

## Client Alert

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### State owns controlling shares of 5 facilities-based telecommunications enterprises

Article 17.1 of the Telecommunications Law dated 23 November 2009, effective from 1 July 2010, specifies that the State will hold controlling shares in facilities-based telecommunications enterprises which are particularly important to the operation of whole national telecommunications infrastructure and directly affect the socio-economic development, national defense, and public security. The Law also mandates the Prime Minister to promulgate the list of telecommunications enterprises subject to this requirement.

In implementing such a mandate, on 14 October 2011, the Prime Minister of Vietnam issued Decision No. 55/2011/QD-TT, announcing the list of five facilities-based telecommunications enterprises in which the State must hold more than 50% of its shares or charter capital. These enterprises include VNPT, VIETTEL, VISHIPEL, GTEL and INDOCHINA TELECOM.

The MIC will chair and coordinate with other relevant authorities to propose amendments and supplementations to the list from time to time.

This Decision will take effect as of 1 December 2011.

As the State will only hold controlling ownership in the aforementioned 5 enterprises, it can be interpreted that the State ownership in other facilities-based enterprises can be 50% or lower and the private portion in those enterprises can be more than 50%.

For more information on the content described in this alert, please feel free to contact us.

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