insurance certificates, insurance agent certificates, insurance brokerage certificates, and insurance auxiliary certificates, effective from 1 January 2023. This Circular has the following highlights:

- Listing types of insurance certificates are the conditions and standards of managers and controllers of insurance enterprises, reinsurance enterprises, and foreign branches in Vietnam. Insurance certificates under this regulation issued before 1 January 2023 can continue to be used.
- Regulating on insurance brokerage certificates of persons directly performing insurance brokerage activities granted by domestic or foreign insurance training institutions.
- Listing the types of insurance auxiliary certificates issued to individuals providing ancillary services by domestic and foreign insurance training institutions. Regulations on insurance auxiliary certificates issued by foreign training institutions exempt from accreditation procedures in Vietnam.
- Listing of accredited foreign insurance training institutions in Vietnam.
- Classifying the insurance agent certificates and regulations on the use of corresponding insurance agent certificates. Accordingly, insurance agent certificates issued before 1 January 2023 can be used until 31 December 2025. Before 30 June 2025, insurance business organizations must convert their respective insurance agent certificates.

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