

VIETNAM



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Encouraging foreign direct investment in the education sector

In the middle of the year 2018, the Government of Vietnam issued Decree No. 86/2018/ND-CP (Decree 86) to regulate foreign cooperation and investments in education sector in Vietnam, taking effect as from August 1, 2018 and replacing Decree No. 73/2012/ND-CP (Decree 73) and Decree No. 124/2014/ND-CP (Decree 124).

One of the noteworthy points under Decree 86 is educational association, which is defined as twinning between Vietnamese private kindergartens, Vietnamese private general educational institutions and foreign educational institutions accredited by an education quality assessment organisations or foreign competent authorities in order to implement the integrated education programme; provided however that the educational association and the integrated education programme must be approved by the Vietnamese competent authorities. The period of educational association shall not exceed five years from the date of approval, which can be extended five years for each renewal.

The remarkable regulations to implement the integrated education programme under Decree 86 includes: (i) foreign education programme used in the integrated education programme shall be accredited in the home country or by an educational competent authority of the aforesaid country; (ii) the integrated education programme shall ensure the objectives of the Vietnamese education programme and still satisfy the requirements of the foreign education programme;

“The administrative procedure provided under Decree 73 to obtain decision on establishment of foreign invested centres providing short-term training on foreign languages, IT, cultures and specialised skills are repealed under Decree 86”

learners shall not be forced to re-study the same contents, and the integrated programme shall maintain its stability throughout the study level and the interconnection between levels for the interests of the students; and ensuring volunteer participation and not overwhelming the students; (iii) the size of class and the facilities shall adequately meet the requirements of the integrated education programme and shall not affect the teaching activities of the Vietnamese educational institution during the education association process; (iv) the Vietnamese teachers assigned to teach an integrated education programme shall satisfy the training requirements according to the regulations of Vietnamese laws; the foreign teachers assigned

to teach an integrated programme is required with a bachelor's degree corresponding to his/her teaching majors and also a teacher certificate or equivalent.

One more notable point is that the administrative procedure provided under Decree 73 to obtain decision on establishment of foreign invested centres providing short-term training on foreign languages, IT, cultures and specialised skills are repealed under Decree 86. Accordingly, the establishment of such centres is subject only to the following procedures: (i) obtaining Investment Registration Certificate for foreign investors; (ii) obtaining Enterprise Registration Certificate for enterprise operating the centres and (iii) obtaining approval of educational operation and publication on the websites of the licensing competent authority. Under Decree 86, in order to issue Investment Registration Certificate, the licensing competent authority (ie, Department of Planning and Investment) is required to send the official letter to get the appraisal of the corresponding Department of Education and Training; however, in practice, the licensing authority at its discretion may ask for further appraisal from District People's Committee and Department of Transportation.

In addition, the limitation of Vietnamese students has been raised from 10 percent of primary and 20 percent of secondary students under Decree 73 to a higher percentage of not exceeding 50 percent of the total enrolment of the international school.

Lastly, Decree 86 opens more opportunities for the foreign-invested kindergartens to enrol Vietnamese children under five years old which was previously prohibited under Decree 73.



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