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PROPOSAL

Draft 2

Law on Chemicals Project (amended)

To: National Assembly

Implementing the Law on Promulgation of Legal Documents and Resolution No. 41/2023/NQ-UBTVQH15 dated December 18, 2023 of the National Assembly Standing Committee on amending the Law and Ordinance Development Program in 2024, the Government Office would like to submit to the National Assembly the Law on Chemicals project (amended) as follows:

I. NECESSITY OF ISSUANCE

1.1. Practical bases

Law on Chemicals No. 06/2007/QH12 passed by the 12th National Assembly, in the 2nd session on November 21, 2007, and taking effect from July 01, 2008, is to institutionalize, realize and quickly and promptly concretize the guidelines, policies of the Party and the State. The development of the Law on Chemicals is considered as an important milestone for building and creating an official and unified legal corridor for the chemical-related activities across the country.

In general, the Law on Chemicals is relatively comprehensive and progressive containing the regulations designed in conformity with the specific circumstances and economic conditions of Vietnam's chemical industry, and also, the general development trend of chemical management in the world. The Law on Chemicals has been amended and supplemented once under Law No. 28/2018/QH14 amending and supplementing a number of articles of 11 Laws related to planning, accordingly, this amendment only includes the abolition of contents related to chemical industry planning in conformity with the Law on Planning, without change in the subject, scope or chemical management policies of the Law. Thus, the Law on Chemicals has been stably implemented for 15 years, it can be said to be one of the specialized laws which has been stably implemented for the longest period.

1.1.1. Outputs

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After 15 years, the implementation of the Law on Chemicals has brought positive impacts on the country's socio-economic development, specifically:

a) For economic situation

Since the Law on Chemicals took effect, the chemical industry has developed strongly, the researchers, manufacturers and traders in various fields of the chemical industry have been formed, a number of petrochemical industrial complexes and a number of industrial parks, clusters with many chemical enterprises are initially formed. The chemical industry has maintained a stable growth rate over the years (average 10 - 11%/year), domestically produced chemical products have become more diverse in types, with improved quality and gradually accessed to the products in the region. Some fields of the industry have basically met the domestic demand and are oriented towards export such as fertilizers, pesticides, tires, common paints, cleaning products, ammonium nitrate explosive precursors (NH_4NO_3). Most chemical projects in recent years have used the advanced technology and approached the regional and world levels, with improved safety and environmental factors.

b) For the society

The Law on Chemicals and its by-laws have formed a relatively comprehensive system of chemical management regulations in the fields from central to local levels. Along with the efforts of the state management agencies, the chemical-related activities have been strictly managed and increasingly put into stable development, the role and quality of the chemical safety has been improved, contributing to minimizing the risks and negative impacts of the chemicals on people, environment and assets, ensuring the social order and security, specifically:

- Raise the awareness of the enterprises, people about the direct and long-term hazards of the chemicals, thereby proactively implement the solutions to minimize the risks, hazards and ensure the safety.

- The chemical management activities included under the Convention on the Prohibition of the Development, Production, Storage, Use and Destruction of Weapons, the Rotterdam Convention, the Minamata Convention on Mercury, the Stockholm Convention and international treaties related to chemicals and chemical-related activities of which the Socialist Republic of Vietnam is a member are being implemented relatively well, contributing to

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ensuring the order and security and fully implementing the roles and responsibilities of Vietnam as a member to the Conventions.

- Strict management of legal activities related to industrial precursors (chemicals used as raw materials, solvents, accelerators in production, scientific research, analysis, testing, and also as indispensable chemicals in the preparation, production of narcotics) in order to prevent the criminals from taking advantage of them to produce the illegal narcotics, contributing to improving the effectiveness of prevention and control of drug crimes, helping to strengthen the national security, order and social safety.

- The explosive precursors are dual-use chemicals that serve both as raw materials for many manufacturing industries and as raw materials for the production of industrial explosives. The strict management of explosive precursors prevents bad guys from being used to produce the explosives illegally, affecting the national security, order, safety and socio-economic development.

- Chemical incidents are able to cause widespread harm to human health and the environment, even leading to disasters for people in surrounding areas and the ecosystem. The chemical incident prevention, response activities are implemented at all levels contributing to limiting the risk of incidents, strengthening the response capacity of the forces, and contributing to minimizing the consequences of chemical incidents.

c) For the legal system

At the time of promulgation and in the early stages after the Law on Chemicals took effect and was implemented throughout the country, the provisions of the Law were comprehensive and consistent with current legal documents managing other fields, creating the synchronization of legal basis to improve the effectiveness and efficiency of state management in promoting the development of the chemical industry, ensuring the safety and environmental protection in chemical-related activities.

d) For information infrastructure in chemical management

National chemical database (NCD) at www.chemicaldata.gov.vn. operated since 2018, it is considered as a channel for storing, looking up, and sharing the information for the enterprises, state management agencies at the central and local levels, contributing to improving the operational efficiency of the State management agencies and effective support for the enterprises in

Unofficial translation

implementing the regulations on chemical management. The National Chemical Database contributes to gradually modernizing the information technology infrastructure of the chemical industry, creating a driving force for socio-economic development, effectively supporting the reform of administrative procedures, acting as a foundation for building an electronic administration within the chemical industry, contributing to moving the country quickly on the path of industrialization and modernization.

1.1.2. Shortcomings, limitations

However, in addition to the outputs, after more than 15 years of implementing the Law on Chemicals in 2007, some of the following shortcomings, limitations have been revealed:

a) For general regulations:

The current Law on Chemicals does not clearly and accurately regulate the scope and subjects of application of management activities, specifically: chemicals and products containing chemicals have not been identified; Chemical production activities and chemical mixing and dilution activities have not been specifically identified; The concept of hazardous chemicals is not consistent with the reality...

The chemicals exist in many different states and are used in many fields, so the concepts that are not clearly defined will affect the determination of subjects governed by the Law, assignment of responsibilities and coordination in management among the state management agencies.

b) For the chemical industry development:

- The Law on Chemicals only regulates the chemicals (including substances, compounds, mixtures), roughly understood as basic chemicals. Therefore, the provisions for chemical projects in the Law only apply to basic chemical projects. However, according to the industrial subsectors, the chemical industry includes 10 fields: fertilizers, basic chemicals, pharmaceutical chemicals, petrochemicals, rubber products, paint - printing ink, industrial gases, chemical power sources (batteries, accumulators), pesticides, detergents, consumer chemicals. Therefore, "chemical projects" in the development of the chemical industry need to be more specifically regulated.

- Currently, according to the provisions of the Law on Planning in 2017, the chemical industry planning and chemical product planning have expired. Article 8 and Article 9 of the Law on Chemicals was abolished according to

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the provisions of Law No. 28/2018/QH14 dated June 15, 2018 of the National Assembly amending and supplementing a number of articles of 11 planning-related laws. The investment and development activities in the chemical industry are carried out according to the development strategies, so the regulations on responsibility for setting up and implementing the strategies are required to be supplemented.

- The reality shows that chemicals play an important role and are present in most economic activities, especially in the industrial field. However, due to the characteristics of the chemical industry, normally, the industrial projects are provided with large investments, use a large number of workers, have long operating period, and the potential risk of or chemical incidents or releases affecting the human health and causing the environmental pollution, so many localities have issued the policies not to attract the investment in the chemical projects, the investors face many difficulties, leading to their hesitation. Therefore, it is necessary to have attractive and stable incentive mechanisms and policies to attract the investment in chemical-related activities.

- In addition, developing the chemical industry in a modern and environmentally friendly direction plays an important role. To do this, the Law on Chemicals needs to contain specific regulations on chemical project management, from choosing the locations, choosing the technologies, developing the plans to ensure the safety and the environment protection... right from the project construction stage. These regulations play an important role in determining the effectiveness and sustainable development of the project.

However, the regulations on requirements for the chemical production and business projects in the Law on Chemicals in 2007 mainly focus on requirements to ensure the chemical safety and environmental protection, not contain requirements for industry development orientation, product quality or green chemistry requirements.

- There are no regulations for consultants on chemical project construction. Currently, the Ministry of Construction only issues the construction certificates to organizations, individuals operating in industrial, light industry, and heavy industry projects, not specifically for the chemical field. Meanwhile, the chemical projects are specific and highly specialized, so it is necessary to contain the separate regulations for consulting activities on chemical project construction.

c) For chemical management regulations:

- Regulations on chemical management in the Law on Chemicals in 2007 mainly focus on chemical production, business and import activities. The enterprise trading in a type of chemical which may have to declare when

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importing, must get a license or certificate for its business, and must prepare a control sheet for sales of toxic chemicals with each purchase or sale. Meanwhile, the regulations on chemical use do not ensure the management effectiveness, regulations on transportation, disposal of chemicals are still general and have not been paid attention to, leading to management gaps in the life cycle of chemicals.

Current regulations on chemical use are not commensurate with the level of risk when compared to chemical production and business activities. The enterprises that use the chemicals operate in many different industries, the units that use chemicals in large quantities, potentially causing risks, in fact, there have been many chemical incidents at the facilities where the chemicals are used. Currently, the chemical users are less bound and regulated by the legal regulations on chemicals, so the level of interest and understanding of regulations on chemical management is not high and does not meet the chemical management objectives.

Many hazardous chemicals are used for the wrong purposes (industrial chemicals used in food processing; industrial precursors with the risk of being used in the illegal preparation of drugs; chemicals in the industry and food abuse in entertainment...) causing many difficulties for the management agencies and enterprises.

d) For assignment and implementation of state management responsibilities for chemicals:

The chemical-related activities take place in many different industries, fields. The Law on Chemicals in 2007 assigns the chemical management responsibilities to the ministries, branches according to chemicals used in each field. Although the fields of health, agriculture... all have legal documents related to chemical management and are effective in practice, the methods of chemical management in these documents are different and have not been closely followed according to the regulations in the Law on Chemicals to be consistent with the Law on Promulgation of Legal Documents in 2020, leading to inconsistent implementation among the ministries, branches.

In addition, a chemical can be used in many different industries, fields, the assignment of chemical management responsibilities among the industries according to purpose and field of use is not consistent with the versatility of the chemical, it is very difficult to determine in which fields chemicals circulating on the market will be used. In reality, the enterprises currently import urea as a chemical input to produce the industrial glue but must comply with fertilizer import regulations. Or N_2O is used for the wrong purpose as laughing gas in entertainment but the origin of N_2O used in industry or as a food additive or medicine cannot be determined. In many cases, the enterprises

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declare the purpose of use in the fields with more "open" management regulations but then use it for prohibited, restricted or specially controlled purposes. Therefore, it is necessary to have general, comprehensive regulations for all types of chemicals, thereby appropriately assigning tasks among the industries, fields to unify and coordinate the management, ensuring no overlap but also no gaps to minimize the risk of chemicals as misused.

e) For chemical information:

- According to the current regulations, only chemicals on the List of chemicals subject to declaration must be declared upon import, leading to the possibility of many hazardous chemicals imported into Vietnam while the management agencies don't know and can't monitor, leading to many potential risks. Along with the diverse development of industrial activities, many new chemicals are imported into Vietnam for the first time, making the List of chemicals that must be declared be unable to be adjusted or changed in a timely manner, leading to difficulties in identifying new chemicals to apply the management procedures.

- Confidentiality regulations are still general and not specific, making it difficult to develop the procedures to guide the implementation of administrative procedures or annual reports.

- In addition to the achieved outputs, the National Chemical Database operating in the early stages still has many contents, functions that need to be improved: lack of connection with the chemical database systems of other industries, fields such as medicine, agriculture...; Chemical data in the industrial sector, information on chemical-related activities of many enterprises and some Departments of Industry and Trade have not been notified; The lack of comprehensive and input data makes the functions of chemical risk assessment and supporting forces directly responding to chemical incidents not fully met.

g) For hazardous chemicals in products:

In fact, today, there are many products such as paint, ink and glue, detergents... that contain hazardous chemicals, but the consumers have not been provided with information about the hazardous ingredients or the information is still general because there are no regulations, no danger warnings about fire and explosion risks, and health risks for those exposed. Meanwhile, the above products containing hazardous chemicals are currently not regulated in the Law on Chemicals and are also not regulated in other specialized documents.

This is an important issue, a trend in chemical management in the world, so it is necessary to build a management mechanism and provide the information about hazardous chemicals in products, especially consumer products which can directly affect the people, causing a burden for waste treatment containing hazardous chemicals that can have long-term impacts on the environment.

h) For technical regulations on chemical safety:

- The system of safety standards for equipment in chemical-related activities is still limited and has not fully regulated the activities related to hazardous chemicals; Regulations on safety conditions in chemical-related activities lack specificity, making it difficult to enforce.

- Compliance with requirements for factories, warehouses, and management of hazardous chemicals is limited due to the promulgation of regulations and standards after the factories have been operating. This causes difficulties in modifying, amending the facilities of enterprises and in the guidance and appraisal of state management agencies on chemical-related activities, as well as making it difficult for the implementation of the enterprises.

- According to the current regulations, the development of chemical incident prevention and response measures and chemical safety training is carried out by the enterprises themselves, the management agencies only post-check, so many units overlook it and do not implement or implement carelessly, does not ensure the chemical incidents prevention and response.

- Article 36 of the Law on Chemicals stipulates that the Investor can only put the project into operation after the Chemical Incident Prevention and Response Plan has been approved. In fact, the Plans are often evaluated when the project has completed the construction and before being officially put into operation. In some cases, the plan appraisal process requires the renovation of some items or the addition of technical solutions to ensure the chemical safety, leading to changes compared to the design documents and as-built documents, this leads to lack of uniformity in the management.

- Although the enterprises have been more proactive in developing the plans and measures to prevent and respond to chemical incidents, in reality, there are still some cases where the enterprises have developed the plans since before the Law on Chemicals in 2007 is issued, or during the construction process, does not comply with the regulations on ensuring the technical safety, leading to demolition and renovation, causing the economic loss and disruption

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to the operating process of organizations, individuals due to the plan appraisal process as carried out after the factory has been built.

- The chemical safety training quality is not satisfactory, many enterprises still carry out it in a formal way, the training content is sketchy and does not go into the actual work of the employees, the training for safety practices and response to chemical incidents for the employees in direct contact with chemicals are limited, and the quality of the trainers is not uniform and not guaranteed.

- In some countries in Asia, the chemical incidents response is of special interest because the impact of chemical incidents on human health, the environment and the economy is extremely large. Many countries have built the specialized training areas for the response when the chemical incidents occur. However, currently in Vietnam, the chemical incident response-related activities of organizations, individuals involved in the chemical-related activities are still limited due to lack of capacity, knowledge in chemical incident response activities and especially, no unit or organization has enough professional capacity to provide in-depth training on this task.

- Approaching incident situations at the provincial and national levels has not received much attention, making large-scale chemical incident response drills not widely deployed nationwide.

1.2. Political and legal bases

After the Chemical Law took effect, many new guidelines, policies of the Party and state related to industrial development, chemical management, and chemical safety, specifically:

- With the characteristics of chemicals as popular products, widely used in people's lives and most industrial activities, it has many potential long-term and short-term risks to the humans health and the environment, the regulations on chemical management and chemical safety need to be improved to contribute to realizing the policy of "harmonious development between economy and culture, society, environmental protection and adaptation to climate change" clearly stated in the Documents of the 13th Party Congress.

- 10-year Socio-Economic Development Strategy, in period of 2021 - 2030 (Documents of the 13th National Congress), defines the tasks and solutions: *"Focus on developing a number of core industries to meet the needs of basic production materials of the economy such as energy industry,*

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*mechanical engineering, metallurgy, **chemicals**, fertilizers, materials..."; "fast and sustainable development based mainly on science and technology, innovation and digital transformation"; "Responsible, economical, effective and sustainable management, exploitation and use of resources; take protecting the living environment and people's health as the top objectives; Resolutely eliminating projects that pollute the environment, ensure the quality of the living environment, and protecting the biodiversity and ecosystems; building a green, circular, environmentally friendly economy".*

- In Resolution No. 29-NQ/TW dated November 17, 2022, the 6th Conference of the 13th Party Central Committee on continuing to promote industrialization and modernization of the country by 2030, with vision towards 2045, continue to determine: "*Prioritize the resources and have strong enough incentive mechanisms, policies to develop the priority fields of the core industries: chemicals (prioritize the development of basic chemicals, petrochemicals, pharmaceutical chemicals, fertilizers)*"; "*Encourage the development of mechanical, chemical and biotechnology industries to serve the agricultural production and agricultural, forestry and fishery processing.*"

- Many new legal regulations such as the Law on Planning, the Law on Investment, the Law on Promulgation of Legal Documents, the Law on Drug Prevention, and the Law on Management and Use of Weapons, Explosives and Support Tools, the Law on Environmental Protection are issued later with many innovations compared to the time of the Law on Chemicals. These changes, along with the trend of shifting the management system from pre-inspection to post-inspection, administrative reform and modernization, have led to the documents guiding the implementation of the Law on Chemicals to be changed, gradually reducing the harmony and unity of the entire system of regulations on chemical management.

- A number of international chemical conventions were signed and joined after the Law on Chemicals took effect (Basel, Stockholm, Rotterdam, Minamata and SAICM conventions...), therefore, it is necessary to amend, supplement the regulations to internalize these conventions, ensure the implementation of convention membership obligations and international commitments of Vietnam.

At the Resolution on the Government's Lawmaking Session in June 2023 (No. 95/NQ-CP dated July 7, 2023), the Government agreed on the necessity, viewpoints, and goals of amending Law on Chemicals in 2007 as

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well as the basic contents of the Law on Chemicals project (amended); and also, the Government has also assigned Deputy Prime Minister Tran Hong Ha to direct the completion of this Law project, to submit to the 15th National Assembly for its first opinion on the Law on Chemicals project (amended) at the 7th session (May 2024). After considering the Government's proposal and the National Assembly's working program, the National Assembly Standing Committee has issued Resolution No. 41/2023/UBTVQH15 supplementing the Law on Chemicals project (amended) and the Law and Ordinance Development Program in 2024, submitted to the National Assembly for comments at the 8th session (October 2024).

II. PURPOSES, PERSPECTIVES OF DOCUMENT DEVELOPMENT

2.1. Purposes

- Set up a legal base to promote the development of the chemical industry in accordance with the Party's policies, orientations stated in the 10-year Socio-Economic Development Strategy, in period of 2021 - 2030 (extract from the Documents of the 13th National Congress of the Party), specifically: *"Focus on developing a number of core industries to meet the needs of basic production materials of the economy such as energy industry, mechanical engineering, metallurgy, **chemicals**, fertilizers, materials..."*; *"fast and sustainable development based mainly on science and technology, innovation and digital transformation"*; *"Responsible, economical, effective and sustainable management, exploitation and use of resources; take protecting the living environment and people's health as the top objectives; Resolutely eliminating projects that pollute the environment, ensure the quality of the living environment, and protecting the biodiversity and ecosystems; building a green, circular, environmentally friendly economy"*, thereby further strengthening the Party's leadership in the management of chemicals and the chemical industry.

- Set up a legal base to implement the main tasks, solutions stated in Resolution No. 29-NQ/TW dated November 17, 2022, the 6th Conference of the 13th Party Central Committee to continue to promote the industrialization and modernization of the country by 2030, with a vision towards 2045, specifically: *"Prioritize the resources and have strong enough incentive mechanisms, policies to develop the priority fields of the core industries: chemicals (prioritize the development of basic chemicals, petrochemicals,*
Unofficial translation

pharmaceutical chemicals, fertilizers)”; “Encourage the development of mechanical, chemical and biotechnology industries to serve the agricultural production and agricultural, forestry and fishery processing.”

- Improve the effectiveness, efficiency of state management for the development of the chemical industry and chemical management, minimize the risks of chemical-related activities to people's health and the environment, assets, society.

- Develop a system of legal documents to manage basic chemical-related activities stably in the coming years.

- Harmonize the legal system on chemical management with regulations of the countries around the world, contributing to creating an open environment and attracting the investment from multinational corporations and large chemical corporations with modern technologies, management systems, and high-value products in the world which expand their operations in Vietnam, while creating favorable conditions for Vietnamese enterprises in international trade.

2.2. Perspectives of document development

- Inherit and develop the regulations of the Law on Chemicals in 2007, avoid causing difficulties in the implementation process for the state management agencies and enterprises, and meet the practical requirements in chemical-related activities.

- Approach the trends and harmonize with chemical management systems of the countries around the world but must ensure the feasibility in terms of Vietnam's level of development, infrastructure, and human resources.

- Design the administrative procedure system towards synchronization and simplification while still ensuring the management effectiveness; Create maximum conditions for the enterprises to carry out the administrative procedures, along with development of an enforcement monitoring mechanism and effective post-inspection.

- Promote the administrative reform, reduce and simplify the business investment conditions, create a favorable business environment, and increase national competitiveness; Implement the e-Government, enhance the application of information technology in chemical management.

- Make maximum application of information technology, keep up with digital transformation trends, maximum application of science and technology, advantages of the network environment in management activities to avoid creating too large workload for the state management agencies from central to

Unofficial translation

local levels in the context of limited human resources, thereby focusing on improving the management quality.

- Make the chemical management orientation based on risk assessment to select chemicals to be strictly managed to optimize the use of resources of the state management agencies and society in minimizing risks and hazards of chemicals. Apply strict management regulations in conformity with the chemicals with different levels of risk in a uniform manner throughout the entire life cycle from import, export, production, business, and transportation, use and disposal.

- Strengthen the role and responsibility of the local state agencies in chemical management.

III. LAW PROJECT DEVELOPMENT PROCESS

Implementing Resolution No. 41/2023/NQ-UBTVQH15 dated December 18, 2023 of the National Assembly Standing Committee on adjusting the law and ordinance development program in 2024, the Government assigned the Ministry of Industry and Trade to preside and coordinate the Ministries, branches to develop the Law on Chemicals project (amended) include members of: Committee for Science, Technology and Environment, Government Office, Ministry of Justice, Ministry of Public Security, Ministry of National Defense, Ministry of Natural Resources and Environment, Ministry of Industry and Trade, Ministry of Agriculture and Rural Development, Ministry of Transport, Ministry of Planning and Investment, Ministry of Science and Technology, Ministry of Home Affairs, Ministry of Finance, Ministry of Construction, Ministry of Health, Ministry of Culture, Sports and Tourism, Government Inspectorate, Vietnam Chamber of Commerce and Industry, Hanoi Department of Industry and Trade, Hai Phong Department of Industry and Trade, Bac Ninh Department of Industry and Trade, units in Department of Industry and Trade (Department of Chemicals, Department of Legal Affairs, Ministerial Office, Department of Planning, Department of Finance, Department of Science and Technology, Ministry Inspectorate, Vietnam Directorate of Market Surveillance, Department of Industry, Department of Import and Export, Trade Promotion, Department of Environmental Safety, Department of E-Commerce, Department of Local Industry and Trade, Department of Domestic Market), VCCI, Chemical Society of Vietnam, Vietnam Environmental Industry Association and many experts in the chemical field.

The drafting of the Law project is in accordance with the provisions of the Law on Promulgation of Legal Documents in 2015 and the Law amending and supplementing a number of articles of the Law on Promulgation of Legal Documents No. 80/2015/QH13 with the specific activities as follows:

1. The Ministry of Industry and Trade has proactively reviewed and evaluated codes, laws, and resolutions of the National Assembly related to chemical-related activities and developed a review report, and discovered that there are laws directly related to chemical-related activities; Clearly identify the contents and policies proposed for amendments, supplements in the draft Law on Chemicals.

2. In order to summarize the implementation of the Law on Chemicals in 2007, in 2020, the Ministry of Industry and Trade organized 03 workshops to summarize the implementation of the Law on Chemicals in the Northern, Central, and Southern regions with the participation of nearly 200 enterprises in the chemical industry and representatives of management agencies nationwide. In 2021, the Ministry of Industry and Trade sent survey forms to collect the opinions from the business community, ministries, ministerial-level agencies, and People's Committees of 63 provinces and centrally-run cities on evaluating the implementation of the Law on Chemicals.

The Ministry has compiled the reports on the implementation of the Law and proposals from the ministries, branches and localities on the contents of the Law to develop a summary report on the implementation of the Law on Chemicals in 2007, on that basis, developed the Draft Law on Chemicals (amended).

3. During the development of the Law on Chemicals (amended), the drafting agency directly discussed and worked with the international experts from organizations to better understand the management model, regulatory context, level of development, and practical implementation of policies in advanced countries in the world, as well as countries with similar conditions to Vietnam. Specifically, the Ministry of Industry and Trade studied the strong state management experience in chemical-related activities of the countries around the world through the support of international experts such as expertsfor the content.....

And also, many working sessions and seminars were organized for domestic and international experts, with the Vietnam Chamber of Commerce and Industry to provide the comments on each content of the draft Law.

4. The draft Law on Chemicals was sent by the Ministry of Industry and Trade for comments from the ministries, branches and localities (Dispatch); Posted publicly on the Government's website and the Ministry's website to collect the public opinions from people, enterprises in accordance with regulations (Dispatch No.). The Ministry receiveddocuments and comments (.....written comments from the ministries and ministerial-level agencies,written comments from provincial-level agencies, written comments of associations, large chemical enterprises and the Government Website).

Based on the opinions of the ministries, localities, socio-political organizations, chemical organizations, and experts, the Ministry of Industry and Trade edited, supplemented, and completed three draft Law on Chemicals projects (amended) and sent to the Ministry of Justice for appraisal.

5. On, the Ministry of Justice had an opinion on appraisal of the Law on Chemicals project (amended) in Appraisal Report No..... The draft was amended, supplemented by the Ministry of Industry and Trade based on opinions from the Ministry of Justice and submitted to the Government in Proposal No.....

6. On, the Government met to give opinions on the content of the draft law and passed it in Resolution No. Based on the opinions of Government Members, the drafting agency submitted a report to receive, explain opinions of Government Members and complete the Law on Chemicals project (amended).

7. On, the Government submitted to the National Assembly the Law on Chemicals project (amended) in Proposal No.....

8. On, the National Assembly's Committee for Science, Technology and Environment issued a Report on the preliminary appraisal of the Law on Chemical project (amended).

9. On, the National Assembly Standing Committee met and gave opinions on the Law on Chemicals project (amended) at the session and concluded in Notice No. on the Conclusion of the National Assembly Standing Committee on the Law on Chemical project (amended).

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As directed by Prime Minister, the Ministry of Industry and Trade presides over and coordinates with the relevant agencies to study and receive opinions from the National Assembly Standing Committee and National Assembly Committees, to amend and complete the Law project (details in the Appendix attached to this Proposal).

IV. LAYOUT AND BASIC CONTENT OF THE DRAFT LAW

The draft Law closely follows the four policies submitted by the Government to the National Assembly and does not supplement new policies, specifically as follows:

4.1. Scope of adjustment

Compared to the Law on Chemicals in 2007, the scope of adjustment of the Law on Chemicals (amended) supplements regulations on the development of the chemical industry and chemicals in products. Specifically, this Law regulates the development of the chemical industry, chemical-related activities, chemicals in products, safety in chemical-related activities, rights and obligations of organizations, individuals participating in chemical-related activities, State management of chemicals.

However, the revised Draft Law on Chemicals intends to stipulate and explain the terms clearly delineating the concepts of "chemicals" and "products containing chemicals", clearly delineating types of "chemical-related activities", thereby clarifying the scope of the Law compared to the Law on Chemicals in 2007.

4.2. Regulated entities

The regulated entities of the amended Law on Chemicals remain as unchanged compared to the Law on Chemicals in 2007.

Specifically, this Law applies to organizations, individuals participating in chemical-related activities; Organizations, individuals involved in chemical-related activities in the territory of the Socialist Republic of Vietnam.

4.3. Outline of the draft Law

The draft revised Law on Chemicals includes articles and is arranged into 11 chapters. Compared to the Law on Chemicals in 2007, the draft Law retains articles; amends, supplements articles; adds articles and deletes articles. The chapters are specifically arranged as follows:

- Chapter I. General provisions, including 06 articles (from Article 1 to Article 6).
- Chapter II. Chemical industry development, including 05 articles (from Article 7 to Article 11).
- Chapter III. Chemical life cycle management, including 04 Sections, 34 Articles (from Article 12 to Article 45).
- Chapter IV. Declaration, registration and supply of information on chemicals, including 13 Articles (from Article 46 to Article 58).
- Chapter V. Implementation of international commitments on chemical management, including 2 Articles (Article 59, Article 60).
- Chapter VI. Hazardous chemicals in products, including 3 Articles (from Article 61 to Article 63).
- Chapter VII. Chemical safety, including 2 Sections, 14 Articles (from Article 64 to Article 77).
- Chapter VIII. Environmental protection and safety for the community, including 05 Articles (from Article 78 to Article 82).
- Chapter IX. Reporting regimes, including 4 Articles (from Article 83 to Article 86).
- Chapter X. State management responsibilities of chemical-related activities, including 7 Articles (from Article 87 to Article 93).
- Chapter XI. Implementation provisions, including 02 Articles (Article 94, Article 95)

4.4. Basic contents of the draft Law

a) Chapter I. General provisions, including 06 articles (from Article 1 to Article 6)

This Chapter stipulates the following contents: Scope of adjustment (Article 1); Regulated entities (Article 2); Application of laws (Article 3); Definitions and interpretation (Article 4); Principles of chemical-related activities (Article 5); Prohibited acts in chemical-related activities (Article 6).

- Inherit and complete the provisions of the Law on Chemicals in 2007 on regulated entities, Application of laws, Principles of chemical-related activities, Prohibited acts in chemical-related activities.

Unofficial translation

- Amend, supplement the regulations on interpretation.

b) Chapter II. Chemical industry development, including 05 articles (from Article 7 to Article 11)

This chapter stipulates the following contents: State policies on chemical industry development (Article 7); Chemical industry development strategy (Article 8); Regulations for chemical projects (Article 9); Key chemical industry sectors (Article 10); Chemical consulting activities (Article 11). The amendments, supplements are as follows:

- Regulate the State's policies on the development of the chemical industry in the direction of inheriting the provisions in Article 6 of the Law on Chemicals in 2007, and also, amend, supplement according to viewpoints, goals, and orientations of the chemical industry development built into the Strategy for developing Vietnam's chemical industry by 2030, with a vision towards 2040 approved by the Prime Minister in Decision No. 726/QĐ-TTg dated June 16, 2022.

- Supplement the regulations on building and implementing the chemical industry development strategy in order to clearly specify the requirements for the strategy's content; strategy planning phase; Responsibility for developing, authority for approving and responsibility for organizing the implementation of the chemical industry development strategy (Article 8).

- Develop specific regulations for the chemical projects including responsibilities of chemical project investors; Contents that need to be considered and evaluated during the investment policy decision stage, the chemical project investment decision stage to meet the requirements of technology, chemical safety and environmental protection, towards integrating green chemistry criteria and implementing sustainable development goals (Article 9). The Government will detail green chemistry principles, the implementation of specific regulations for the chemical projects, and ensure maximum integration into investment processes and procedures, built in the Law on Investment and Law on Construction.

- Regulate key chemical industry sectors that are entitled to special incentives and investment supports, including sectors that produce the products that need priority for development to provide raw materials for many industries, fields, investment projects in specialized chemical industrial parks, specialized chemical industrial clusters, chemical complexes... in order to

Unofficial translation

create the appropriate mechanisms, policies to implement the Party's policies and guidelines in order to promote the development of the chemical industry into a modern, foundational industry (Article 10).

- Chemicals are a field with a high risk of incidents, affecting the environment, people and assets, so the Draft supplements the regulations on professional conditions and certificates for a number of consultancies directly related to technology and chemical safety to improve the effectiveness of chemical safety, ensuring the rights of project investors, choosing the technology solutions, construction, appropriate safety, efficiency, and cost savings (Article 11).

- Abolish the regulations on the responsibilities of the investors in chemical production and business projects in coordinating with the local authorities to collect the opinions from the residential community where the project is implemented on environment protection measures according to the provisions of the law on environmental protection (Clause 4, Article 10 of the Law on Chemicals in 2007) because the regulations on environmental protection for investment projects have been stipulated in the Law on Environmental Protection.

c) Chapter III. Chemical life cycle management, 34 Articles (from Article 12 to Article 45)

This chapter regulates the following contents: Management of banned chemicals (Section 1, from Article 12 to Article 18); Regulations on management of specially controlled chemicals (Section 2, from Article 19 to Article 28); Management of conditional chemicals (Section 3, from Article 29 to Article 37), Management of hazardous chemicals (Section 4, from Article 38 to Article 45).

The amendments, supplements are as follows:

- Regulations on management of banned chemicals:

- + Banned chemicals are chemicals that are particularly hazardous to the human health, the environment, national defense and security and are specified in the List of banned chemicals promulgated under the Law on Investment or issued by the National Assembly.

- + The organizations, individuals are not allowed to produce, trade, transport, store or use the banned chemicals, unless in special cases for scientific research purposes, national defense and security, disease prevention

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and control. The Minister of Industry and Trade, Minister of Public Security, Minister of Defense, Minister of Science and Technology, Minister of Health, Minister of Agriculture and Rural Development report to the Prime Minister to allow to issue the Licenses to produce and import banned chemicals for the organizations, enterprises.

- + Activities in the life cycle of banned chemicals must comply with strict conditions and regulations.

- Regulations on management of specially controlled chemicals:

- + List of specially controlled chemicals issued by the Government, including: Specially controlled hazardous chemicals to implement the Rotterdam Convention, Minamata Convention on mercury, Stockholm Convention and other international treaties related to chemicals and chemical-related activities of which the Socialist Republic of Vietnam is a member; Specially controlled hazardous chemicals to ensure they do not cause the harm to national defense, security, social order and safety, human health, assets, and the environment;

- + Specially controlled chemicals are controlled in terms of technical safety, scope, type, scale, production period, business and purpose of use;

- + The Ministry of Industry and Trade unifies the management and licensing of production, business, import and export or confirmation of import declaration of specially controlled chemicals;

- + The specially controlled chemical users are responsible for declaring the type of chemical and the purpose of chemical use on the National Chemical Database before use. The Ministry of Construction shall detail the conditions and regulations governing the use of specially controlled chemicals within the scope of management and submit them to the Government for promulgation.

- Regulations on management of conditional chemicals:

- + List of conditional chemicals issued by the Government, including chemicals with a high level of hazard;

- + The conditional chemical operators must comply with the conditions so as not to harm the national defense, security, ensure social order and safety, human health, assets, and the environment;

- + Specialized agencies under the Provincial People's Committee unify the management and issuance of certificates of eligibility to produce and trade

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the conditional chemicals;

- + The chemical importers must make the declarations automatically (without confirmation) through the Vietnam National Single Window;

- + The Ministry of Construction shall detail the conditions and regulations governing the use of Conditional Chemicals within the scope of management and submit them to the Government for promulgation.

- The conditional chemical or specially controlled chemical keepers of many organizations, individuals must receive Certificates of eligibility for storage of chemicals issued by the specialized agencies under the Provincial People's Committee.

- Supplement the regulations on management of hazardous chemicals:

- + Hazardous chemical-related activities must comply with safety conditions prescribed by the Law;

- + The hazardous chemicals importers must make automatic declaration (without confirmation) through the Vietnam National Single Window;

- + The Ministry of Construction shall detail the conditions and regulations governing the use of hazardous chemicals within the scope of management and submit them to the Government for promulgation.

d) Chapter IV. Declaration, registration and supply of information on chemicals, including 13 Articles (from Article 46 to Article 58)

This chapter basically inherits the provisions of the Law on Chemicals in 2007 on registration, evaluation, and management of new chemicals; information on chemicals; classification, labeling and packaging of chemicals; Chemical safety data sheets; Confidentiality; National Chemical Inventory and National Chemical Database; Chemical advertising.

e) Chapter V. Implementation of international commitments on chemical management, including 2 Articles (Article 59, Article 60)

This chapter supplements the regulations on the responsibilities of organizations, individuals in complying with international commitments on chemical management of which Vietnam is a member; Assigns a focal agency to implement the international commitments on chemical management.

f) Chapter VI. Hazardous chemicals in products, including 3 Articles (from Article 61 to Article 63)

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This Chapter supplements regulations on: general regulations on hazardous chemicals in products (Article 61), Development of control procedures of hazardous chemicals in the production process (Article 62), Disclosure of information about the hazardous chemical contents in products (Article 63). Additional provisions are as follows:

- Supplement and develop a List of hazardous chemicals in products to be managed;

- Supplement the regulations on how to manage the hazardous chemicals in products, including: controlling the risk of products containing hazardous chemicals by building a process for managing hazardous chemicals during the production process, publishing information about hazardous chemical content in products. Risk assessments will be carried out by the enterprises in their annual reports on hazardous chemicals in products.

- Supplement the regulations on responsibilities of producers, importers and traders of products containing hazardous chemicals.

- For hazardous chemicals in products that have technical regulations: Follow the provisions of the Law on Technical Standards and Regulations, the Law on Goods Quality and disclose information at the National Chemical Database.

- For hazardous chemicals in products that need to be managed without technical regulations: supplement the general regulations on building a list of hazardous chemicals in products to be managed; For these chemicals, it is necessary to develop a process for managing hazardous chemicals during the production process (Article 62) and publish information about the content of hazardous chemicals in the product at the National Chemical Database (Article 63). The above regulations are built to make information transparent to the public, protecting consumers, minimizing risks to safety and health, not increasing administrative procedures, and facilitating the business operations.

- Supplement the regulations on responsibilities for inspection, examination and supervision of the implementation of regulations on management of products containing hazardous chemicals of ministries, branches and localities in the direction of strengthened post-inspection.

g) Chapter VII. Chemical safety, including 2 Sections, 14 Articles (from Article 64 to Article 77)

This chapter regulates the following contents: Conditions to ensure the safety in production, business, transportation and storage of chemicals and chemical incidents prevention and response. Some new contents are as follows:

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- The organizations, individuals must comply with the conditions on physical - technical facilities, expertise and responsibilities to ensure the safety in production, business, transportation and storage of chemicals.

- Chemical incident prevention and response plan is implemented by the chemical project investors themselves or through a qualified consultant. The chemical incident prevention and response plan is implemented concurrently with the preparation of a feasibility study report or documents equivalent to the project's feasibility study report; The chemical project investors are responsible for fully implementing the contents in the decision for approving the chemical incident prevention and response plan.

During the inspection for the acceptance of construction works when completed and put into use, the competent state management agency is responsible for checking the implementation of the contents in the Decision for approving the chemical incident prevention and response plan. The chemical project investors are responsible for integrating the environmental incident response plan into the chemical incident prevention and response plan.

- The organizations, individuals engaged in chemical-related activities that are required to develop chemical incident prevention and response plans and measures are responsible for reporting and updating their chemical incident prevention and response plans and measures to the National Chemical Database system.

- The organizations, individuals engaged in chemical-related activities are responsible for organizing the chemical safety training or sending the chemical-related workers to periodically participate in training courses of chemical safety training organizations every 02 years.

- The Ministry of Industry and Trade presides over and coordinates with relevant ministries, ministerial-level agencies to develop the contents, tasks, management mechanisms, and financial mechanisms of the National Program on chemical incident prevention and response to be submitted to the Prime Minister for approval.

h) Chapter VIII. Environmental protection and safety for the community, including 5 Articles (from Article 78 to Article 82)

- Inherit the provisions of the Law on Chemicals in 2007 on the responsibility for environmental protection and safety for the community, the rights and obligations of organizations, individuals in the environmental protection and safety for the community, publicize information on chemical safety, responsibility for disposal of hazardous chemical residues, confiscated

chemicals and products containing hazardous chemicals, and responsibility for disposal of hazardous chemical residues of wars.

- Abolish regulations on liability insurance for damages in chemical-related activities because they are regulated in the insurance law.

i) Chapter IX. Reporting regimes, including 4 Articles (from Article 83 to Article 86)

- Supplement periodic reporting regimes on investment activities, in which ministries, branches, and provincial People's Committees report on the results of the Chemical Industry Development Strategy; Chemical project investors report via the National Chemical Database System the project implementation situation (the period before completing the project and putting the project into use), the implementation status of production and business (after completing the project and putting the project into use).

- Supplement periodic reporting regulations in the management of products containing hazardous chemicals. The risk assessment will be carried out by the enterprises and periodically reported to the line ministries.

- Inherit the provisions of the Law on Chemicals in 2007 and Decrees detailing the reporting regimes for production, import, and use of banned chemicals; Report on production, import, use of hazardous chemicals and assurance of chemical safety; report retention period.

k) Chapter X. State management responsibilities for chemical-related activities, including 07 Articles (from Article 87 to Article 93)

This chapter regulates the following contents:

- State management responsibilities for chemical-related activities (Article 87), responsibilities of the Ministry of Industry and Trade (Article 88), Ministry of Health, Ministry of Agriculture and Rural Development, Ministry of Public Security, Ministry of National Defense, Ministry of Natural Resources and Environment, Ministry of Transport, Ministry of Labor, Invalids and Social Affairs, Ministry of Science and Technology (Article 89), Provincial People's Committee (Article 90), main contents are as follows:

- + The Government unifies the state management of chemical-related activities nationwide.

- + The Ministry of Industry and Trade is responsible before the Government for implementing the state management of chemical-related

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activities; managing the chemical industry development, unifying the management of chemical production and business activities; Managing the use and products containing hazardous chemicals in the industry and trade sector.

+ The Ministry of Health, the Ministry of Agriculture and Rural Development, the Ministry of Public Security, and the Ministry of National Defense manage the use of chemicals and products containing hazardous chemicals in the management field.

+ Inherit the provisions of the Law on Chemicals in 2007 on the state management responsibilities of the Ministry of Natural Resources and Environment, the Ministry of Transport, the Ministry of Labor, Invalids and Social Affairs, and the Ministry of Education and Training.

+ Supplement the responsibilities of the Ministry of Science and Technology in promulgating according to its authority or submitting to competent authorities for promulgation of regulations on management and use of chemicals in testing, scientific research units, and regulations for laboratories to assess the hazardous chemical contents in products.

+ Supplement the responsibilities of the Ministry of Planning and Investment in developing and promulgating policies to attract investment in developing the chemical industry and specialized chemical industrial parks; balancing the short-term and long-term investment capital for chemical industry development; Study and propose amendments to investment regulations in the direction of adding key chemical industry sectors to special investment incentives.

+ Inherit the provisions of the Law on Chemicals in 2007 on the state management responsibilities of People's Committees at all levels, supplement the responsibilities of Provincial People's Committees in developing the contents on chemical industry development in the locality.

- Inspect, handle the violations and resolve the disputes in chemical-related activities (Articles 91, 92, 93): inherit the provisions of the Law on Chemicals in 2007.

1) Chapter XI. Implementation provisions, including 02 Articles (Article 94, Article 95)

This Chapter stipulates the enforcement (Article 94) and Transitional Provisions (Article 95).

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The draft Law does not contain any provisions that create gender discrimination and the content stipulated in the draft Law is compatible with relevant international treaties on human rights (CEDAW convention) that the Socialist Republic of Vietnam is a member.

The Proposal on the Law on Chemicals project (amended) is as mentioned above, the Government would like to submit to the National Assembly for consideration and decision./.

(Attachments: (1) Report to the National Assembly and Appendix for receiving and explaining conclusions of the National Assembly Standing Committee on the Law on Chemicals project (amended); (2) Draft Law on Chemicals (amended); (3) Evaluation report of the Ministry of Justice; (4) Report on receiving appraisal opinions of the Ministry of Justice; (5) Report on review of legal documents related to the Law on Chemicals project (amended); (6) Assessment of administrative procedures in the Law on Chemicals project (amended); (7) Report on mainstreaming gender equality issues; (8) Summary, explanation, and receipt of comments from ministries, branches, localities and relevant agencies; (9) Policy impact assessment report; (10) Report on the implementation of the Law on Chemicals in 2007; (11) International experience report; (12) Draft Decree detailing a number of articles of the Law on Chemicals (amended)).

Recipients:

- As above;
- National Assembly Standing Committee;
- Prime Minister;
- Deputy Prime Ministers;
- Party Central Office;
- Committee on Science, Technology and Environment of the National Assembly;
- Legal Affairs Committee of the National Assembly;
- National Assembly Office;
- Office of the President;
- Government office;
- Ministries: Justice, Agriculture and Rural Development, Construction, Industry and Trade, Natural Resources and Environment;
- Archives: VT, PL (03).

**ON BEHALF OF THE
GOVERNMENT OFFICE
PRIME MINISTER**

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