CLIFFORD CHANCE

Foreign direct investment

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VIETNAM INTERNATIONAL LAW FIRM

The existing investment regime in Vietnam came into effect on 1 July 2006 and is comprised of a Law on Enterprises ("**LOE**") and a Law on Investment ("**LOI**"), which for the first time in Vietnam, regulated equally both domestic and foreign investors, for the establishment and operation of corporations and investment in projects.

Currently, a draft amended LOI and LOE are under consideration by the Government. The draft amended laws are intended to address certain gaps in the existing laws and improve the quality and efficiency of the country's investment climate. Part III highlights the key issues set out in the draft amended legislation. It is expected that Vietnam will have amended investment regime laws in effect by 2015.

Part I: General

1. Forms of Direct Foreign Investment

A foreign investor can directly engage and invest in the Vietnamese market in a number of ways. "Direct Investment" is defined to include the following:

- Establishing a wholly foreign-owned enterprise ("**WFOE**");
- Establishing a joint venture between foreign and local investors;
- Investing through a Business Cooperation Contract (BCC) between foreign and local investors;
- Investing in the form of Build-Operate (BO), Build-Transfer-Operate (BTO), Build-Operate-Transfer (BOT) or Build-Transfer (BT) contract, mainly for infrastructure projects;
- Investing in the development of a business (such as expanding the size, increasing output or business capacity, renewing technology, improving product quality and mitigating environmental damage);
- Purchasing shares or contributing capital to companies in Vietnam; and
- Acquiring or merging with an enterprise in Vietnam. [1]

Branches and Representative Offices

As an alternative to establishing or investing in a Vietnamese enterprise, certain foreign business entities may set up a branch or a representative office in Vietnam, which in both instances must be licensed by the relevant authorities.

A representative office may be established by any foreign business entity to seek and promote commercial opportunities for the foreign parent. Many foreign investors opt to establish representative offices in order to explore the local market before deciding to invest in Vietnam. As the name suggests, a representative office is a dependent unit of the foreign parent company and not an independent legal entity. A representative office is only permitted to engage in business development and related activities and cannot directly conduct profit generating activities in Vietnam.

A branch may only be established by a foreign business entity in specific sectors, including among others banking and insurance.

2. Investment Procedures

In order to conduct business in Vietnam, a foreign investor is required to obtain an investment certificate ("**IC**") from the appropriate licensing authority. The IC also serves as the business registration of the corporate entity.

Under the LOI, foreign investors may invest in all sectors not prohibited by law. Areas prohibited by law include:

- investment projects detrimental to national defence, security and the public interest;
- investment projects detrimental to historical and cultural traditions and the ethics or customs of Vietnam;
- investment projects harming people's health or destroying natural resources and the environment; and
- investment projects treating toxic waste imported to Vietnam and investment projects manufacturing toxic chemicals banned by international law.

In addition to the aforementioned requirements, in order to obtain an investment certificate, investment projects should be consistent with the Government's policy and Vietnam's commitments under international treaties. Specifically, investment projects must fall within plans approved by the Government, which are called "master plans". In practice, master plans for certain industries may not be available for foreign investors' verification and consideration. In addition, such master plans may be subject to change from time to time. Therefore, foreign investors are advised to consult with their advisors on master plans when considering an investment.

3. Licensing

Investors must follow different licensing procedures, either investment registration or investment evaluation, depending on the size and sector of the investment project.

Conditional sectors

As with all countries, Vietnam reserves its sovereign right to restrict investment in sensitive fields. This is achieved through the use of so-called "conditional sectors". Investment projects in conditional sectors must satisfy certain conditions in order to be licensed. Conditional sectors include:

- sectors impacting on social order, safety or national security;
- banking and finance;
- sectors impacting public health;
- culture, information, the press and publishing;
- entertainment services;
- real estate businesses;
- surveying, prospecting, exploration and mining of natural

[1] Our guide on Mergers and Acquisitions discusses this form of investment in more detail.

resources or the ecological environment;
- development of education and training; and
- other sectors as stipulated by law.

Most importantly for foreign investors, "conditional sectors" also include all "*investment fields under international treaties to which Vietnam is a member committing to limited market access to foreign investors*". This covers the market access roadmaps contained in Vietnam's WTO accession package which are outlined in Part II.

The requirements for satisfying investment in these "conditional sectors" will be specified either in a treaty, to which Vietnam is a signatory, relating to Vietnam's commitments in such sectors, or in Vietnamese law for sectors not committed in any investment treaty, such as the conditional "real estate business" sector, which is governed by Vietnam's Real Estate Business Law and which specifies the investment conditions therein.

Investment registration

Foreign investment projects with a total invested capital of less than VND300 billion, and not falling in a conditional sector, are subject to "investment registration". Foreign investors of such projects must submit the relevant application documents for the investment registration to the licensing authority, which will consider, approve and issue the investment certificate to the investors within 15 working days of receiving the application (although the actual issuance period, in practice, can be much longer).

Once an IC is obtained, an enterprise can potentially register additional investment projects in the future without needing to create a new or separate entity.

Investment evaluation

Any investment project with a total invested capital of VND300 billion or more, ("**Major Project**"), or investment projects falling in conditional sectors ("**Conditional Project**"), must undergo "an investment evaluation" by the licensing authority and other relevant authorities. There are two different types of evaluation: Depending on whether the evaluation is for a Major Project or a Conditional Project, the investor will need to submit additional information on the project and/or demonstrate compliance with specific requirements.

The licensing authority may liaise with other relevant ministries and authorities in evaluating the proposed investment project. Under existing laws, an Investment Certificate should be issued within 20-25 working days or within 37 working days, where the Prime Minister's approval is required. However, the actual issuance period may be longer.

4. Licensing Authorities

The Boards of Management ("**BOM**") of industrial zones ("**IZs**"), export processing zones ("**EPZs**"), high-tech zones ("**HTZs**"), and economic zones ("**EZs**") of provinces or cities are responsible for licensing foreign investments within their zones.

BOT projects which are (i) of national importance; (ii) projects in respect of which the Ministries or authorised bodies of the Ministries are the State authorities having competence to sign the project contracts; and (iii) projects which are implemented in more than one province or city under the central authority, will be licensed by the Ministry of Planning and Investment ("**MPI**").

For all other foreign investment projects, including BOT projects that do not fall under the authority of the MPI, the relevant People's Committee of a province or city is the responsible authority. Licensing applications should be submitted to the responsible body, which will consult with other relevant governmental authorities (when so required) before issuing final approval.

It should be noted that the Prime Minister must approve certain projects, although if specific categories of projects are already included in 'master plans' approved by the Prime Minister and comply with the conditions specified in the laws, the relevant licensing authority may issue the IC. The types of projects which the Prime Minister must approve include:

- Investment projects, irrespective of the source of investment capital and scale of investment, in:
  - construction and commercial operation of airports, air transportation, ports;
  - exploration, mining and processing of petroleum; exploration and mining of minerals;
  - radio and television broadcasting;
  - commercial operation of casinos;
  - production of cigarettes;
  - establishment of university training facilities; and
  - establishment of IZs, EPZs, HTZs and EZs.

- Investment projects, irrespective of the source of investment capital, but with a total invested capital in excess of VND 1,500 billion in the following sectors:
  - electricity business, processing of minerals, metallurgy;
  - construction of railway, road and internal waterway infrastructure; and
  - production and business of alcohol, beer.

- Investment projects with foreign-invested capital regardless of scale of the project, in the sectors of:
  - commercial operation of sea transportation;
  - construction of networks for and supply of postal and delivery, telecommunications and internet services, construction of wave transmission networks;
  - printing and distributing newspapers and printed matter, publishing; and
  - establishment of independent scientific research establishments.

5. Foreign Investment Guarantees and Foreign Investors' Rights

Under the LOI, the government provides express guarantees on the rights and interests of foreign investors. Foreign investors are given a number of rights including the following:

- Autonomy in investment and business;
- Right to access and use credit, land and natural resources;
- Rights to export, import, advertise, conduct marketing and conduct processing and re-processing relating to investment activities;
- Right of purchase and sale of goods between export processing enterprises and the domestic market;
- Right to open bank accounts and purchase foreign currencies;
- Right to access land and right to mortgage land use rights and assets attached to land; and
- Rights to an investment guarantee in the event of change in law and policies.

6. Foreign Investors' Incentives

Foreign investors in numerous business areas and industries are entitled to various types of investment incentives. Investment incentives can take the form of:

- Tax incentives, such as preferential tax rates for a specified period of time and/or exemption from and reduction of tax, exemption from import duty on equipment or goods relating to the investment project;
- Accelerated depreciation of fixed assets;
- Land use incentives such as exemption or reduction of land rent in investment incentive sectors and geographical areas; and
- Incentives for investors who invest in industrial zones, export processing zones, high-tech zones and economic zones.

Investment incentives are potentially available to specific investment sectors outlined under the LOI including the following:

- Production of new materials or new energy; manufacture of high-tech products, biotechnology or information technology; mechanical manufacturing;
- Farming and processing of agriculture, forest and aquatic products, salt making, production of new plant varieties and/or animal breeds;
- Use of advanced technology or modern techniques; protection of the environment; research, development and creation of high technology;
- Labour intensive industries;
- Construction and development of infrastructure facilities and important large scale projects;
- Development of education, training, health care, physical training and sports and national culture; and
- Development of traditional crafts and industries.

Investment incentives are also granted in encouraged geographical areas, such as areas with difficult socio-economic conditions, industrial zones, export processing zones, high-technology zones and economic zones.

7. Incorporation Forms

Under the EL, the following are the four main forms of corporate structures:

- limited liability companies ("**LLCs**");
- joint stock companies ("**JSCs**");
- incorporated partnerships; and
- private enterprises (i.e. sole proprietorships).

All of these structures are known as "enterprises".
An LLC or a JSC is likely to be the most appropriate structure for foreign investors who want to set up a joint venture company or WFOE.

8. Corporate Governance

Shareholding limit for foreigners

Under the LOE, there is no limit on foreign ownership in an enterprise. There are some exceptions to this general rule under regulations dealing with conditional sectors or WTO commitments. In addition, there is currently a general 49% cap on foreign equity ownership of Vietnamese public companies (whether listed or unlisted).

Legal representatives

Subject to the charter of the company, its legal representative is either the chairman of the board of management or the General Director (in case of JSCs), the chairman of the members' council or the General Director (in case of multi-member LLCs), or the president or the chairman of the members' council or the General Director (in case of single-member LLCs).
A foreigner who is the legal representative of the company must reside in Vietnam for the entire term of office and must register temporary residence in accordance with the laws of Vietnam. When he or she exits Vietnam for over 30 consecutive days, he or she must authorise another person in writing in accordance with the company's charter to perform the rights and obligations of the legal representative of the company.

Under the LOE, the criteria for becoming a Director or a General Director are as follows:

- having sufficient "civil conduct capacity" (the capacity to enter into a contract on behalf of the company);
- not prohibited from managing a business under the LOE; and
- either own at least 5% of common shares (of a joint-stock company) or 10% of the charter capital (of a limited liability company) or have expertise and experience in corporate management or the relevant industry, unless the company's charter provides otherwise.

In a subsidiary of a company with the State-owned capital contribution portion or shareholding of more than 50%, in addition to the aforementioned criteria, the General Director must also not be related to: (a) any person on the management team of the parent company; or (b) the representative of the State owned capital portion in the parent company.

Another restriction under the LOE is that the Director/General Director of a JSC may not concurrently be the Director/General Director of another company (JSC or LLC).

Management of an LLC

There are two types of LLC, a single-member LLC and a multi-member LLC.

A single-member LLC is a company owned by one organisation or individual called the owner. The owner is liable for debts and other liabilities of the company within the amount of the LLC's charter capital. The owner has complete control of the LLC.

A multi-member LLC is a company owned by at least two, but no more than 50, individuals and/or organisations. The members run the company via the members' council which is the highest decision making body in the LLC. Each member of the LLC may participate in the members' council or appoint their authorised representative to be a member of the members' council. In meetings of the members' council, each member or their authorised representative also possesses the number of votes in proportion to his/her capital contribution.

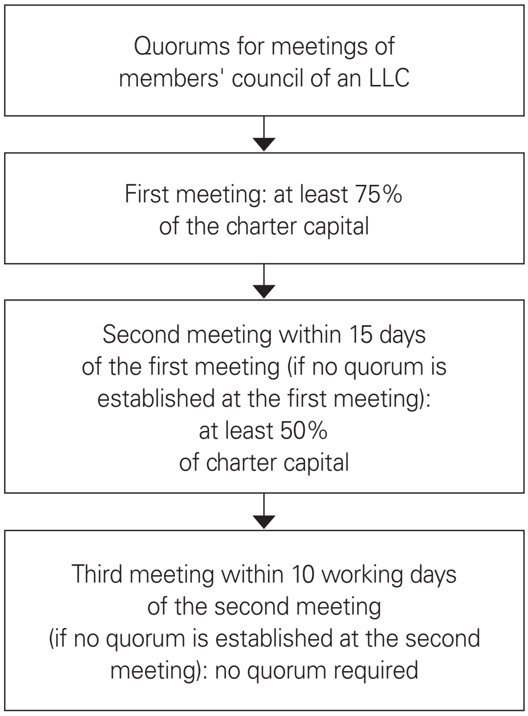
The LOE sets out the following default rules applied to a multi-member LLC regarding the quorum and voting procedures:

- Quorum: Under the LOE, the members' council can meet up to three times in order to eliminate quorum deadlocks. For a quorum to be present at the first meeting, the attendance of members or their authorised representatives representing at least 75% of the LLC's charter capital is required. If there is no quorum, a second meeting will be held within 15 days where a quorum is reached if at least 50% of the LLC's charter capital is present. If there is still no quorum, a third meeting will be held within 10 working days regardless of the number of attending members or their authorised representatives and the percentage of the charter capital they represent.

- Voting: Most decisions shall be passed in a meeting if they are approved by members of the members' council or their authorised representatives representing at least 65% of the capital contribution of all attending members or their authorised representatives. This means that in order to control an LLC under the LOE's default rules, the majority investor must own at least 65% (and not just a majority of 51%) of the charter capital of the LLC.

Notwithstanding the above, where a resolution concerns the sale of 50% or more of the total assets of the LLC recorded in its latest financial statements (or a smaller ratio as stipulated in its charter), the amendment or supplement to the charter of the LLC, or the reorganisation or dissolution of the LLC, the decisions regarding such matters shall be passed in a meeting if they are approved by the members or their authorised representatives representing at least 75% of the capital contribution of all attending members or their authorised representatives. Investors should be aware of this unusual provision.

All decisions of the members' council may be approved without convening a meeting if the relevant decision is approved in writing by the members or their authorised representatives representing at least 75% of the charter capital of the LLC.



However, Resolution 71/2006/NQ-QH11 of the National Assembly ratifying Vietnam's protocol of accession to the WTO ("**Resolution 71**"), provides exceptions to quorum/voting rules in certain situations which are discussed in section 9 below.

Management of a JSC

A JSC is a company in which the charter capital is divided into shares. Shareholders are liable for debts and other property liabilities of a JSC up to the amount of their respective capital contributions to the JSC. Although a JSC must have a minimum of three shareholders, there is no restriction on the maximum number of shareholders. However, once there are more than 100 shareholders the JSC becomes a "Public Company".
The management structure of a JSC normally includes a shareholders' general meeting, a board of management and Director or General Director. The JSC must have a supervisory board when it has more than 11 individual shareholders or one organisational (ie non-individual) shareholder holding more than 50% of its total shares. A Director or General Director who is appointed by the board of management is responsible for the daily operation of the JSC.

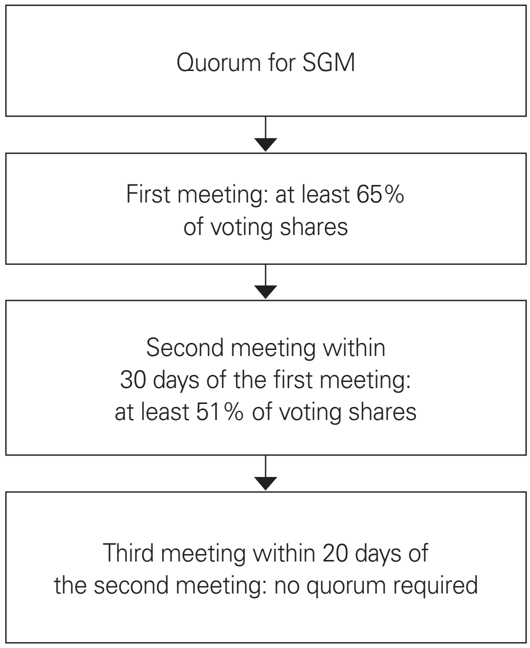
A board of management is comprised of between 3 to 11 members (unless otherwise provided for in the charter) elected by the shareholders' general meeting. The board of management has the right to manage all decisions of a JSC, except for the matters that must be approved by the shareholders' general meeting. The meeting of the board of management is conducted when at least three-quarters of the total members of the board of management are present. Where the quorum for the first meeting is not met, the second meeting shall be convened within 15 days of the date of the first meeting and the quorum for the second meeting is more than one-half of the total members of the board of management. Resolutions are passed by a simple majority of members, with the chairperson holding the casting vote.
The LOE also provides default rules regarding the conduct of a shareholders' general meeting, particularly quorum and voting requirements:

- Quorum: The first meeting needs shareholders or their authorised representatives holding at least 65% of voting shares of the JSC in order to reach a quorum. If there is no quorum, within 30 days of the first meeting, a second meeting will be held. The second meeting needs shareholders or their authorised representatives holding at least 51% of voting shares of the JSC to reach a quorum. If there is still no quorum, a third meeting will be held within 20 days regardless of the number of attending shareholders or their authorised representatives and the percent of voting shares they represent.

- Voting: Resolutions of the shareholders' general meeting require different majorities depending on the matter being voted on. Generally, a matter will be passed if it is approved by at least 65% of the voting shares held by the shareholders or their authorised representatives present at the meeting.

To pass the resolutions proposing the issue of shares, amending the JSC's charter, reorganising or dissolving the JSC, or investing or selling 50% or more of the JSC's assets, approval by at least 75% of the voting shares held by the shareholders or their authorised representatives present at the meeting is required.

When the shareholders wish to pass a written resolution without organizing a shareholders' general meeting, the minimum majority needed to pass the vote is 75% of the total voting shares of the JSC.



Again, Resolution 71 also provides exceptions to quorum/voting rules in certain cases which are discussed in section 9 below.

Choosing between an LLC and a JSC

When choosing a structure for their foreign investment, investors should be aware that an LLC and a JSC both have advantages and disadvantages.

For a JSC, one advantage is that the company is permitted to issue shares in order to raise capital. The JSC can also issue preference shares in order to alter quorum and voting requirements. The JSC structure may also be preferable to a foreign minority shareholder who is interested in testing the market before fully establishing themselves in Vietnam. A minority shareholder can easily increase its ownership in the JSC by purchasing shares from other shareholders. A foreign shareholder can easily exit its investment in the JSC by selling its shares to the other shareholders or a third person.

The single-member LLC structure seems to be preferred only when it is wholly owned by the foreign investor. Once the foreign investor has complete control over the LLC, it is no longer subject to the legal rules on first refusal rights of the other members in case of any prospective capital transfer in the LLC, quorums and majority voting. Even if not wholly foreign-owned, a multi-member LLC is still a preferred option for foreign investors who intend to form a joint venture with Vietnamese parties.

9. WTO

Vietnam's accession to the WTO has given investors more flexibility in selecting the corporate governance rules that apply to any enterprise they establish. According to Resolution 71, the charter of LLCs and JSCs can stipulate:

- what constitutes a quorum and the method of making decisions by the members' council or by the shareholders' general meeting;
- the matters within the decision-making authority of the members' council or of the shareholders' general meeting; and
- the requisite majority in order to pass decisions by the members' council or by the shareholders' general meeting. The normal 51% majority is permissible instead of a 65% or 75% majority under the LOE.

Resolution 71 does not clearly indicate whether these rules are applicable only to a joint-venture company between local partner(s) and foreign partner(s) operating in the service sectors committed by Vietnam under its WTO Commitments or broadly applied to all LLCs, although the former interpretation seems to be widely adopted in practice.

10. Related Party Transaction

A related party transaction is subject to special voting and procedural requirements set out in Article 59 of the LOE (for a multi-member LLC), Article 75 of the LOE (for a single-member LLC), and Article 120 of the LOE (for a JSC).

In general, contracts/transactions between a company and any of its management team, and/or their related persons, must be approved by the owner (single-member LLC), members council (single or multi-member LLC), or the shareholders' general meetings, or board or management (JSC). In addition, with respect to JSCs, a contract/transaction with a significant shareholder (more than 35%) will also require such approval.

The relevant transaction will be null and void if the parties fail to comply with the rules stipulated in the provisions mentioned above.

Part II: Vietnam's WTO Commitments

Vietnam has been a member of the World Trade Organisation ("**WTO**") since 11 January 2007. As part of its WTO accession, Vietnam made commitments to grant market access to foreign investors in 11 service sectors. We outline below some of the areas of interest to foreign investors.

1. Trading and Distribution

As from 1 January 2009, WFOEs are allowed to engage in trading and distribution activities in Vietnam. 'Distribution' refers to the sale of products (imported and/or sourced locally) to organisations (ie wholesale) and to end-users (ie retail).

Note that restrictions on trading and distribution of specified products under Vietnam's WTO commitments have already been phased out. However, certain products such as pharmaceutical products and drugs, cigarettes and cigars, books, newspapers and magazines, precious metals and stones, explosives, processed and crude oil, rice, cane and beet sugar are expressly excluded from Vietnam's WTO commitments, and foreign invested enterprises are prohibited from distributing these products unless and until Vietnamese legislation or a treaty to which Vietnam is a party permits otherwise.

The Ministry of Industry and Trade recently issued new Circulars 08/2013/TT-BCT and 34/2013/TT-BCT on 22 April 2013 and 24 December 2013 respectively which replaced previous circulars and decisions. The establishment of outlets for retail services (beyond the first outlet) which have an area greater than 500 m2 will be approved based on an "economic needs test" ("**ENT**"). Retail outlets which are less than 500 m2 in size and located in facilities constructed for the purpose of selling goods are now exempt from the ENT, although the establishment of such an outlet is still subject to the licensing authority's approval.

Foreign investors are permitted to establish WFOEs or joint venture companies in order to import and/or export goods to or from Vietnam. Generally, most goods can be imported into Vietnam, however, certain goods are prohibited (such as cigarettes, cigars, petroleum oils, specialised newspapers, disks and videos). Some goods are restricted being subject to permission from the Ministry of Industry and Trade, while other goods may be subject to regulation by other state agencies, such as the Ministry of Health for example, for pharmaceutical goods. It should also be noted that foreign companies that do not have a physical presence in Vietnam may also export or import goods, although this would require obtaining the appropriate license.

2. Healthcare

Foreign investors may invest in medical and dental services and also hospital services in Vietnam. Foreign investors may provide such services through a WFOE, a joint-venture with Vietnamese partners or through business cooperation contracts. A minimum investment capital of USD 2 million is required to operate a policlinic unit, USD 20 million for a hospital and USD 200 million for a specialty unit.

Healthcare operations are generally regulated under the Law on Medical Examination and Treatment No. 40/2009/QH12 of the National Assembly dated 23 November 2009 and its guiding Decree 87/2011/ND-CP. In order to operate a medical examination and treatment establishment, in addition to the appropriate investment license, foreign investors must also obtain an operation license from either the Minister of Health or the Minister of National Defence or the director of a provincial-level Health Department.

3. Education

As part of its WTO commitments, Vietnam only allowed limited market access to foreign investors in the educational field (pre-school, primary and secondary levels were excluded). However, Vietnam has allowed foreign investment in education services under local laws.

The field of education services is now generally governed by the Law on Education No. 38/2005/QH11 of the National Assembly dated 14 June 2005, as amended in 2009, Law on Vocational Training No. 76/2006/QH11 of the National Assembly dated 29 November 2006, as amended in 2013 and its guiding Decree 73/2012/ND-CP.

Foreign investors may establish a joint venture or a WFOE in the following types of educational services:

- Short-term training institutes;
- Preschool education institutes (including nursery schools, kindergarten and combination of nursery and kindergarten) following foreign educational programs for foreign pupils;
- General education institutes (including primary schools, secondary schools and high schools) having foreign educational programs and issuing foreign qualifications for foreign and Vietnamese students;
- Vocational education institutes (including vocational training centres, vocational intermediate schools, and vocational colleges); and
- Higher education institutes (including universities and colleges)

Different types of foreign-invested educational establishments will require approval from the appropriate authority which includes, among others, the Minister of Education and Training, the Prime Minister (for establishment of universities only), provincial or district-level People's Committees.

4. Transport

As from 2012, foreign shipping companies are permitted to establish a WFOE for the purpose of supplying international maritime transport services although the Prime Minister's approval is generally required, unless otherwise stated in approved master plans.

Restrictions on foreign investment in enterprises providing storage and warehouse services and freight transportation agency services have been lifted in January 2014 and foreign investors can now establish a WFOE in these fields.
However, certain transport sectors remain protected for the long term in Vietnam as foreign investors are only allowed to own 49% in a joint venture company which provides internal waterways transport and rail transport services and up to 51% for road transportation services.

Part III: Proposed New Laws on Enterprises and Investment

It is widely anticipated that Vietnam will amend its investment and enterprise laws later this year, which will then come into force in 2015. Drafts of the new LOI and LOE have been circulated for the purpose of consultation. Some of the key issues and proposed changes in the draft laws are outlined below.

1. Draft Law on Investment

- New definition of 'foreign investor', which provides that the foreign ownership cap in determining whether a company is considered a foreign investor is 51%. Currently, the existing laws set the cap at 49%.
- Introduction of a new requirement for companies to obtain a business registration certificate ("**BRC**") prior to applying for an Investment Certificate. Currently, the Investment Certificate for a company obtained by foreign investors also serves as the company's BRC. This new requirement will bifurcate the licensing process, potentially adding more delay to the licensing process.
- For conditional investment sectors, the draft LOI stipulates that the relevant ministries shall issue a list of investment conditions for each sector. Such list would be in addition to the regulations governing Vietnam's WTO commitments.

2. Draft Law on Enterprises

- Capital contribution to a single member LLC is to be made within 90 days. Currently, the time limit for such capital contribution is 36 months from the date of issuance of the BRC.
- A partnership, LLC, JSC may have more than one legal representative. This would represent a significant change as presently there is just one legal representative.
- The draft LOE provides that enterprises can only carry out a conditional business upon satisfaction of the applicable conditions; this provision potentially implies that enterprises may be able to choose and conduct other businesses, which

do not fall under conditional sections, at their own discretion. It is hoped that this provision will be clarified further.

- New definition of "foreign investor" provides that the foreign ownership cap in determining whether a company is considered a foreign investor is 50%. This new foreign ownership cap is inconsistent with the draft LOI and the current regulation. The draft LOI proposes a foreign ownership cap at 51%, while the current regulation sets the cap at 49%. It is expected that the draft LOE will be revised to be consistent with the draft LOI.
- The draft LOE retains the voting thresholds of a multi-member LLC under the current LOE. Accordingly, decisions of the members' council will be passed if they are approved by a number of votes representing at least 65% of the aggregate capital of attending members for basic matters and at least 75% of the aggregate capital of attending members for key corporate matters.

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