

**STATE BANK OF
VIETNAM**

SOCIALIST REPUBLIC OF VIETNAM

Independent – Freedom – Happiness

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CIRCULAR

GUIDING THE IMPLEMENTATION OF SEVERAL ARTICLES OF THE DECREE NO. 22/2006/ND-CP DATED 28 FEBRUARY 2006 OF THE GOVERNMENT ON THE ORGANIZATION AND OPERATION OF FOREIGN BANK BRANCHES, JOINT VENTURE BANKS, 100% FOREIGN OWNED BANKS, REPRESENTATIVE OFFICE OF FOREIGN CREDIT INSTITUTIONS IN VIETNAM

Pursuant to Article 67 of the Decree No.22/2006/ND-CP dated 28 February 2006 of the Government on the organization and operation of foreign bank branches, joint venture banks, 100% foreign owned banks, representative office of foreign credit institutions in Vietnam (hereinafter referred to as the Decree), the State Bank of Vietnam (hereinafter referred to as the State Bank) hereby provides guidance on the implementation of the Decree as follows:

Part I

GENERAL PROVISIONS

I. GOVERNED SCOPE AND SUBJECTS OF APPLICATION

1. This Circular provides guidance on the implementation of several Articles of the Decree which are applicable to foreign bank branches, joint venture banks, 100% foreign owned banks, representative office of foreign credit institutions in Vietnam

II. INTERPRETATION

In this Circular, following terms shall be construed as follows:

2. “Competent representative” means the Chairperson of the Board of Directors, General Manager (Manager) of a foreign bank, foreign credit institution, Vietnamese bank participating in a joint venture, organization which is the party making capital contribution to a 100% foreign owned bank; persons authorized in writing by them; persons who have full competence, according to the Charter or internal regulations of this organization, to sign documents stipulated in this Circular and perform related works within the scope of assigned competence.

3. “Executive officers” include General Manager (Manager), Deputy General Manager (Deputy Manager), Chief Accountant; chief, deputy chief of units, departments of management, operation.

4. “Opening of operation” means the commencement of banking activities; “date of operation opening” means the date of commencing the operation.

III. CONDITIONS, FILE, PROCEDURES OF ISSUANCE OF THE LICENSE FOR OPENING A FOREIGN BANK BRANCH; ESTABLISHMENT AND OPERATION LICENSE OF A JOINT VENTURE BANK, A 100% FOREIGN OWNED BANK; LICENSE FOR OPENING REPRESENTATIVE OFFICE OF FOREIGN CREDIT INSTITUTION (HEREINAFTER REFERRED TO AS LICENSE)

5. Conditions for the issuance of license

5.1 Conditions generally applicable to foreign bank branches, joint venture banks, 100% foreign owned banks

- a. Foreign bank must not seriously violate provisions on banking activity and other provisions of applicable laws of its home country within the latest 3 consecutive years prior to the year applying for the license till the time when the State Bank handles, considers application file for the issuance of the license;
- b. Foreign bank must have experience in international operation, is ranked from average and stable upwards by international credit rating organizations, can prove its ability to perform financial commitments and operate normally even when economic situation, condition changes in an inconvenient tendency;
- c. Foreign bank must have a healthy financial situation, satisfying following minimum criteria:
 - To achieve the minimum adequacy capital ratio of 8% upwards and prudential ratios in accordance with international rules, have bad debt ratio (NPL) of less than 3% from the year prior to the year applying for the license till the time where the State Bank considers the application file for the issuance of the license;
 - To make profit from operation within the latest 3 consecutive years at the minimum prior to the year applying for the license;
- d. Competent supervision, inspection agency of the home country is capable of supervising entire activities of the foreign bank on synthetic basis under international rules; has entered into commitments (memorandum of understanding, agreement, exchange letter and other documents of the equivalent value) with the State Bank of the cooperation in the management, supervision to activities and information exchange.

5.2. Conditions for opening a foreign bank branch

Besides general conditions stipulated in point 5.1 hereinabove, a foreign bank (parent bank) must satisfy following conditions to be granted the License for the opening of a branch:

- a. Conditions provided for in paragraph 2, Article 106 of the Law on credit institutions, including:
 - Appropriated capital of the foreign bank branch is at least equal to the legal capital in accordance with applicable provisions of the Government;
 - Executive officers possess full civil act capacity and professional qualifications correspondent to banking activity; General Manager (Manager) of the foreign bank branch must at least satisfy following required conditions:
 - + Being in good health, having professional morality, being honest, incorruptible, knowledgeable about laws and conscious of compliance with the laws;
 - + Graduating at least from university, major in economics, banking, finance, law, business administration;
 - + Having at least 3 years of experience in finance, banking area;

- Availability of a feasible business plan, in which there must be at least a business, operation plan for the first three (03) years in accordance with the guidance of files in point 6.1.b of this Circular;
 - Being permitted to open a bank branch in Vietnam by the competent agency of its home country;
 - Availability of a written document issued by the competent agency of its home country ensuring the ability of supervision over the entire activities of the branch in Vietnam;
 - Availability of a written document issued by the foreign bank ensuring the responsibility taking for all obligations and commitments of its branch in Vietnam; ensuring the maintenance of actual value of appropriated capital of the branch not to be lower than the legal capital and fully satisfying provisions on operational prudence in accordance with applicable provisions of the State Bank.
- b. Total assets of the foreign bank as of the year prior to the year applying for the license are at least equal to USD 20 billion.

5.3. Conditions for establishment and operation of a joint venture bank, 100% foreign owned bank

Besides general conditions stipulated in point 5.1 hereinabove, the foreign bank must satisfy following conditions to be granted the establishment and operation License of joint venture bank, the establishment and operation license of 100% foreign owned bank:

- a. Conditions provided for in paragraph 1, Article 22 of the Law on credit institutions, including:
- Minimum charter capital of the joint venture bank, 100% foreign owned bank is equal to the legal capital in accordance with applicable provisions of the Government;
 - Managerial, executive officers of joint venture bank, 100% foreign owned bank must possess full civil act capacity and professional qualifications correspondent to the bank activity; members of the Board of Directors, Board of Supervision, executive officers must fully satisfy conditions, standards in accordance with provisions of the Law on credit institutions and guidance of the State Bank on the conditions, standards for members of the Board of Directors, Controllers Committee, executive officers of credit institution:
 - Availability of a feasible business plan, in which there must be at least business, operation plan for the first three (03) years in accordance with the guidance on file at point 6.2.b of this Circular;
 - Charter on the organization and operation of the joint venture bank, 100% foreign owned bank must be in accordance with provisions of applicable laws of Vietnam;
- b. Foreign banks and capital contributors being foreign organizations must be permitted to participate in the establishment of the joint venture bank, 100% foreign owned bank in Vietnam by the competent agency of their home country;
- c. Total assets of the foreign bank by the end of the year prior to the year applying for the license shall be at least equivalent to USD 10 billion;
- d. The foreign bank and capital contributors must make a written commitment with the State Bank on:

- Being ready to give support to the 100% foreign owned bank, joint venture bank in Vietnam in terms of finance, technology, management, execution and operation

- Ensuring to maintain the actual value of the charter capital of 100% foreign owned bank, joint venture bank not to be lower than the legal capital and fully satisfy provisions on operational prudence in accordance with applicable provisions of the State Bank.

e. Vietnamese banks making capital contribution to the establishment of a joint venture bank or foreign organizations which are not foreign banks making contribution capital to the establishment of the 100% foreign owned bank must be either foreign banks or prestigious organizations which have financial capacity; operate healthily, perform efficient, profitable business activity under above mentioned principles of this Circular. Specifically, Vietnamese banks must satisfy following conditions:

- The operation time is at least 5 years;

- Total assets is at least VND 10,000 billion, rate of bad debt is less than 2% of the total outstanding debt, not committing any violation to provisions on prudence in banking activity as stipulated by the State Bank of Vietnam by the year prior to the year applying for the license till the time where the State Bank considers the application for license;

- Performing profitable business in three (03) consecutive years prior to the year applying for license.

5.4. Conditions for opening a representative office of foreign credit institution

a. Foreign credit institution must be a legal entity authorized to engage in banking activity in its home country;

b. Foreign credit institution must be authorized by the competent agency of its home country to open a representative office in Vietnam

c. Foreign credit institution has set up a cooperative relationship with Vietnam economic organizations or has a demand for looking for, promoting, developing the cooperative relationship with Vietnam economic organizations;

d. Foreign credit institution must not seriously violate provisions on banking activity and other provisions of the laws of its home country within the latest 3 consecutive years prior to the year applying for the license till the time when the State Bank handles, considers application file for the issuance of the license;

6. Application file for a license

6.1. Application file for the license of opening a foreign bank branch

a. Application file for the license of opening the foreign bank branch shall be signed by a competent representative of the foreign bank (Appendix 1a attached);

b. A business plan which can prove the feasibility; including following main and required contents:

- Necessity to establish the branch, customers' demand, ability to satisfy the demand for banking service, ability to manage risk types, ability to apply modern technology in the management of banking activity and risks;

- Expected operation location and human resource;

- Organization structure, managerial, executive, internal audit apparatus; system of internal inspection, control, regime on prevention from and combating against money laundering is organized sensibly in line with provisions of Vietnamese laws and international rules;
- Operational content, method of business operation;
- General report of assets; income and expense statement, cash flow statement, major financial indexes, expected prudential ratios and related notes demonstrating the economic interest and calculation of economic efficiency in the first 3 years of operation of the foreign bank branch in Vietnam;

c. Charter of the foreign bank;

d. The curriculum vitae (which is certified by the foreign bank) and diplomas, certificates evidencing the capability and professional qualification of General Manager (Manager) of the foreign bank branch;

e. A copy of the establishment and operation License of the foreign bank issued by the competent agency of its home country;

g. Written document issued by the competent agency of its home country permitting such foreign bank to open a foreign bank branch in Vietnam; Where a written acceptance is not required in accordance with provisions of the home country, an evidence thereof shall be needed;

h. Written document issued by the competent agency of its home country confirming the compliance with the laws and financial status of the foreign bank within the latest 3 consecutive years prior to the application for the license which evidences its ability to satisfy the conditions provided for in item a, c, point 5.1 mentioned above;

i. Written document issued by competent inspection, supervision agency of its home country committing to ensure the ability to supervise the entire activities of the foreign bank (including activity of the foreign bank branch in Vietnam) on the synthetic basis in accordance with international rules;

k. Audited annual financial statements in the latest 3 years of the foreign bank;

l. Written document or materials of international credit rating organizations (Moody's, Standard & Poor, Fitch...) on credit rating for the foreign bank;

m. Written document of the foreign bank ensuring to take full responsibility for all obligations and commitments of its branch in Vietnam; ensuring to maintain the actual value of appropriated capital of the branch not lower than the legal capital and fully satisfy provisions on operational prudence in accordance with provisions of the State Bank.

n. General overview on the establishment history, development and operation process of the foreign bank till the reporting time, and development orientation in the future.

6.2. Application file for the issuance of an establishment and operation license of a joint venture, 100% foreign owned bank:

a. Application file for the issuance of the establishment and operation license of the joint venture bank in Vietnam shall be signed by the competent representative of parties to the joint venture (Appendix 1b attached); Application file for the issuance of the establishment and operation

license of the 100% foreign owned bank shall be signed by the competent representative of the parent bank (Appendix 1c attached)

b. An business plan (which has been approved by the joint venture parties, parent bank, capital contributors) which can prove the feasibility; including following main and required contents:

- Necessity to establish the bank, customers' demand, ability to satisfy the demand for banking service, ability to manage risk types, ability to apply modern technology in the management of banking activity and risks;

- Expected operation location and human resource;

- Organization structure, managerial, executive, internal audit apparatus; system of internal inspection, control, regime on prevention from and combating against money laundering is organized sensibly in line with provisions of Vietnamese laws and international rules;

- Operational content, method of business operation;

- General report of assets; income and expense statement, cash flow statement, major financial indexes, expected prudential ratios and related notes demonstrating the economic interest and calculation of economic efficiency in the first 3 years of operation of the joint venture bank, 100% foreign owned bank;

c. The curriculum vitae certified by the competent agency (the agency for which that person is working; the agency that manages, monitors personal curriculum vitae, etc...) and diplomas, certificates evidencing the capacity and professional qualification of members of the Board of Directors, Controllers Committee and General Manager (Manager) of the joint venture bank, 100% foreign owned bank;

d. List of capital contributors, level of charter capital contribution and specific capital contribution plan which is signed, undertaken by all parties and clearly states: value of contributed capital in foreign currency, in Vietnam Dong, in assets (for this case, it is required to provide a written document evidencing the valid ownership and valuation of assets);

e. Audited annual financial statements in the latest 3 years of capital contributors;

g. Joint venture contract containing major contents in accordance with provisions of applicable laws for joint venture bank; contract and agreement of capital contribution among capital contributors for 100% foreign owned bank;

h. Copy of the establishment and operation license of capital contributors;

i. Written document issued by the competent agency of its home country permitting such foreign bank to make capital contribution to the joint-venture bank; permitting the parent bank and other foreign capital contributors to make capital contribution to 100% foreign owned bank in Vietnam. Where the laws of its home country do not provide for such document to be issued, the evidence proving this fact shall be required;

k. Written document issued by the competent agency of its home country providing information of, confirming the compliance with the laws and financial status of the foreign bank, of other foreign capital contributors within the latest 3 consecutive years prior to the application for the license which evidences its ability to satisfy the conditions provided for in item a, c, point 5.1 mentioned above;

- l. Written document issued by competent inspection, supervision agency of its home country undertaking to ensure the ability to supervise the entire activities of the foreign bank (including activity of the joint venture bank, 100% foreign owned bank in Vietnam) on the synthetic basis in accordance with international rules;
- m. Written document or materials of international credit rating organizations (Moody's, Standard & Poor, Fitch...) on credit rating for the foreign bank;
- n. Charter on the organization and operation of capital contributors;
- o. Draft Charter of the joint venture bank, 100% foreign owned bank;
- p. Written commitment of capital contributors of:
 - Being ready to give support to joint venture bank, 100% foreign owned bank in Vietnam in terms of finance, technology, management, execution and operation;
 - Ensuring to maintain the actual value of the charter capital of joint venture bank, 100% foreign owned bank not to be lower than the legal capital and fully satisfy provisions on operational prudence in accordance with provisions of the State Bank.
- q. General overview on the establishment history, development and operation process of capital contributors till the reporting time, and development orientation in the future.

6.3. Application file for the License of opening a representative office of foreign credit institution:

- a. An application for the opening of the Representative Office in Vietnam which is signed by a competent representative of the foreign credit institution (Appendix 1d attached). The application for the opening of the representative office must clearly state the objective, scope of operation of the representative office;
- b. A copy of the operation License of the foreign credit institution issued by the competent agency of its home country;
- c. A written document issued by competent agency of its home country permitting such credit institution to open a Representative Office in Vietnam. Where the laws of its home country do not provide for such document to be issued, the evidence proving this fact shall be required;
- d. A written document issued by the competent agency of the home country providing information of, confirming the compliance with provisions of applicable laws by the foreign credit institution;
- e. Audited annual financial statements in the latest 3 consecutive years of the foreign credit institution;
- g. Curriculum vitae of the Chief of the representative office in Vietnam (which is certified by the foreign credit institution);
- h. General overview on the establishment history, development and operation process of the foreign credit institution till the reporting time, and development orientation in the future.

7. Procedures, process of licensing, content of the License

7.1. Application file for the issuance of the License shall be made into 2 sets, one in Vietnamese and one in English, of which:

- a. The application file made in English must be legalized, except for following cases:
- The documents directly sent to the State Bank by the competent agency of the home country
 - Annual financial statements are directly prepared in English
- b. Vietnamese copies and the translations from English into Vietnamese must be certified by a Vietnam notary office in accordance with provisions of applicable laws on notary; especially for the translations of annual financial statements, it is acceptable for them to be certified by agencies, organizations which have translation competence and function. It is not required to translate Vietnamese documents, which are the original (or duplicated from the Vietnamese original) and prepared in Vietnam, into English.

7.2. Entire of the above original file shall be made in two (02) additional copies and sent to the State Bank (Banks and Non-banking Credit Institutions Department, hereinafter referred to as Banks Department). Within a period of 20 working days since the receipt of the file, the State Bank (Banks Department) shall make a written confirmation of the full receipt of file or give a notice of the file state and request to supplement information, file (in case of insufficiency and invalidity). Within a period of 10 working days after the receipt of additional information, file, the State Bank (Banks Department) shall make a written confirmation of the full receipt of file or keep giving a notice of the file state in accordance with hereinabove principles.

7.3. After the full receipt of application file for the License, the State Bank (Banks Department) shall send a written request for opinion about the proposal to issue the License to following agencies:

- a. People's committee of province, city under the central Government's management where the branch, the bank or representative office is to be located;
- b. Ministry of Public Security (Economic Security Department)
- c. State Bank Inspectorate
- d. State Bank branches in province, city where the branch, the bank or representative office is to be located.

Within a period of 30 working days (and 20 working days for the case of the application file for the opening of representative office) since the receipt of the document from the State Bank, related agencies mentioned above must give their written opinion to submit to the State Bank (Banks Department). Where it does not receive the written opinion of related agencies within this period, the State Bank shall consider that those agencies have no opinion against the application for the license issuance.

7.4. Within a period of 90 working days (30 working days for the case of the application file for the opening of representative office) from the full receipt of application file for a License, the State Bank shall either approve or refuse the issuance of the License. In case of refusal, the State Bank shall explain in writing the reasons thereof.

7.5. The State Bank shall specifically provide for the content and duration of operation in the License (under the Appendix 2a, 2b, 2c and 2d attached); the operation duration of a foreign bank branch, a joint venture bank and a 100% foreign owned bank shall not be in excess of 99 years at the maximum; the operation duration of a representative office of foreign credit institution shall not exceed 5 years at the maximum.

IV. EXTENSION OF OPERATION DURATION

8. Conditions to be extended the operation duration

8.1. Conditions for foreign bank branch, joint venture bank, 100% foreign owned bank operating in Vietnam:

- a. To operate efficiently, gain profit; not to violate provisions on the prudence in banking activity; not to commit other serious law violations for the latest 3 consecutive years prior to the year applying for the extension till the time the State Bank considers the application file for the extension of operation duration;
- b. Managerial, executive, internal audit apparatus and internal inspection, control system operates stably, safely, efficiently and in line with the laws.

8.2. Conditions for foreign bank

- a. Always well performing commitments of the foreign bank for the branch, joint venture bank, 100% foreign owned bank which is operating in Vietnam;
- b. The foreign bank is accepted by the competent agency of its home country to continue activities of the branch, joint venture bank, 100% foreign owned bank in Vietnam;
- c. Competent inspection, supervision agency of its home country well performs the commitments with the State Bank of Vietnam of the coordination in the management, supervision and exchange of information relating to the supervision of banking activity;
- d. Besides above mentioned conditions, the State Bank shall consider and issue the license of the extension of operation duration based on the conditions as applicable to the issuance of a new license (the first issuance of license) stipulated in point 1, 2 and 3 of paragraph 5, Section III mentioned above.

8.3. Conditions for representative office of a foreign credit institution:

- a. Representative office does not commit serious law violation for at least 3 consecutive years prior to the year applying for the extension of operation duration till the time the State Bank considers application file for the extension of operation duration;
- b. Besides above mentioned conditions, the State Bank shall consider and issue the license of the extension of operation duration based on the conditions applicable to the issuance of a new license (the first issuance of license) stipulated in point 5.4, Section III mentioned above.

9. Application file for the extension of the operation duration

- a. An application for the extension of the operation duration signed by a competent representative of the foreign bank (parent bank), by foreign credit institution (for a foreign bank branch, representative office of foreign credit institution); by the Chairperson of the Board of Directors of 100% foreign owned bank, joint venture bank (for 100% foreign owned bank, joint venture bank).

It is required to explain, clearly state, in the application, the ability as well as commitment to satisfy the conditions stated in paragraph 8, Section III mentioned above.

- b. Resolution of the Board of Directors of 100% foreign owned bank, Board of Directors of the joint venture bank on continuing to extend the operation duration of 100% foreign owned bank, joint venture bank in Vietnam;

- c. A general overview on the operation situation since the issuance of the License, which specifically states the situation of operation, business in the latest 3 years and plan of operation, business in coming period after the extension of the operation duration;
- d. Audited annual financial statements of the latest 3 years of the foreign bank, foreign credit institution; other capital contributors in 100% foreign owned bank, joint venture bank.
- e. Documents issued by the foreign competent agency:
 - Permitting the foreign bank, foreign credit institution, other foreign capital contributors to continue activities of the foreign bank branch, joint venture bank, 100% foreign owned bank, representative office of foreign credit institution in Vietnam;
 - Providing information of, confirming the compliance with the law and the financial state of the foreign bank, foreign credit institution, other foreign capital contributors within the latest 3 consecutive years prior to the application for the operation extension, which evidences the ability to satisfy the conditions provided for in item a, c, point 5.1, Section III mentioned above.
- g. Other documents upon request of the State Bank.

10. Procedures, process of operation extension

- a. Application file for the operation extension of foreign bank branch, joint venture bank, 100% foreign owned bank shall be submitted to the State Bank (Banks Department) at least 180 days, or 60 days for representative office of foreign credit institution, prior to the expiry of its operation duration;
- b. The preparation of file, procedures and process of operation extension shall be performed as for the case of new license issuance stipulated in paragraph 7 Section III, Part I of this Circular. The State Bank, however, does not require the legalization, certification of the seal, signature for the file of operation extension, except for case where it is required for several important documents which need certifying according to the State Bank's assessment.

V. LICENSING FEE AND FEE FOR THE OPERATION EXTENSION

- 11. Within a period of 15 working days from the date where the License is granted, or the operation extension is accepted, the joint-venture bank, 100% foreign owned bank, foreign bank branch, representative office of foreign credit institution shall be subject to the payment of fee for the license issuance, fee for operation extension at Banking Operation Department of the State Bank.
- 12. The fee level for issuance of a license or extension of operation duration shall be provided for by the Ministry of Finance. This fee shall not be deducted from the legal capital and refunded in any case.

VI. REGISTERING AND OPENING OF OPERATION

- 13. In order to carry out activities, foreign bank branch, joint venture bank, 100% foreign owned bank must fully satisfy the conditions for the opening of operation provided for in Article 15 of the Decree.
- 14. At least 30 days prior to the opening date, the foreign bank branch, the joint-venture bank, the 100% foreign owned bank shall make a written report to the State Bank (Banks Department, State Bank Inspectorate and State Bank branch in provinces, cities where the head office is

located) on the opening date, its full satisfaction of the conditions for opening of operation, which include the condition of setting up an appropriate internal inspection, control system ensuring the efficient prevention and management of risk; at the same time inform the opening date to the Business Registration Agency, the People's Committee in province, city under the central Government's management where the branch and the bank is located, and to related agencies, organizations in accordance with provisions of applicable laws.

15. State Bank may require foreign bank branch, joint venture bank, 100% foreign owned bank to temporarily terminate, delay the carrying out of operation if, upon the consideration of the State Bank, they do not fully satisfy conditions for opening operation; especially where the internal inspection, control system, informatics and treasury system has not been ready for an efficient and prudential operation.

VII. DEALING WITH CASES WHERE THE ACTUAL VALUE OF APPROPRIATED CAPITAL OF FOREIGN BANK BRANCH, CHARTER CAPITAL OF JOINT VENTURE BANK, 100% FOREIGN OWNED BANK REDUCES LOWER THAN THE LEGAL CAPITAL

16. Joint venture bank, 100% foreign owned bank or parent bank (for the case of foreign bank branch) must ensure to make full contribution to the deficit charter capital, appropriated capital in comparison with the legal capital within 06 months since the date when the actual value of charter capital, appropriated capital reduces lower than the legal capital.

VIII. TRANSFORMING ORGANIZATION FORM FROM A JOINT VENTURE BANK INTO 100% FOREIGN OWNED BANK AND VICE VERSA

17. Conditions for the transformation

Cases of transformation must satisfy the conditions as for the case of issuing the establishment and operation License of the joint venture bank, 100% foreign owned bank as provided for in point 1 and point 3, Paragraph 5, Section III, Part I of this Circular.

18. Transformation file

18.1. Transforming a joint venture bank into a 100% foreign owned bank:

File for the transformation of a joint venture bank into a 100% foreign owned bank shall be prepared like the application file for the issuance of the establishment and operation License of the 100% foreign owned bank provided for in point 6.2, Section III, Part I of this Circular. Besides, the joint venture bank that has a demand for transformation must submit:

- a. An application for the transformation of the joint venture bank into the 100% foreign owned bank signed by Chairman of the Board of Directors of the joint venture bank;
- b. Minutes (or Resolution) of the meeting of the Board of Directors of the joint venture bank consenting to the transformation from the joint venture bank into the operation model of a 100% foreign owned bank;
- c. Contract (or commitment) of the capital assignment of the Vietnamese party in the joint venture to the foreign assignee.

The capital assignment must ensure that a foreign bank shall be entitled to hold more than 50% of 100% foreign owned bank's charter capital.

18.2. Transforming a 100% foreign owned bank into a joint venture bank:

File for the transformation of a 100% foreign owned bank into a joint venture bank shall be prepared like the application file for the issuance of the establishment and operation License of the joint venture bank provided for in point 6.2, Section III, Part I of this Circular. Besides, the 100% foreign owned bank that has a demand for transformation must submit:

- a. An application for the transformation of the 100% foreign owned bank into a joint venture bank signed by Chairman of the Board of Directors of the 100% foreign owned bank;
- b. Minutes (or Resolution) of the meeting of the Board of Directors of the 100% foreign owned bank consenting to the transformation from the 100% foreign owned bank into the operation model of a joint venture bank;
- c. Contract (or commitment) of the capital assignment to the Vietnamese party in the joint venture;

The capital assignment must ensure the ratio as provided for in Article 46 of the Decree (the capital contribution level of the foreign party shall not exceed 50%, at the maximum, of the charter capital of the joint venture bank).

19. Procedures and process of transformation

19.1. The preparation of file, procedures and process of the issuance of transformation License shall be performed as for the case of issuing a new License provided for in paragraph 7, Section III, Part I of this Circular.

19.2. After receiving the new License and the decision on the revocation of the old license from the State Bank, the joint venture bank, 100% foreign owned bank shall publish in the paper to announce these contents and carry out procedures of business registration, carry out the opening of operation in accordance with provisions in Article 14, 15 of the Decree, provisions in Section VI, Part I of this Circular and related provisions of applicable laws.

IX. CURRENCY USED IN THE ACCOUNTING, FINANCE, REPORTING

20. The currency used for accounting shall be Vietnam Dong. Where the foreign bank branch, joint venture bank, 100% foreign owned bank has a demand for accounting in foreign currency for reporting to the Head Office of the foreign bank, it must submit a written request to the Ministry of Finance for the consideration, acceptance prior to the implementation.

21. The Ministry of Finance shall take responsibility for duplicating and sending the document of treatment result mentioned above to the State Bank for knowledge and cooperation in the management.

X. CHANGES THAT MUST BE ACCEPTED IN WRITING BY THE STATE BANK

22. Besides the changes which must be approved in writing by the State Bank, provided for in other parts of this Circular; the foreign bank branch, joint venture bank, 100% foreign owned bank must obtain written approval from the State Bank prior to changing its name, level of charter capital, appropriated capital; amending, supplementing its Charter; contents and scope of operation

23. File for the changes mentioned above shall be performed as follows:

23.1. For the case of changing the name

- a. Application for the change of the name shall be signed by Chairman of the Board of Directors of the joint venture bank, 100% foreign owned bank, or competent person of the foreign bank (in respect of the foreign bank branch); the application should clearly state the reason for applying for changing the name; and proposal for the amendment of the Charter due to the change in the name of the joint venture bank, 100% foreign owned bank.
- b. Resolution of the Board of Directors of the joint venture bank, 100% foreign owned bank on the change of name; a written approval by competent agency of the home country to the change in the foreign bank's name (for foreign bank branch).
- c. Other documents upon request of the State Bank in case of necessity.

23.2. Changing the charter capital, appropriated capital

- a. Application for the change in the charter capital, appropriated capital shall be signed by the Chairman of the Board of Directors of the joint venture bank, 100% foreign owned bank, competent person of the foreign bank (in respect of the foreign bank branch); the application should clearly state the reason for the change (increasing, reducing capital), time for implementation, proposal for the amendment of the Charter (in respect of the joint venture bank, 100% foreign owned bank).
- b. Resolution of the Board of Directors of the joint venture bank, 100% foreign owned bank consenting to the change in the charter capital level.
- c. In the event where the 100% foreign owned bank, joint venture bank increases its capital due to the changes in members making capital contribution, it shall be required to supplement the file in accordance with provisions in Section VI, Part III on "File of the capital assignment to the new partner not belonging to the 100% foreign owned bank or the joint venture bank".
- d. Other documents upon request of the State Bank in case of necessity.

23.3. Amendment, supplement of contents, scope of operation

- a. Application for the change, supplement of the content, scope of operation shall be signed by the Chairman of the Board of Directors of the joint venture bank, 100% foreign owned bank and by General Manager (Manager) of the foreign bank branch; the application should clearly state the reason, nature of the change, supplement the content, scope of operation, clearly state proposal on the amendment of the Charter (if any) due to this change.
- b. Resolution of the Board of Directors of the joint venture bank, 100% foreign owned bank consenting to the change, supplement of the contents and scope of operation.
- c. Other documents upon request of the State Bank in case of necessity.

23.4. Amendment, supplement of the Charter

- a. Application for the amendment, supplement of the Charter shall be signed by the Chairman of the Board of Directors of the joint venture bank, 100% foreign owned bank; the application should clearly state the reason for the amendment, supplement of the Charter.
- b. Resolution of the Board of Directors of the joint venture bank, 100% foreign owned bank consenting to the amended, supplemented contents of the Charter. (This provision is not applicable to the cases of amending, supplementing the Charter due to the changes mentioned in points 1, 2, 3 hereinabove of this paragraph).

c. Other documents upon request of the State Bank in case of necessity.

24. Procedures and process of settlement

a. Application files for the change mentioned above must be sent to the State Bank (Banks Department). Within a period of 30 working days since the full receipt of valid files, the State Bank shall either approve or refuse, in writing, requests for the change mentioned above. In case of refusal, the State Bank should clearly explain the reason thereof.

b. Within a period of 30 days since the receipt of the written approval from the State Bank, joint venture bank, 100% foreign owned bank, foreign bank branch shall carry out the registration for the change with business registration agency (in respect of the changes relating to the content of the business registration certificate), with other competent state agencies in accordance with provisions of applicable laws and publish the changed contents in 2 consecutive issues of a Central paper and a local paper.

Part II.

FOREIGN BANK BRANCH

I. OPERATION NETWORK

25. Foreign bank branch shall not be permitted to open a transaction point outside the its location stated in the License in any form, except for the case of placing automatic teller machines (ATM).

26. The placement of ATM, placement and use of peripheral devices for the payment of credit card, payment card, non-cash payment shall be performed in accordance with related provisions of applicable laws and guidance of the State Bank's Governor.

27. Foreign bank branch shall only be entitled to locate its units, departments, which do not directly transact with customers, outside its location after obtaining the approval by the State Bank to each specific case.

II. CHANGING LOCATION OF THE FOREIGN BANK BRANCH

28. Application file for the change of office location:

28.1. For the case of changing office location within a province, city under the central Government's management

a. The application for the change of branch location shall be signed by General Manager (Manager) of foreign bank branch; the application shall clearly state (or enclose with a written explanation) the necessity of the location change, new place, situation, area, proving the correspondence with the operation requirement of the bank and ensuring conditions of security, treasury safety.

b. Documents, materials evidencing the legal use right of the foreign bank branch for the office location of the branch at the new place if approved by the State Bank.

28.2. For the case of changing the office location outside the province, city under the central Government's management:

Besides the documents mentioned in point 28.1 above, of which the application for the change of office location shall be signed by the competent representative of the foreign bank, the foreign bank shall submit additionally:

a. An operation plan in the first 3 years at new location, which can prove the feasibility of the movement to new location; including following main contents:

- Necessity to move to new location, customers' demand, ability to satisfy the demand for banking service,
- Contents of operation, method of business operation;
- General report of assets; income and expense statement, cash flow statement, major financial indexes, expected prudential ratios and related notes demonstrating the economic interest and calculation of economic efficiency in the first 3 years of operation of the foreign bank branch at new location;

b. A written document issued by the competent agency of the home country permitting the foreign bank to move to a new location (in case where previous document of this agency clearly provided for the area of province, city in Vietnam where the foreign bank is authorized to open branch)

29. Procedures and process of changing the office location

29.1. After fully receiving the application file for the change of office location, the State Bank (Banks Department) shall send a written request for opinion to following agencies about the proposal on changing the office location:

a. People's Committee in provinces, cities under the central Government's management where the foreign bank branch is operating and where the foreign bank branch is expected to move to.

b. State Bank Inspectorate

c. State Bank branch in provinces, cities under the central Government's management where the foreign bank branch is operating and where the foreign bank branch is expected to move to.

29.2. Within a period of 20 working days since the receipt of the document of the State Bank, related agencies mentioned above shall provide their written opinion to the State Bank (Banks Department). Where it does not receive written opinion of related agencies within this period, the State Bank shall consider that those agencies have no opinion against the proposal on the change of office location of foreign bank branch.

29.3. Within a period of 30 working days since the full receipt of application file for the change of office location, the State Bank shall either approve or refuse in writing. In case of refusal, the State Bank must clearly explain the reason thereof in writing.

29.4. After receiving the written approval of the State Bank, within 180 days, the foreign bank branch must complete the implementation, settlement of obligations, interests to related individuals, organizations; carry out the procedures of business registration, publish the change of office location in newspaper, perform other related procedures in accordance with provisions of applicable laws and carry out the operation at new location.

III. FURTHER OPENING OF BRANCH

30. Conditions for further opening of branch

30.1. Conditions for foreign bank branch (branches) operating in Vietnam:

a. Not to violate provisions on prudence in banking activity, not to commit other serious law violations for the latest 3 consecutive years prior to the year applying for the further opening of

branch till the time the State Bank considers the application file for the Licence of opening further branch.

b. To operate efficiently, gain profit; managing, executive, internal audit apparatus, internal inspection, control system operates stably, safely, efficiently and in line with the laws.

30.2. Conditions for foreign bank

a. Always well performing commitments of the foreign bank for the branch (branches) operating in Vietnam;

b. The foreign bank is accepted by the competent agency of its home country to open further branch in Vietnam

c. Competent inspection, supervision agency of its home country well performs the commitments with the State Bank of Vietnam of the coordination in the management, supervision and exchange of information relating to the supervision of banking activity;

d. Besides above mentioned conditions, based on provisions in Article 34 of the Decree, the State Bank shall consider and issue the license of opening further branch in accordance with the conditions as applicable to the issuance of Licence of opening a foreign bank branch (issuance of new licence) stipulated in point 1 and 2 of paragraph 5, Section III, Part I of this Circular.

31. File, procedures and process of license issuance

File, procedures and process of license issuance, contents of the license shall be performed in accordance with the provisions applicable to the case of issuing the License for the opening of foreign bank branch (issuance of a new License) in Section III, Part I of this Circular. However, the State Bank may consider exempting the foreign bank from the documents included in the application file for the issuance of the License for opening its branch and procedures of legalization, certification of its seal and signature.

IV. USE OF APPROPRIATED CAPITAL

The use of appropriated capital by foreign bank branch must comply with following principles:

32. Using it for investment, business, lending, depositing at domestic and foreign credit institutions in accordance with related provisions of applicable laws and complying with current provisions of Vietnam on foreign exchange control, management of capital transactions;

33. Using it for procurement of, investment in fixed assets, assets serving business activity of the foreign bank branch, but not in excess of 50% of its own capital;

34. For the appropriated capital that is being deposited at oversea credit institutions, the foreign bank must make a commitment (which is signed by its competent representative) ensuring the full remittance of the capital amount into Vietnam right after being requested by the State Bank.

V. OPERATION CONTENTS

Upon the type, scale, area of operation of the foreign bank (parent bank), the State Bank shall provide in details for the type, contents of operation of the foreign bank branch in the License of opening foreign bank branch and in accordance with following principles:

35. Based on the type of operation of the parent bank whether it is a commercial bank, or a development bank, investment bank, and other types of bank, the State Bank shall stipulate that

the branch of foreign bank shall be entitled to perform the operation type of the bank correspondent to the operation type of the parent bank and the Law on Credit Institutions.

36. Foreign bank branch shall be entitled to perform the operations of types of commercial bank, development bank, investment bank, or of other types of bank in accordance with provisions of the Law on Credit Institutions, provisions of applicable laws on the operation of that type of bank on the basis of non-discrimination treatment principle (be entitled to perform like Vietnamese banks operating in the same type of bank); except for some limits in accordance with provisions of the State Bank correspondent with the bilateral and multilateral international commitments of Vietnam in banking area, and the operations that the parent bank itself is also not authorized to perform in accordance with provisions of its home country.

37. Foreign bank branch shall be entitled to perform operations although they are not yet stated in the Licence when:

- a. It is approved in writing by the State Bank; or
- b. There has been a legal document stipulating the implementation of these operations and clearly stipulating that the foreign bank branch is a subject of application and authorized to perform those operations. In this case, that legal document shall be considered as an additional document to the Licence's contents, the foreign bank branch, however, still has to ensure the right implementation of the provisions in paragraph 35, 36 mentioned above.

VI. BLOCKAGE OF CAPITAL, ASSETS

38. The State Bank shall carry out the blockage of capital and assets of the foreign bank branch in following cases:

- a. The actual value of appropriated capital of the foreign bank branch decreases by a lower level than the legal capital for more than 6 months.
- b. The foreign bank branch violates prudential ratio in banking activity and the State Bank has sent it a written request for overcoming, but it takes no measure for overcoming upon the request of the State Bank.
- c. Foreign bank branch seriously violates provisions of applicable laws.
- d. The parent bank shows evidence of losing its solvency; or is under special control by a competent agency of its home country; or has a request for dissolution, liquidation, bankruptcy, or its establishment and operation license is revoked.
- e. The parent bank fails to comply with the obligations committed to the branch operating in Vietnam and to the State Bank.
- g. Where the State Bank carries out the dissolution, termination of operation of the foreign bank branch and revokes the License of the opening of the foreign bank branch.

39. The State Bank shall cancel the blockage of capital and assets of the foreign bank branch when:

- a. The parent bank and/or the foreign bank branch has overcome the violations and shortcomings;
- b. The process of dissolution, operation terminates and the License for the opening of the foreign bank branch is revoked.

VII. DISSOLUTION, TERMINATION OF OPERATION

40. File of the dissolution, termination of operation

40.1. In case of operation termination according to the provision in Paragraph 1, 2 in Article 41 of the Decree (the operation duration expires or spontaneously terminating the operation):

a. An application for the dissolution, termination of operation of the foreign bank branch which is signed by the competent representative of the foreign bank and sent to the State Bank (Banks Department) within 180 days at the minimum before the estimated date of dissolution, termination of operation. In case of applying for terminating the operation prior to the expiry, the estimated date of operation termination of the foreign bank branch in Vietnam should be stated clearly in the application.

b. Plan for the liquidation, dissolution, termination of operation includes: sequences and procedures of the liquidation of the liabilities, assets; mode, time limit and plan for the payment of debt obligations, recovery of assets, settlement of obligations, interests to related individuals, organizations; plan for the oversea remittance of capital, profit and assets.

c. Other documents upon the request of the State Bank.

40.2. In the event where the parent bank is dissolved, goes bankrupt (as stipulated in Paragraph 4 Article 41 of the Decree):

Apart from the file as provided for in point 40.1 hereinabove, the foreign bank must additionally send a written document issued by the competent agency of the home country on the dissolution or bankruptcy of the foreign bank.

41. Procedures, process of the dissolution, termination of operation of the foreign bank branch:

a. Within a period of 30 working days since the sufficient receipt of the file as mentioned above, or where it is deemed necessary to revoke the license of opening the foreign bank branch under the cases stipulated in Paragraph 3 Article 41 of the Decree, the State Bank shall make a Decision on the termination of operation of the foreign bank branch, establish a group of supervision to the liquidation, dissolution, termination of operation of the foreign bank branch, and other contents (including the request for the blockage of capital, assets of the foreign bank branch if it is deemed necessary). This Decision shall be duplicated and sent to the State Bank Branch, People's Committee in province, city under the Central Government's management where the foreign bank branch is located, the business registration agency, public security agency, and related individuals, organizations.

b. Right after the receipt of the above Decision from the State Bank, the foreign bank branch must stop performing new banking transactions (receiving deposits, borrowing, lending...); post up at the head office of the branch and publish in three consecutive issues in one central paper and one local paper where the foreign bank branch is located to announce the termination of operation for carrying out the procedures of liquidation, dissolution, termination of operation of the foreign bank branch.

c. The foreign bank branch shall implement the liquidation procedures in line with the Plan of liquidation, provisions of applicable laws of Vietnam, under the guidance and supervision of the Liquidation Group, which is established by the Governor of the State Bank.

d. When the foreign bank branch has completed the procedures of liquidation, fully implemented all obligations, interests to related individuals, organizations in accordance with provisions of applicable laws of Vietnam and related documents, materials evidencing that (confirmation of the tax authority document on the liquidation of the office leasing contract..), the State Bank shall make decision on the dissolution, termination of operation and revocation of the License of opening foreign bank branch and publish the Decision hereof in three consecutive issues of a paper.

e. Within a period of 15 working days since the date where the foreign bank branch receives the Decision from the State Bank on the revocation of the License, the foreign bank branch must return the License to the State Bank and shall be entitled to remit overseas the remaining capital, assets and profits (if any) after the liquidation in accordance with provisions of current laws on foreign exchange control.

VIII. CAPITAL CONTRIBUTION, SHARE PURCHASE

42. The foreign bank branch shall only be permitted to perform the capital contribution to, share purchase from enterprises and other credit institutions when it is authorized in writing by the parent bank and appropriated particular capital to perform that capital contribution, share purchase.

43. The capital contribution, share purchase, condition for the capital contribution, capital contribution level, capital contribution ratio and mode of capital contribution shall be implemented in accordance with the current provisions of applicable laws under a principle as being applicable to the case where the foreign bank contributes capital to, purchases shares from enterprises and other credit institutions.

Part III

JOINT VENTURE BANK, 100% FOREIGN OWNED BANK

I. PROVISIONS ON ORGANIZATION, MANAGEMENT, EXECUTION, CONTROL

44. The joint venture bank, 100% foreign owned bank shall perform the organization, management, execution, control in accordance with provisions of the Law on Credit Institutions, of the Decree, legal documents guiding the implementation of the Law on Credit Institutions and this Circular (provisions of specialized law).

45. In the event where above documents have no provision, the joint venture bank, 100% foreign owned bank thereat shall be entitled to implement in accordance with provisions of the Law on Enterprises, legal documents guiding the implementation of the Law on Enterprises and related provisions of applicable laws (provisions of general laws) applicable to the type of limited liability company.

46. In the event where the provisions of specialized laws are different from provisions of general laws for the same problem, the joint venture bank, 100% foreign owned bank shall comply with provisions of specialized laws.

II. BOARD OF DIRECTORS, CONTROLLERS COMMITTEE, GENERAL MANAGER (MANAGER)

47. Board of Directors

a. Board of Directors is the highest leading body of a joint venture bank, 100% foreign owned bank; acts as representative of capital contributors to the joint venture bank, 100% foreign owned bank in performing owner's rights, obligations.

b. Chairman, Vice Chairman and other members of the Board of Directors of the joint venture bank, 100% foreign owned bank shall be elected and appointed by parties to the joint venture, capital contributors in line with provisions of the joint venture contract and Charter of joint venture bank, Charter of 100% foreign owned bank and must be approved by the Governor of the State Bank.

c. There must be at least 3 members in the Board of Directors, of which at least 2 members (including Chairman of the Board) shall not be an Executive Officer (not participate in the execution of the joint venture bank, 100% foreign owned bank); at least a half of members of the Board of Directors must reside in Vietnam during the time they are in power.

d. Organization, structure, function, assignment, authority, standards, conditions for members of the Board of Directors and other contents relating to organization, operation of the Board of Directors of the joint venture bank, 100% foreign owned bank shall be performed under provisions of the Law on Credit Institutions, Decree and related legal documents guiding the implementation of the Law on Credit Institutions, according to Charter of joint venture bank, Charter of 100% foreign owned bank and under provisions of the Law on Enterprises concerning members Board of a limited liability company on the basis of complying with the principles stated in Section I of this Part.

48. Controllers Committee

a. Organization, structure, function, assignment, authority, standards, conditions for members of the Controllers Committee and other contents relating to organization, operation of Controllers Committee of the joint venture bank, 100% foreign owned bank shall be performed under provisions of the Law on Credit Institutions, Decree and related legal documents guiding the implementation of the Law on Credit Institutions, according to Charter of joint venture bank, Charter of 100% foreign owned bank and under provisions of the Law on Enterprises concerning Controllers Committee of a limited liability company on the basis of complying with the principles stated in Section I of this Part.

b. Chief and members of Controllers Committee bank shall be elected and appointed by parties to the joint venture, capital contributors in line with provisions of joint venture contract and Charter of joint venture bank, Charter of 100% foreign owned bank and must be approved by the Governor of the State Bank.

c. There must be at least 3 members in the Controllers Committee, of which at least 2 members (including Chief of the Committee) shall not be an Executive Officer (not participate in the execution of the bank) to ensure the independence and efficiency of internal audit work in the inspection, verification of the effectiveness, efficiency of the internal inspection, control system; at least two third of members of the Controllers Committee must reside in Vietnam during the time they are in power.

49. General Manager (Manager)

a. General Manger (Manager) shall be appointed, dismissed by the Board of Directors of the joint venture bank, 100% foreign owned bank and must be approved by the Governor of the State Bank.

b. General Manager (Manager) of a joint venture bank, a 100% foreign owned bank shall not be permitted to concurrently hold the title as Chairman of the Board of Directors or Chief of Controllers Committee and must reside in Vietnam during the time he is in power.

c. General Manager (Manager) of a joint venture bank, a 100% foreign owned bank shall be responsible to the Board of Directors for daily activity management of the joint venture bank, 100% foreign owned bank;

d. Standards, conditions, assignments, authorities of General Manager (Manager) of a joint venture bank, 100% foreign owned bank shall be implemented under provisions of the Law on Credit Institutions, Decree and related legal documents guiding the implementation of the Law on Credit Institutions, according to Charter of joint venture bank, Charter of 100% foreign owned bank and under provisions of the Law on Enterprises applicable to General Manager (Manager) of a limited liability company on the basis of complying with the principles stated in Section I of this Part.

III. FILE, PROCEDURES, PROCESS OF THE APPROVAL TO THE APPOINTMENT, DISMISSAL OF A MEMBER OF THE BOARD OF DIRECTORS, CONTROLLERS COMMITTEE, GENERAL MANAGER (MANAGER)

50. File of appointment, dismissal of a member of the Board of Directors, Controllers Committee

a. A request for the approval to the appointment, dismissal of the member of the Board of Directors, Controllers Committee which is signed by competent representative of the parent bank, representative of parties to the joint venture (for the newly established joint venture bank, newly established 100% foreign owned bank), or signed by Chairman of the Board of Directors or competent person on behalf of the Chairman of the Board (for the case where the bank is in operation),

b. Meeting minutes or resolution of the parties to the joint venture (for joint venture bank) or capital contributors (for 100% foreign owned bank) on the appointment, dismissal of member of the Board of Directors, Controllers Committee.

c. Curriculum vitae of the appointed member which is confirmed by the related party to the joint venture, related capital contributor (for the newly established joint venture bank, newly established 100% foreign owned bank), or confirmed by the Chairman of the Board of Directors (for the case where the bank is in operation).

d. Diplomas, certificates proving capacity, professional qualification of the member who is proposed for the appointment approval.

51. File of appointment, dismissal of General Manager (Manager)

a. A request for the approval to the appointment, dismissal of General Manager (Manager) which is signed by Chairman of the Board of Directors of the joint venture bank, 100% foreign owned bank;

b. Resolution by the Board of Directors of the joint venture bank, 100% foreign owned bank on the appointment, dismissal of General Manager (Manager);

c. Curriculum vitae of the appointed General Manager (Manager) which is confirmed by the Chairman of the Board of Directors;

d. Diplomas, certificates proving capacity, professional qualification of General Manager (Manager) who is proposed for the appointment approval.

52. Process and procedures of the approval

a. Within a period of 30 working days since the full receipt of the valid file for the approval to the appointment, dismissal, the State Bank shall decide on the approval or disapproval. In case of disapproval, the State Bank shall clearly explain the reason thereof in writing.

b. After the appointment, dismissal is approved, within a period of 30 working days, the joint venture bank, 100% foreign owned bank must complete the registration for the change in personnel as mentioned above with the competent state agency and carry out other procedures (if any) in accordance with applicable provisions.

IV. RATIO, METHOD OF MAKING CHARTER CAPITAL CONTRIBUTION

53. The ratio and method of making charter capital contribution by capital contributors in 100% foreign owned bank, by the foreign party and Vietnamese party to the joint venture bank shall be agreed upon by capital contributors, parties by themselves and clearly stated in the Charter of the joint venture bank, Charter of 100% foreign owned bank on the basis of complying with following principles:

a. In respect of 100% foreign owned bank: the ratio of capital contribution by the parent bank must be more than 50% of the charter capital

b. In respect of joint venture bank: the ratio of capital contribution by the foreign party must not be in excess of 50% of the charter capital at the maximum (except for special case decided upon by the Prime Minister).

54. The charter capital of the joint venture bank, 100% foreign owned bank shall be contributed in Vietnamese Dong, in freely convertible foreign currency or in asset. The capital contribution made in assets and the valuation of assets used for capital contribution must comply with provisions in Article 4, Article 30 of the Law on Enterprises.

55. Charter capital may be restructured, provided that it is not lower than the legal capital. Any change in the charter capital level, ratio of capital contribution by capital contributors, by parties to the joint venture must be accepted by the State Bank.

V. ASSIGNMENT OF CONTRIBUTED CAPITAL

56. Principles of the assignment

The assignment of the capital contributed by capital contributors, by parties to a joint venture bank shall be subject to following principles:

a. Priority shall be given to the assignment to other capital contributors in 100% foreign owned bank or to the parties in the joint venture bank;

b. In case where the assignment is made to new partners who are not subject to the 100% foreign owned bank or new partners who are not subject to the joint venture bank, it is required to ensure the ratio of capital contribution in accordance with provisions in paragraph 53 mentioned above and ensure that:

- For 100% foreign owned bank: New partners and new parent bank (if the assignment results in the fact that another foreign bank owns more than 50% of the charter capital of the 100% foreign

owned bank) must fully satisfy the conditions for participating in the establishment of 100% foreign owned bank as provided for in point 5.3, Section III, part I of this Circular on the conditions to be granted establishment and operation Licence of 100% foreign owned bank;

- For joint venture bank: New partners must fully satisfy the conditions for participating in the establishment of the joint venture bank as provided for in point 5.3, Part III, Section III, part I of this Circular on the conditions to be granted establishment and operation Licence of a joint venture bank.

c. Capital contributors in the 100% foreign owned bank or the parties in the joint venture bank shall be only entitled to assign capital after 5 years since the commencement of the capital contribution to the 100% foreign owned bank, joint venture bank. The capital assignment must be accepted by the State Bank prior to the implementation

57. Application file for the acceptance to the assignment of contributed capital

57.1. Where the assignment of the whole contributed capital of Vietnamese Party to the foreign party in a joint venture bank or to another foreign partner results in the transformation of organization form of the joint venture bank into 100% foreign owned bank or the assignment of a part of charter capital of the 100% foreign owned bank to one or several Vietnamese banks results in the transformation of organization form of the 100% foreign owned bank into joint venture bank:

File, procedures and process shall be performed like for the case of transforming the organization form from a joint venture bank into a 100% foreign owned bank and vice versa in accordance with provisions in Section VIII, Part I of this Circular.

57.2. File of capital assignment among the parties in the joint venture bank or among capital contributors in 100% foreign owned bank:

a. An application for the assignment of contributed capital, which is signed by the Chairman of the Board of Directors of the 100% foreign owned bank, joint venture bank and clearly states:

- Reasons for the assignment;

- Other proposals (if any) concerning the amendment, supplement of the Charter, name, location of head office, adjustment of contents in the establishment and operation Licence of 100% foreign owned bank, the joint venture bank, joint venture contract; change in members of the Board of Directors, Controllers Committee, General Manager (Manager) of 100% foreign owned bank, the joint venture bank and other contents that need amending, supplementing (if any) relating to this capital assignment.

b. Resolution of the Board of Directors of 100% foreign owned bank, joint venture bank consenting to the capital assignment.

c. A contract (commitment, agreement) of the capital assignment between the assignor and the assignee;

d. Other documents upon request of the State Bank in necessary case.

57.3. File of assignment to a new partner not subject to the 100% foreign owned bank or joint venture bank:

In this case, the new partner must submit to the State Bank (Banks Department) a request for receiving the assignment of the contributed capital in the 100% foreign owned bank, joint venture bank; enclosed with documents, materials to prove his ability to satisfy stipulated conditions for being entitled to establish and operate a 100% foreign owned bank, joint venture bank as provided for in point 5.3, Section III, Part I of this Circular and upon request of the State Bank.

Besides, the 100% foreign owned bank, joint venture bank must submit following documents, materials to the State Bank (Banks Department):

a. An application for the assignment of contributed capital, which is signed by the Chairman of the Board of Directors and clearly states:

- Reasons for the assignment

- Report on the appraisal of legal status, financial state of new partner, ability to satisfy the conditions according to the provision to be entitled to participate in the 100% foreign owned bank, joint venture bank of the new partner

- Other proposals (if any) concerning the amendment, supplement of the Charter, name, location of head office, adjustment of contents in the establishment and operation Licence of 100% foreign owned bank, the joint venture bank, joint venture contract; change in members of the Board of Directors, Controllers Committee, General Manager (Manager) of 100% foreign owned bank, the joint venture bank and other contents that need amending, supplementing relating to this capital assignment.

b. Resolution of the Board of Directors of 100% foreign owned bank, joint venture bank consenting to the capital assignment.

c. A contract (commitment, agreement) of the capital assignment between the assignor and the assignee;

d. Other documents upon request of the State Bank in necessary case.

57.4. File of assignment in case where a capital contributor to the joint venture bank or to the 100% foreign owned bank is acquired, merged, integrated, splitted, separated leading to the establishment of a new legal entity:

In this case, the capital contributor that is acquired, merged, integrated, splitted, separated shall be called taken over Party, the newly established legal entity shall be called take-over receiving Party. The take-over receiving Party shall take over the contributed capital as well as all rights, interests and obligations of the taken over Party in the 100% foreign owned bank, joint venture bank.

The file for the acceptance by the State Bank in this case shall include:

a. A statement signed by the Chairman of the Board of Directors of the 100% foreign owned bank, joint venture bank, requesting the State Bank for the acceptance to this assignment, which clearly states:

- Reasons for the assignment

- Other proposals (if any) concerning the amendment, supplement of the Charter, name, location of head office, adjustment of contents in the establishment and operation Licence of 100%

foreign owned bank, the joint venture bank, joint venture contract; change in members of the Board of Directors, Controllers Committee, General Manager (Manager) of 100% foreign owned bank, the joint venture bank and other contents that need amending, supplementing relating to this capital assignment.

b. A legal document proving the acquisition, mergence, integration, splitting, separation to be carried out legally and the result of this acquisition, mergence, integration, splitting, separation is considered as rights, interests and obligations of new legal entity, name of the new legal entity (in case of having any change);

c. Other documents, materials upon request of the State Bank for determining the legal status, ability to satisfy the conditions to be entitled to participate in the establishment of the joint venture bank, 100% foreign owned bank in Vietnam of the newly established legal entity.

58. Procedures, process of considering the acceptance

a. Related documents in the file of capital assignment which are prepared in foreign country (if any) must be made in English and legalized (except for cases provided for in point 7.1, section III, part I of this Circular). Vietnamese copies and translations from English into Vietnamese must be confirmed by public notary agency of Vietnam in accordance with provisions of applicable laws on public notary.

b. Within a period of 30 working days since the full receipt of valid file, and 90 days for the case of assigning capital to the new partner outside the 100% foreign owned bank, joint venture bank, the State Bank shall give out its acceptance or refusal in writing to the request for the capital assignment and changes enclosed. In case of refusal, the State Bank must clearly state the reason thereof in writing.

c. After the capital assignment and changes enclosed are accepted in writing by the State Bank, within a period of 30 working days, the 100% foreign owned bank, joint venture bank must register its changes with the business registration agency in accordance with provisions of current laws, at the same time publish these changes in 2 consecutive issues of a Central and a local paper.

VI. OPERATION CONTENTS OF THE JOINT VENTURE BANK, 100% FOREIGN OWNED BANK

59. Joint venture bank, 100% foreign owned bank shall be entitled to perform operations of a commercial bank, development bank, investment bank or other types of bank in accordance with provisions of the Law on credit institutions, provisions of applicable laws on operation of that type of bank.

60. Based on the proposal in the application and file for the issuance of the establishment and operation License of the joint venture bank, 100% foreign owned bank concerning the operation type and operation contents, the State Bank shall specifically provide for bank type, operation content of the joint venture bank, of 100% foreign owned bank in the establishment and operation License of the joint venture bank, 100% foreign owned bank under the principle of non-distinction treatment (whichever type the joint venture bank, 100% foreign owned bank belongs to, it shall be entitled to perform operations of that type as for Vietnamese Banks operating in the respective type).

61. Joint venture bank, 100% foreign owned bank shall be entitled to perform operations although they are not yet stated in the Licence when:

- a. It is approved in writing by the State Bank; or
- b. There has been a legal document stipulating the implementation of these operations and clearly stipulating that the joint venture bank, 100% foreign owned bank is a subject of application and authorized to perform those operations. In this case, that legal document shall be considered as an additional document to the Licence's contents, the joint venture bank, 100% foreign owned bank, however, still has to ensure the right implementation of the provisions in paragraph 59, 60 mentioned above.

Part IV

REPRESENTATIVE OFFICE

I. REGISTRATION AND OPENING OF OPERATION OF THE REPRESENTATIVE OFFICE

62. Within a period of 45 days since the issuance of the License of opening the Representative office, or within a period of 15 days since the extension of the License period, the foreign credit institution shall send the People's Committee in province, city where its office is located an application file for the registration of operation as a representative office, including:

- a. An application for the registration of operation (in line with the guidance of the People's Committee of the province, city);
- b. Contract of renting the office, renting house;
- c. A written registration of the number of the foreigners (including foreigners and Vietnamese residing overseas) and the number of Vietnamese people working at the Representative Office, Labour contracts signed with these officers.
- d. A written document on the appointment of the Chief of the Representative Office signed by the competent person of the foreign credit institution enclosed with the curriculum vitae of the Chief of the Representative Office.

63. Within a period of 15 (fifteen) working days since the receipt of the written Registration for the operation by the People's Committee of the province, city where the representative office is located, the Representative Office must send a copy of the Operation Registration to the State Bank (Banks Department).

64. After the issuance of the operation registration certificate, the Representative Office shall carry out procedures with the public security agency (Public Security Department of the province, city under the Central Government's management where the Representative Office is located) to apply for the grant of seal under the guidance of the public security agency.

65. Within a period of 12 months since the issuance of the License, the Representative Office shall open its operation and inform the opening date to the State Bank (Banks Department), State Bank Branch and People's Committee of the province, city where the Representative Office is located for their knowledge.

II. OPERATION REPORT OF THE REPRESENTATIVE OFFICE

66. Representative office of foreign credit institutions shall make a written report on its activities of the first 6 months of the year and of the entire year to the State Bank (Banks Department), State Bank Branch and People's Committee of the province, city where the Representative office is located.

The report of the first 6 months must be sent prior to 30 July and the annual report must be sent within a period of 90 days since the ending of the fiscal year.

63. Reporting contents:

a. Organizational structure of the office, personnel, number of Vietnamese and foreigners working at the Office.

b. Main activities:

- Approaching the market of the Representative Office;

- Investment relationship, agent relationship, credit and cooperation relationship between the foreign credit institution and Vietnamese commercial banks and economic organizations; role of the representative office in these activities;

- Consultancy, training activities;

- Other activities of the Representative Office.

c. Direction of operation in coming time

d. Irregular report when there are extraordinary events affecting the security, healthiness of the representative office. The report shall be sent right after the occurrence of the events;

68. In case of necessity, the State Bank may request the Representative Office to make irregular report, besides periodical reports mentioned above, to supply documents, explanation of the problems relating its activities.

III. CHANGE IN NAME, LOCATION, CHIEF OF THE REPRESENTATIVE OFFICE

69. Representative Office of the foreign credit institution operating in Vietnam shall only be permitted to change its name, move location of the office to other province, city under the Central Government's management after obtaining the written approval of the State Bank.

69.1. Application file and procedures for changing name of the Representative Office of the foreign credit institution in Vietnam:

a. Competent representative of the foreign credit institution shall send an application for the change of the representative office's name to the State Bank (Banks Department), which states clearly the reason for changing name (due to the integration, merger, splitting, acquisition of the foreign credit institution...) together with the written approval or acceptance to the change of name by the competent authority of the home country authorizing the foreign credit institution to change its name.

b. Within a period of 30 working days since the full receipt of the valid file, the State Bank shall issue a written approval or disapproval; and clearly state the reason in case of disapproval.

c. Within a period of 30 working days after the receipt of the written approval of the State Bank on the change of name, the Representative Office must register the change of name hereof with People's Committee of the province, city.

69.2. File, procedures of changing location of the representative office to another province, city under the Central Government's management:

- a. Competent representative of the foreign credit institution shall send an application for changing location of the representative office to another province, city under the Central Government's management to the State Bank (Banks Department), which clearly states the reason of the change of location.
- b. After having received the above application, the State Bank shall issue a written dispatch to request for the opinion of the People's Committee of the province, city under the Central Government's management where the representative office is to move to. The next settlement procedures, process shall be performed like for the case of issuing the License for the opening of a new representative office (as provided for in paragraph 8, Section III, Part 1 of this Circular).
- c. After being approved in writing by the State Bank to the change in the location, the Representative Office of the foreign credit institution shall register, open its operation in accordance with provisions in Section I of this Part. At the same time, the representative office must perform the payment, settlement of the rights, interests and obligations to related individuals, organizations in the province, city under the Central Government's management from which the representative office leaves in accordance with provisions of applicable laws (such as returning the leased office, liquidating the contracts, performing obligations to the employees, tax obligations...).

70. The representative office shall register the change of location within the same province, city under the Central Government's management, change of Chief of the representative office in accordance with provisions and guidance of the People's Committee of the province, city under the Central Government's management. After being approved by the People's Committee of the province, city, the representative office shall give a written notice to the State Bank (Banks Department) and State Bank Branch in the local area together with a copy of the written approval.

IV. APPLICATION FILE, PROCEDURES FOR THE TERMINATION OF OPERATION OF THE REPRESENTATIVE OFFICE

71. *In case where the operation period expires* (within 60 days before the expiry of the operation period stated in the License, the foreign credit institution fails to submit application file for the operation extension or submitted application file for operation extension, but it has not been approved by the State Bank):

- a. The State Bank shall issue a written dispatch to request the representative office to carry out procedures for the termination of operation, closing the representative office's operation, such as returning the operation registration certificate, returning the seal, liquidating the office lease contract, and making payment of other obligations, debts (if any) to related individuals, organizations in accordance with provisions of applicable laws.
- b. Based on the full completion of the entire obligations, procedures hereinabove by the representative office (upon the availability of related documents proving the completion of the obligations, procedures), the State Bank shall make decision on the closing of operation, revocation of the License of the representative office.

72. Spontaneous termination of operation:

a. In this case, within 60 days at the minimum prior to the date planned to terminate operation of the representative office, the foreign credit institution must submit an application to the State Bank.

b. Procedures and process of dealing with the termination of operation shall be implemented like for the provisions in paragraph 71 hereinabove.

73. *The License shall be revoked* when one of cases as provided for in points a, b, dd in Paragraph 1 Article 29 of the Law on Credit Institutions occurs or when the foreign credit institutions is bankrupt, dissolved.

Procedures and process of dealing with the termination of operation shall be implemented like for the provisions in paragraph 71 hereinabove.

V. OTHER PROVISIONS APPLICABLE TO THE REPRESENTATIVE OFFICE

74. Representative office shall only be permitted to perform activities in line with the contents and within the operation duration stipulated in the License. The Representative office shall not be permitted to sublease its office and not be permitted to function as the representative of another organization, not to be permitted to assign the License to another organization or individual.

75. Representative office must register the labour force, carry out other procedures relating to the employees being foreigners, Vietnamese of the representative office with the People's Committee of the province, city under the Central Government's management in accordance with provisions of applicable laws and guidance of the People's Committee of the province, city.

76. Chief of the representative office shall only be permitted to sign, on behalf of foreign credit institution, contracts related to business, investment activity of the foreign credit institution, with Vietnam economic, credit institutions upon the availability of the legal letter of attorney by the competent person of the foreign credit institution. The letter of attorney must be separately made for each signing (authorization by time) and its copy shall be sent to the State Bank (Banks Department, State Bank Branch in province, city) for following up the implementation.

77. Representative office shall only be permitted to open a specialized payment account in foreign currency or in Vietnamese dong originating from foreign currency at a bank legally operating in Vietnam in accordance with the Law on Credit Institutions (authorized banks) to pay for activities of the Representative office.

78. Representative office of the foreign credit institutions in Vietnam shall have its own seal in accordance with provisions of Vietnamese laws and shall only be entitled to use this seal in the transaction documents within the authority and function of the Representative office.

Part V

RESPONSIBILITY OF UNITS OF THE STATE BANK

79. Appraisal council of files for the issuance of Licence of opening foreign bank branch, the establishment and operation Licence of joint venture bank, 100% foreign owned bank

79.1. Appraisal council of files for the issuance of Licence (hereinafter referred to as appraisal council) which is decided upon by the Governor of the State Bank of Vietnam, consists of: Governor or a Deputy Governor (who is authorized by the Governor) acting as the Chairman, members being those in the Leadership of the State Bank and other members (including leaders

of such Departments as: Legislation Department, Banks Department, Bank Strategy and Development Department, State Bank Inspectorate, International Cooperation Department and State Bank branch in province, city where the bank is planned to locate its branch or head office).

79.2. Chairman of the Appraisal Council shall be responsible:

- a. To convene and chair meeting of members in the Appraisal Council; meeting of the Appraisal Council must be recorded in the minutes;
- b. To allot duties to members in the Appraisal Council in accordance with stipulated scope, assignment, authority;
- c. To decide on the issuance of Licence in accordance with provisions in this Circular;
- d. To be responsible to the Governor of the State Bank of Vietnam for the issuance of Licence in the case where Chairman of the Appraisal Council is a Deputy Governor authorized by the Governor.
- e. Within a period of 90 working days since the full receipt of the files for the issuance of the Licence of opening foreign bank branch, establishment and operation Licence of joint venture bank, 100% foreign owned bank, Chairman of the Appraisal Council shall be responsible for signing the Decision on the issuance of Licence or refusal to the issuance of the Licence (in case of refusal, the reason thereof must be clearly stated).

79.3. Members in the Appraisal Council shall be responsible for performing duties under the guidance of the Council's Chairman; responsible to the Council's Chairman for the implementation of duties and for their opinion.

80. Responsibility of Banks Department

80.1. To consider files and submit to the Appraisal Council for deciding the issuance of the Licence of opening foreign bank branch, establishment and operation Licence of joint venture bank, 100% foreign owned bank.

80.2. To consider files and submit to the Governor of the State Bank for deciding:

- a. The issuance of the Licence of opening representative office of a foreign credit institution in Vietnam;
- b. The extension of operation duration or revocation of the operation Licence of a foreign bank branch, joint venture bank, 100% foreign owned bank, representative office of foreign credit institution in Vietnam.
- c. Approval to personnel and changes that need approving by the State Bank in respect of foreign bank branch, joint venture bank, 100% foreign owned bank, representative office of foreign credit institution in accordance with provisions of the Law on credit institutions and guidance in this Circular.
- d. The transformation of organization form of a joint venture bank, 100% foreign owned bank;
- e. Operation network of foreign bank branch, joint venture bank, 100% foreign owned bank
- g. Providing guidance (or coordinating with related units to submit to the Governor of the State Bank for guidance) to foreign bank branches, joint venture banks, 100% foreign owned banks,

representative offices of foreign credit institutions in Vietnam on the implementation of this Circular.

80.3. To coordinate with State Bank Inspectorate to suggest solutions to the Governor of the State Bank when the actual value of appropriated capital of foreign bank branch, charter capital of joint venture bank, 100% foreign owned bank reduces to a lower level than the legal capital.

80.4. To confirm the registration for the financial implementation, accounting, general report and General Manager jointly in charge for the case where a foreign bank has from 2 branches and more in Vietnam.

81. Responsibility of State Bank Inspectorate

81.1. To suggest opinion on the ability to satisfy conditions and request for the issuance of the Licence of the opening, establishment, extension of operation duration of foreign bank branches, joint venture banks, 100% foreign owned banks, representative offices of foreign credit institutions in Vietnam; suggest opinion on the effects to system prudence and other opinions (if any) within the period stipulated in this Circular;

81.2. To cooperate with Banks Department to submit to the Governor of the State Bank the settlement measures when the actual value of appropriated capital of foreign bank branch, charter capital of joint venture bank, 100% foreign owned bank is detected to reduce to a lower level than legal capital.

82. Responsibility of Legislation Department

To submit ideas on legal issues relating to files, procedures, process of applying for the issuance of Licence of foreign bank branch, joint venture bank, 100% foreign owned bank.

83. Responsibility of Bank Strategy and Development Department

To submit ideas on issues relating to development strategies and ability of firm development of foreign bank branches, joint venture banks, 100% foreign owned banks in coming period.

84. Responsibility of International Cooperation Department

To assess arising issues relating to commitments of acceding to World Trade Organization by Vietnam.

85. Responsibility of Banking Operation Department

85.1. To provide guidance to foreign bank branches, joint venture banks, 100% foreign owned banks, representative offices of foreign credit institutions:

a. On carrying out the payment of fee for the issuance of licence, fee for the extension of operation duration;

b. On procedures to open account, transfer capital into frozen account and clear away capital.

85.2. To send Banks Department copies of the documents confirming the full receipt of fee for the issuance of Licence, fee for the extension of operation duration; documents confirming the transfer of capital into frozen account and capital clearance.

86. Responsibility of State Bank branch in provinces, cities

86.1. To submit ideas on the application file for the issuance of Licence of foreign bank branch, joint venture bank, 100% foreign owned bank, representative office of foreign credit institution,

on issues relating to banking activity in the local area and submit to the Banks Department in accordance with the time limit provided for in this Circular and provide advice to People's Committee in provinces, cities under the central Government's management (upon request).

86.2. To examine, supervise the performance of operation opening, ability to satisfy conditions for opening operation of foreign bank branch, joint venture bank, 100% foreign owned bank in accordance with provisions in this Circular.

Part VI

IMPLEMENTING PROVISIONS

I. IMPLEMENTING EFFECTIVENESS

87. This Circular shall be effective after 15 days since its publication on the Official Gazette and replace the Circular No. 08/2000/TT-NHNN5 dated 04/07/2000 guiding the implementation of the Decree No.13/1999/ND-CP dated 17/3/1999 of the Government on the organization and operation of foreign credit institutions, representative offices of foreign credit institutions in Vietnam.

II. ADJUSTMENT OF ORGANIZATION AND OPERATION

88. For foreign bank branches, joint venture banks

88.1. Foreign bank branches, joint venture banks which are operating in Vietnam and do not have a demand for the re-issuance of the License to be entitled to operate under the new operation duration (for 99 years at the maximum) provided for in the Decree, shall be entitled to operate in line with the remaining period stated in the current License and entitled to perform the operation contents in accordance with the Decision of the Governor of the State Bank on the amendment, supplement of the operation contents in the License of opening foreign bank branch, establishment and operation License of joint venture bank; the Decision on the amendment, supplement mentioned above shall be issued and generally applicable to subjects stipulated in this point on the basis of the provisions of the Decree, of this Circular and related provisions of laws to ensure the right implementation of bilateral and multilateral international commitments of Vietnam in banking area.

88.2. Foreign bank branches, joint venture banks having a demand for the re-issuance of the License to be entitled to operate under a new operation duration (for 99 years at the maximum) as stipulated in the Decree shall be required to prepare an application file for the re-issuance of the License to send to the State Bank within a period of 3 years since the effectiveness of this Circular. Conditions for the issuance of the License, file, procedures, process of the licencing, fee for licensing shall be implemented in accordance with provisions applicable to the case of extending the operation duration of the License stipulated in Section IV, Part I in this Circular.

89. For sub-branches of foreign bank branch

89.1. For the sub-branch which does not have a demand for operation under the new operation duration (for 99 years at the maximum) as provided for in the Decree:

a. Within a period of 1 year since the effectiveness of this Circular, the foreign bank must submit an application signed by its competent representative to the Governor of the Governor of the State Bank for the issuance of the License of opening a foreign bank branch for operation in compliance with provisions of the Law on Credit Institutions, of the Decree and this Circular.

b. The foreign bank branch (transformed from a sub-branch) must have appropriated capital at least equal to the legal capital level in accordance with provisions of the Government and be granted the Licence of opening a foreign bank branch with the operation duration under the remaining duration of its sub-branch.

89.2. For the sub-branch which has a demand for operation under the new operation duration (for 99 years at the maximum) as provided for in the Decree:

a. Within a period of 3 years since the effectiveness of this Circular, the foreign bank must submit an application and a file to the State Bank (Banks Department) for the issuance of the License of opening foreign bank branch for operation in compliance with provisions of the Law on Credit Institutions, the Decree and of this Circular.

b. In this case, condition for issuing the License, file, procedures, process of licencing, fee for licencing shall be implemented in accordance with the same provisions applicable to the opening of more branches as stipulated in Section III, Part II of this Circular.

89.3. In case of having no demand for operation of a sub-branch (the foreign bank has not submitted application for the issuance of License in accordance with provisions in point 89.1 and 89.2 hereinabove) or the foreign bank has submitted an application for the License issuance, but it is not approved by the State Bank, or the foreign bank has proposed for the closing of the sub-branch, the foreign bank must dissolve, terminate the operation of the sub-branch.

File, procedures, process of the dissolution, termination of the sub-branch's operation shall be implemented like for the case of dissolution, termination of operation of a foreign bank branch as provided for in Section VII, Part II of this Circular.

III. IMPLEMENTING ORGANIZATION

90. The Director of Administrative Department, Director of the Banks and Non-banking Credit Institutions Department, Chief Inspector of the State Bank, Head of units of the State Bank, Managers of State Bank Branches in provinces, cities under the Central Government's management, Chairman of the Board of Directors, Chief of Controllers Committee, General Manager (Manager) of joint venture banks, 100% foreign owned banks, General Manager (Manager) of foreign bank branches, Chief of Representative Office of foreign credit institutions in Vietnam shall, within their scope of function, assignment and authority, be responsible for the implementation in compliance with provisions in this Circular.

**THE GOVERNOR OF THE STATE
BANK OF VIETNAM**

Le Duc Thuy

APPENDIX 1A

**APPLICATION FOR ISSUANCE OF THE LICENSE FOR OPENING FOREIGN BANK
BRANCH IN VIETNAM**

To: The Governor of the State Bank

Bank:

After the study of provisions of Vietnamese laws on the conditions, procedures, application file for the issuance of the License and organization, operation of foreign bank branches in Vietnam, based on demand for the development of the business activity and the feasibility of the business plan, the Bank..... would like to submit the Governor of the State Bank the application for the issuance of the License for opening a foreign bank branch in Vietnam with following main contents:

I. INFORMATION ABOUT THE PARENT BANK

1. Full name, trading name and abbreviated name (if any) of the parent bank.
2. Address of the head office, phone number, fax, email.
3. Establishment date, date of business registration, date of commencing operation and date of terminating operation.
4. Issuing agency of the Establishment and Operation License, number and date of the License, expiry date (if any).
5. Issuing agency of the Business Registration Certificate, number and date of the Business Registration Certificate.
6. Charter capital, actually contributed capital.
7. Legal representative of the parent bank.
8. Type of operation of the parent bank; main authorized operation contents in accordance with applicable laws of the home country; limits in operation (if any).

II. BRANCH OF FOREIGN BANK APPLYING FOR THE OPENING IN VIETNAM

1. Name of the branch: full name, trading name and abbreviated name (if any) of the foreign bank branch in Vietnamese, and in English (in case of any proposal).
2. Location (province, city under the Central Government's management) where the branch is to be located.
3. Appropriated capital of the foreign bank branch.
4. Expected General Manager (Manager) of the branch: Full name, age, professional qualification (enclosed with the curriculum vitae; diplomas, certificates proving the capacity, status and professional qualification)
5. Planned number of staff, officers of the branch: Number of people with foreign nationality, number of people with Vietnamese nationality.
6. Operation duration of the branch
7. Operation type of the branch (commercial bank, development bank...); main operation contents.

8. Name, position of the individual, organization being the representative (or on behalf) of the Bank..... that follows up the application for the opening of the branch and performs procedures relating to the opening of the branch, enclosed with the letter of attorney (if any).

The Bank..... undertakes:

- To ensure the accuracy, truthfulness of the contents in the application and the file for the issuance of the License.
- To take responsibility for any obligation and commitment of the branch in Vietnam; To ensure to maintain the actual value of the appropriated capital of the branch not to be lower than the legal capital and fully satisfy provisions on operational prudence in accordance with provisions of the State Bank.
- To seriously comply with provisions of Vietnamese laws and provisions of the State Bank of Vietnam.

....., *date*.....

Chairman of the Board of Directors of the Bank

(Or competent representative of the Parent Bank)

(Note: This Appendix only provides for main contents required, the foreign bank may supplement more contents if deemed necessary)

APPENDIX 1B

APPLICATION FOR THE ISSUANCE OF THE ESTABLISHMENT AND OPERATION LICENSE OF JOINT VENTURE BANK IN VIETNAM

To: The Governor of the State Bank

.....

After the study of the provisions of Vietnamese laws on the conditions, procedures, application file for the issuance of the License and organization, operation of joint venture bank in Vietnam, based on the demand for the development of the business activity and the feasibility of the business plan, the Bank parties..... (who plan to participate in the establishment of the joint venture bank) would like to submit the Governor of the State Bank the application for the issuance of the Establishment and Operation License for a joint venture bank in Vietnam with following main contents:

I. INFORMATION ABOUT THE FOREIGN PARTY

1. Full name, trading name and abbreviated name (if any) of the bank (banks) planning to participate in the joint venture.
2. Address of the head office, phone number, fax number, email.
3. Establishment date, date of business registration, date of commencing operation and date of terminating operation.

4. Issuing agency of the Establishment and Operation License, number and date of the License, expiry date (if any).

5. Issuing agency of the Business Registration Certificate, number and date of the Business Registration Certificate.

6. Charter capital, actually contributed capital.

7. Legal representative of bank (banks)

II. INFORMATION ABOUT VIETNAMESE PARTY:

Including main contents as provided for in part I hereinabove.

III. JOINT VENTURE BANK PLANNED TO BE ESTABLISHED IN VIETNAM

1. Name of the joint venture bank: full name, trading name and abbreviated name (if any) of joint venture bank in Vietnamese, and in English (in case of any proposal).

2. Location (province, city under the Central Government's management) where the head office is to be located.

3. Charter capital; ratio of capital contribution of the Parties, specific capital contribution level of each bank participating in the joint venture; mode and progress of the capital contribution.

4. Expected personnel:

- The Board of Directors: structure, number of members, Chairman; name, age, professional qualification of members.

- Controllers Committee: structure, number of members, Chief; name, age, professional qualification of members.

- General Manager (Manager): name, age, professional qualification.

(Enclosed with curriculum vitae; diplomas, certificates proving the capacity, status and professional qualification of the above personnel).

5. The planned number of officers, staff of the branch: Number of people with foreign nationality, number of people with Vietnamese nationality.

6. Operation duration of the joint venture bank.

7. Operation type of the joint venture bank (commercial bank, development bank...); main operation contents.

8. Name, position of the individual, organization being the representative (or on behalf) of the Parties..... that follows up the application for the establishment and performs procedures relating to the establishment of the joint venture bank, enclosed with the letter of attorney (if any).

The Parties (banks) participating in the joint venture undertakes:

- To ensure the accuracy, truthfulness of the contents in the application and the file for the issuance of the License.

- To be ready to give support to the joint venture bank in Vietnam in terms of finance, technology, management, execution, operation; To ensure to maintain the actual value of the

charter capital of the joint venture bank not to be lower than the legal capital and fully satisfy provisions on operational prudence in accordance with provisions of the State Bank.

- To seriously comply with provisions of Vietnamese laws and provisions of the State Bank of Vietnam.

....., *date*.....

Competent representatives of the Parties (banks) participating in the joint venture sign together

(Note: This Appendix only provides for main contents required, the parties to the joint venture may supplement more contents if deemed necessary)

APPENDIX 1C

APPLICATION FOR THE ISSUANCE OF THE ESTABLISHMENT AND OPERATION LICENSE OF 100% FOREIGN OWNED BANK IN VIETNAM

To: The Governor of the State Bank

.....

After the study of provisions of Vietnamese laws on conditions, procedures, application file for the issuance of the License and organization, operation of 100% foreign owned bank in Vietnam, based on the demand for the development of the business activity and the feasibility of the business plan, the Bank..... (representing for capital contributors in case there are 2 or more organizations contributing capital to the 100% foreign owned bank) would like to submit the Governor of the State Bank the application for the issuance of the Establishment and Operation License for 100% foreign owned bank in Vietnam with following main contents:

I. INFORMATION ABOUT THE PARENT BANK (ABOUT THE CAPITAL CONTRIBUTORS IN CASE OF HAVING 2 OR MORE ORGANIZATIONS CONTRIBUTING CAPITAL)

1. Full name, trading name and abbreviated name (if any) of the parent bank (capital contributors)
2. Address of the head office, phone number, fax number, email.
3. Establishment date, date of business registration, date of commencing operation and date of terminating operation.
4. Issuing agency of the Establishment and Operation License, number and date of the License, expiry date (if any).
5. Issuing agency of the Business Registration Certificate, number and date of the Business Registration Certificate.
6. Charter capital, actually contributed capital.
7. Legal representative of the parent bank (capital contributors).

II. 100% FOREIGN OWNED BANK PLANNED TO BE ESTABLISHED IN VIETNAM

1. Name of the bank: full name, trading name and abbreviated name (if any) of 100% foreign owned bank in Vietnamese, and in English (in case of any proposal).

2. Location (province, city under the Central Government's management) where the head office is to be located.

3. Charter capital; ratio of capital contribution of the members, specific capital contribution level of each member (in case of having 2 or more capital contributors); mode and progress of the capital contribution.

4. Expected personnel:

- The Board of Directors: structure, number of members, Chairperson; name, age, qualification of the members.

- Controllers Committee: structure, number of members, Chief; name, age, qualification of the members

- General Manager (Manager): name, age, professional qualification.

(Enclosed with curriculum vitae; diplomas, certificates proving the capacity, status and professional qualification of the above personnel).

5. The planned number of officers, staff of the bank: Number of people with foreign nationality, number of people with Vietnamese nationality.

6. Operation duration of 100% foreign owned bank.

7. Operation type of 100% foreign owned bank (commercial bank, development bank...); main operation contents.

8. Name, position of the individual, organization being the representative (or on behalf) of the parent Bank (or capital contributors) who follows up the application for the establishment and performs procedures relating to the establishment of 100% foreign owned bank, enclosed with the letter of attorney (if any).

The parent Bank (and capital contributors) undertakes:

- To ensure the accuracy, truthfulness of the contents in the application and the file for the issuance of the License.

- To be ready to give support to the 100% foreign owned bank in Vietnam in terms of finance, technology, management, execution, operation; To ensure to maintain the actual value of the charter capital of the 100% foreign owned bank in Vietnam not to be lower than the legal capital and fully satisfy provisions on operational prudence in accordance with provisions of the State Bank.

- To seriously comply with provisions of Vietnamese laws and provisions of the State Bank of Vietnam.

....., *date*.....

Chairman of the Board of Directors of the Parent Bank

(Or competent representative of the Parent Bank)

(Note: This Appendix only provides for main contents required, the foreign bank may supplement more contents if deemed necessary)

APPENDIX 1D

**APPLICATION FOR THE ISSUANCE OF THE LICENSE FOR OPENING
REPRESENTATIVE OFFICE OF FOREIGN CREDIT INSTITUTION IN VIETNAM**

To: The Governor of the State Bank

.....

Based on the demand for the development of the cooperation, investment, business relationship with Vietnamese credit institutions, economic organizations, the foreign credit institution (name) would like to submit the Governor of the State Bank the application for the issuance of the License for opening a representative office of foreign credit institution in Vietnam with following main contents:

I. INFORMATION ABOUT THE FOREIGN PARTY

1. Full name, trading name and abbreviated name (if any) of the foreign credit institution.
2. Address of the head office, phone number, fax number, email.
3. Establishment date, date of business registration, date of commencing operation and date of terminating operation.
4. Issuing agency of the Establishment and Operation License, number and date of the License, expiry date (if any).
5. Issuing agency of the Business Registration Certificate, number and date of the Business Registration Certificate.
6. Charter capital, actually contributed capital.
7. Legal representative of foreign credit institution.

II. REPRESENTATIVE OFFICE PLANNED TO BE OPENED IN VIETNAM

1. Name of the representative office: full name, trading name and abbreviated name (if any) of the representative office in Vietnamese, and in English (in case of having any proposal).
2. Location (province, city under the Central Government's management) where the representative office is to be located.
3. Purpose of opening the representative office and operation contents of the representative office.
4. The planned number of officers, staff of the representative office: Number of people with foreign nationality, number of people with Vietnamese nationality.
6. Operation duration of the representative office.
7. Expected Chief of the representative office: full name, age, nationality (enclosed with the curriculum vitae).

8. Name, position of the individual, organization being the representative (or on behalf) of the foreign credit institution who follows up the application for the opening of Representative Office and performs procedures relating to the opening of the representative office, enclosed with the letter of attorney (if any).

The foreign credit institution undertakes:

- To ensure the accuracy, truthfulness of the contents in the file for the issuance of the License.
- To seriously comply with provisions of Vietnamese laws and provisions of the State Bank of Vietnam.

....., date.....

Chairman of the Board of Directors of the Foreign CI

(Or competent representative of the Foreign CI)

(Note: This Appendix only provides for main contents required, the foreign CI may supplement more contents if deemed necessary)

APPENDIX 2A

**STATE BANK OF
VIETNAM**

SOCIALIST REPUBLIC OF VIETNAM

Independence – Freedom – Happiness

No:...../GP-NHNN

Hanoi, date.....

LICENSE OF THE OPENING OF THE FOREIGN BANK BRANCH

THE GOVERNOR OF THE STATE BANK

- Pursuant to the Law on the State Bank of Vietnam No.01/1997/QD10 dated 12/12/1997 and the Law on the amendment, supplement of several articles of the Law on the State Bank of Vietnam No.10/2003/QH11 dated 17/6/2003;

- Pursuant to the Law on Credit Institutions No.02/1997/QH10 dated 12/12/1997 and the Law on the amendment, supplement of several articles of the Law on Credit Institutions No.20/2004/QH11 dated 15/6/2004;

- Pursuant to the Decree No.22/2006/ND-CP dated 28/2/2006 of the Government on the organization and operation of foreign bank branches, joint venture banks, 100% foreign owned banks, representative office of foreign credit institutions in Vietnam;

In consideration of the application and file for the issuance of the License for the opening of foreign bank branch in Vietnam of the Bank.....,

DECIDES:

Article 1.

To permit the Bank.... whose trading address is at....., head office is at..... to open a branch in (province, city under the Central Government's management) of the Socialist Republic of Vietnam.

Article 2.

Name of the foreign bank branch: Full name, trading name, abbreviated name (if any) in Vietnamese and in English (in case of any proposal).

Trading address of the foreign bank branch: No...., province, city (as mentioned above), the Socialist Republic of Vietnam.

Appropriated capital of the foreign bank branch:

Article 3. Operation duration of the foreign bank branch:

Article 4. Operation type of the foreign bank branch:

..... (*commercial bank, development bank, or other types of bank*)

Article 5. Operation contents:

Branch of the Bank shall perform operations in Vietnamese dong and foreign currencies, engage in foreign exchange trading activities (of the type of commercial bank, development bank....) in accordance with provisions of the Law on Credit Institutions, provisions of applicable laws on the operation of (commercial bank, development bank....). Main operation contents of the branch of the Bank..... are as follows:

1. Capital mobilization:

-

2. Credit activity

-

3. Payment and treasury service:

-

4. Other activities:

-

5. Apart from the above activities, branch of the Bank..... shall be authorized to perform other operations of (commercial bank, development bank,...) where it has a demand and is approved by the State Bank.

Article 6. During the operation process, branch of the Bank.... must comply with applicable laws of Vietnam, Law on Credit Institutions and the Law on the amendment, supplement of several articles of the Law on Credit Institutions, Regulations on the foreign exchange control, the Decree No.22/2006/ND-CP dated 28/02/2006 of the Government on the organization and operation of foreign bank branches, joint venture banks, 100% foreign owned banks, representative office of foreign credit institutions in Vietnam, regimes and provisions issued by the Governor of the State Bank of Vietnam.

Article 7. Upon remitting profits from Vietnam overseas, branch of the Bank.... must pay taxes in accordance with provisions of the Law on taxes of Vietnam.

Article 8. This License shall be effective from the signing date. Within a period of 12 months since the issuance of the License, the branch of the Bank.... must complete necessary procedures and open its operation. After the above period, if the branch of the Bank..... fails to open its operation, this License shall cease its effectiveness.

Article 9. The establishment and operation license of the branch of the Bank.... is made in originals: one original is issued to the Foreign Bank (Parent bank), one original is registered at the Department of Planning and Investment; one original is archived at the State Bank of Vietnam.

GOVERNOR

APPENDIX 2B

**STATE BANK OF
VIETNAM**

SOCIALIST REPUBLIC OF VIETNAM

Independence – Freedom – Happiness

No:...../GP-NHNN

Hanoi, date.....

LICENSE

FOR THE ESTABLISHMENT AND OPERATION OF THE JOINT VENTURE BANK

THE GOVERNOR OF THE STATE BANK

- Pursuant to the Law on the State Bank of Vietnam No.01/1997/QD10 dated 12/12/1997 and the Law on the amendment, supplement of several articles of the Law on the State Bank of Vietnam No.10/2003/QH11 dated 17/6/2003;

- Pursuant to the Law on Credit Institutions No.02/1997/QH10 dated 12/12/1997 and the Law on the amendment, supplement of several articles of the Law on Credit Institutions No.20/2004/QH11 dated 15/6/2004;

- Pursuant to the Decree No.22/2006/ND-CP dated 28/2/2006 of the Government on the organization and operation of foreign bank branches, joint venture banks, 100% foreign owned banks, representative office of foreign credit institutions in Vietnam;

In consideration of the application and file for the issuance of the License for the establishment and operation of joint venture bank..... in Vietnam of the Bank..... and the Bank.....

DECIDES:

Article 1.

To permit following Parties to establish a joint venture bank in Vietnam:

- Vietnamese Party: name and address of the Bank (banks) participating in the joint venture.
- Foreign Party: name and address of the Bank (banks) participating in the joint venture.

Article 2.

Name of the joint venture bank: Full name, trading name, abbreviated name (if any) in Vietnamese and in English (in case of any proposal).

The joint venture bank has its head office located in (province, city under the Central Government's management, the Socialist Republic of Vietnam).

Trading address of the joint venture bank: No....., province, city (as mentioned above), the Socialist Republic of Vietnam.

The joint venture bank shall be established in form of a limited liability company which has legal status in accordance with provisions of Vietnamese laws and has its own seal.

Article 3.

Charter capital of the Joint venture Bank is:.....

Of which:

Vietnamese party contributes:....., equaling to.....% of the charter capital.

Foreign party contributes:....., equaling to.....% of the charter capital.

* State clearly the capital contribution level of each bank, amount of the contributed capital in cash, in asset (if any), mode of capital contribution and performance time (if any).

Article 4. Operation duration of the Joint venture Bank.....: ... years

Article 5. Operation type of the Joint venture Bank.....:

..... (*commercial bank, development bank, or other types of bank*)

Article 6. Operation contents:

The Joint venture Bank shall perform operations in Vietnamese dong and foreign currencies, engage in foreign exchange trading activities of the bank subject to the bank type.....(commercial bank, development bank....) in accordance with provisions of the Law on Credit Institutions, provisions of applicable laws on the operation of (commercial bank, development bank....). Main operation contents of joint venture Bank are as follows:

1. Capital mobilization:

-

2. Credit activity

-

3. Payment and treasury service

-

4. Other activities:

-

5. Apart from the above activities, the joint venture Bank shall be authorized to perform other operations of (commercial bank, development bank,...) where it has a demand and is approved by the State Bank.

Article 7. During the operation process, the joint venture Bank must comply with laws of Vietnam, Law on Credit Institutions and the Law on the amendment, supplement of several articles of the Law on Credit Institutions, Regulations on the foreign exchange control, the Decree No.22/2006/ND-CP dated 28/02/2006 of the Government on the organization and operation of foreign bank branches, joint venture banks, 100% foreign owned banks, representative office of foreign credit institutions in Vietnam, regimes and provisions issued by the Governor of the State Bank of Vietnam.

Article 8. Upon remitting profits from Vietnam overseas, joint venture bank must pay taxes in accordance with provisions of the Law on taxes of Vietnam.

Article 9. This License shall be effective from the signing date. Within a period of 12 months since the issuance of the establishment and operation License, the joint venture bank must complete necessary procedures and open its operation. After the above period, if the joint venture bank fails to open its operation, this License shall cease its effectiveness.

Article 10. The establishment and operation license of the joint venture bank.... is made in originals: each party in the joint venture shall keep one original; one original is issued to joint venture bank, one original is registered at the Department of Planning and Investment; one original is archived at the State Bank of Vietnam.

GOVERNOR

APPENDIX 2C

STATE BANK OF
VIETNAM

SOCIALIST REPUBLIC OF VIETNAM

Independence – Freedom – Happiness

No:...../GP-NHNN

Hanoi, date.....

LICENSE

FOR THE ESTABLISHMENT AND OPERATION OF 100% FOREIGN OWNED BANK

THE GOVERNOR OF THE STATE BANK

- Pursuant to the Law on the State Bank of Vietnam No.01/1997/QD10 dated 12/12/1997 and the Law on the amendment, supplement of several articles of the Law on the State Bank of Vietnam No.10/2003/QH11 dated 17/6/2003;

- Pursuant to the Law on Credit Institutions No.02/1997/QH10 dated 12/12/1997 and the Law on the amendment, supplement of several articles of the Law on Credit Institutions No.20/2004/QH11 dated 15/6/2004;

- Pursuant to the Decree No.22/2006/ND-CP dated 28/2/2006 of the Government on the organization and operation of foreign bank branches, joint venture banks, 100% foreign owned banks, representative office of foreign credit institutions in Vietnam;

In consideration of the application and file for the issuance of the License for the establishment and operation of 100% foreign owned bank in Vietnam of the Bank (parent bank).....

DECIDES:

Article 1.

To permit the following Bank ... (organizations).... to establish a 100% foreign owned bank in Vietnam:

- The parent bank: name and address of the parent Bank of the 100% foreign owned bank.
- Other capital contributors being foreign organizations: name and address of the foreign organizations which are capital contributors for the establishment of the 100% foreign owned bank.

Article 2.

Name of the 100% foreign owned bank: Full name, trading name, abbreviated name (if any) in Vietnamese and in English (in case of any proposal).

The 100% foreign owned bank has its head office located in (province, city under the Central Government's management....., the Socialist Republic of Vietnam).

Trading address of the 100% foreign owned bank: No....., province, city (as mentioned above), the Socialist Republic of Vietnam.

The 100% foreign owned bank shall be established in form of a limited liability company which has legal status in accordance with provisions of Vietnamese laws and has its own seal.

Article 3.

Charter capital of the 100% foreign owned Bank is:.....

Of which:

(Parent) Bank:.....contributes:....., equaling to.....% of the charter capital.

Other capital contributors contributes....., equaling to.....% of the charter capital.

* State clearly the capital contribution level of each member, amount of the contributed capital in cash, in asset (if any), mode of capital contribution and time of contribution (if any).

Article 4. Operation duration of the 100% foreign owned Bank.....: ... years

Article 5. Operation type of the 100% foreign owned Bank.....:

..... (*commercial bank, development bank, or other types of bank*)

Article 6. Operation contents:

The 100% foreign owned Bank shall perform operations in Vietnamese dong and foreign currencies, engage in foreign exchange trading activities of the bank subject to the bank type.....(commercial bank, development bank....) in accordance with provisions of the Law on

Credit Institutions, provisions of laws on the operation of the bank..... (commercial bank, development bank....). Main operation contents of the 100% foreign owned Bank are as follows:

1. Capital mobilization:

-

2. Credit activity

-

3. Payment and treasury service

-

4. Other activities:

-

5. Apart from the above activities, the 100% foreign owned Bank shall be authorized to perform other operations of (commercial bank, development bank,...) where it has a demand and is approved by the State Bank.

Article 7. During the operation process, the 100% foreign owned Bank must comply with laws of Vietnam, Law on Credit Institutions and the Law on the amendment, supplement of several articles of the Law on Credit Institutions, Regulations on the foreign exchange control, the Decree No.22/2006/ND-CP dated 28/02/2006 of the Government on the organization and operation of foreign bank branches, joint venture banks, 100% foreign owned banks, representative office of foreign credit institutions in Vietnam, regimes and provisions issued by the Governor of the State Bank of Vietnam.

Article 8. Upon remitting profits from Vietnam overseas, 100% foreign owned bank must pay taxes in accordance with provisions of the Law on taxes of Vietnam.

Article 9. This License shall be effective from the signing date. Within a period of 12 months since the issuance of the License, the 100% foreign owned bank must complete necessary procedures and open its operation. After the above period, if the bank fails to open its operation, this License shall cease its effectiveness.

Article 10. The establishment and operation license of the 100% foreign owned bank.... is made in originals: one original is issued to parent bank, one original is issued to 100% foreign owned bank, one original is registered at the Department of Planning and Investment; one original is archived at the State Bank of Vietnam.

GOVERNOR

APPENDIX 2D

**STATE BANK OF
VIETNAM**

SOCIALIST REPUBLIC OF VIETNAM

Independence – Freedom – Happiness

No:...../GP-NHNN

Hanoi, date.....

LICENSE

**FOR THE OPENING OF REPRESENTATIVE OFFICE OF FOREIGN CREDIT
INSTITUTION**

THE GOVERNOR OF THE STATE BANK

- Pursuant to the Law on the State Bank of Vietnam No.01/1997/QD10 dated 12/12/1997 and the Law on the amendment, supplement of several articles of the Law on the State Bank of Vietnam No.10/2003/QH11 dated 17/6/2003;

- Pursuant to the Law on Credit Institutions No.02/1997/QH10 dated 12/12/1997 and the Law on the amendment, supplement of several articles of the Law on Credit Institutions No.20/2004/QH11 dated 15/6/2004;

- Pursuant to the Decree No.22/2006/ND-CP dated 28/2/2006 of the Government on the organization and operation of foreign bank branches, joint venture banks, 100% foreign owned banks, representative office of foreign credit institutions in Vietnam;

In consideration of the application and file for the issuance of the License for the opening of foreign bank branch in Vietnam of the Bank.....,

DECIDES:

Article 1.

To permit the Credit Institution..., whose trading address is at....., head office is at..... to open a Representative office in (province, city under the Central Government's management), Socialist Republic of Vietnam:

Article 2.

Name of the Representative office: Full name, trading name, abbreviated name (if any) in Vietnamese and in English (in case of any proposal).

Article 3. Operation duration of the Representative Office:....

Article 4. Operation contents of the Representative Office.....:

Article 5. During the operation process, the Representative office..... must comply with laws of Vietnam, Law on Credit Institutions and the Law on the amendment, supplement of several articles of the Law on Credit Institutions, the Decree No.22/2006/ND-CP dated 28/02/2006 of the Government on the organization and operation of foreign bank branches, joint venture banks, 100% foreign owned banks, representative office of foreign credit institutions in Vietnam, related provisions of laws.

Article 6. This License shall be effective from the signing date. Within a period of 12 months since the issuance of the License, the Representative office must complete necessary procedures and open its operation. After the above period, if the Representative office... fails to open its operation, this License shall cease its effectiveness.

Article 7. This license is made in originals: one original is issued to the foreign credit institution; one original is registered at the People's Committee of the province, city under the Central Government's management; one original is archived at the State Bank of Vietnam.

GOVERNOR