



TECHNOLOGY TAXI: NEW REGULATIONS

On 17 January 2020, Government has promulgated Decree 10/2020/ND-CP replacing Decree 86/2014/ND-CP, relating to automobile transport business and conditions for automobile transport business ("Decree 10/2020"). Accordingly, Decree 10/2020 has introduced the following changes:

1. Clearly defining the definitions of:

- (i) Automobile transport business entities are required to:
 - Conduct at least one of the main steps of transportation activities;
 - Directly manage the vehicles, chauffeurs or determine the transport fares;
 - Transport passengers or goods on road for the profit.
- (ii) Exclusively providing application software supporting transportation connection entities are required to:
 - Solely provide application software that assists transportation connections;
 - Not directly manage the vehicles, chauffeurs, nor determining the transport fares.

According to aforementioned regulations, the entities providing application software supporting transportation connection should conduct one of stages (such as directly manage the vehicles, chauffeurs or determine the transport fares), they shall be required to actively select whichever business forms in compliance with the abovementioned regulations, assuring their business operation in conformity with laws.

2. More requirements set out for per contract transportation business

To remedy the situation, where enterprises do transportation

business per contract disguising as fixed course transportation ones, Decree 10/2020 has put stricter demands on per contract transportation business entities, in particular:

- (i) Since 01 January 2022, transportation business entities shall provide all mandatory information of transportation contracts through the software of the Ministry of Communications and Transports;
- (ii) Within 01 month, each car shall not operate more than 30% of the total amount of journeys with the same departure and destination;
- (iii) For the transportation business entities, which use the electronic contracts, shall send their electronic invoice of the journey to passengers, transportation lessors and tax agency;
- (iv) Public posting (fixedly pasted) the phrase "XE HỢP ĐỒNG" ("CONTRACTED CAR") made of reflective material on the windshield and back glass of the car; shall have a "XE HỢP ĐỒNG" ("CONTRACTED CAR") badge fixedly pasted on the inside of the windshield.

3. Supplementing regulation to install camera on transportation business car

Accordingly, before 01 July 2021, automobiles used for passenger transportation with a capacity of 09 seats (including the driver) or more, containers and trailers must have cameras installed that can record and store images inside the vehicles (including the driver and the car doors) during the journey.

Recordings are to be provided, upon request, to the police, traffic inspectors and licensing agencies, ensuring the publicity and transparency.

The Decree 10/2020 is officially taking effect on 01 April 2020.

If you are interested in the content of this newsletter or you need professional legal advice, please feel free to contact with LuatViet as information follows:

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