

THE GOVERNMENT

SOCIALIST REPUBLIC OF VIETNAM

Independence - Freedom - Happiness

No.70/2014/ND-CP

Hanoi, July 17, 2014

DECREE

**DETAILING THE IMPLEMENTATION OF SEVERAL PROVISIONS OF THE
ORDINANCE AND THE AMENDED ORDINANCE ON THE FOREIGN EXCHANGE**

Pursuant to the Law on Government organization dated December 25, 2001;

Pursuant to the Law on the State Bank of Vietnam date June 16, 2010;

Pursuant to the Law on Credit Institutions dated June 16, 2010;

*Pursuant to the Ordinance on the foreign exchange dated December 13, 2005 and the amended
Ordinance on the foreign exchange dated March 18, 2013;*

At the request of the Governor of the State Bank of Vietnam,

*The Government hereby promulgates this Decree on detailing the implementation of several
provisions of the Ordinance on the foreign exchange and the amended Ordinance on the foreign
exchange.*

Chapter I

GENERAL PROVISIONS

Article 1. Governing scope

1. This Decree provides for the specific implementation of several provisions of the foreign exchange Ordinance and the amended foreign exchange Ordinance in respect of foreign exchange transactions of residents and non-residents in the territory of the Socialist Republic of Vietnam.

2. Issues regarding the management of foreign-exchange reserves; gold trade; the Government's foreign loan, repayment of the Government's unsecured foreign debts; the Government's foreign loans and repayment of the Government's secured foreign debts as well as the handling of any violation against regulations on foreign exchange transactions shall be governed by other relevant laws promulgated by the Government.

Article 2. Applied entities

1. Organizations or individuals are residents or non-residents performing their foreign exchange transactions in Vietnam.
2. Organizations or individuals are residents involved in the management, inspection, supervision and handling of violations of foreign exchange transactions.

Article 3. Application of laws on foreign exchange, international treaties, foreign laws and international practices

1. Foreign exchange transactions must comply with regulations of this Decree and other relevant laws.
2. In case international treaties of which the Socialist Republic of Vietnam is a member has regulations different than regulations of this Decree, these treaties shall be applied.
3. Whenever any foreign exchange transaction is not regulated by Vietnam laws, parties can agree on applying foreign laws and international practices provided that this application is not in breach of basic principles specified in Vietnam laws.

Chapter II

SPECIFIC PROVISIONS

Article 4. Liberalization of current transactions

In the territory of Vietnam, all of non-current payment and money transfer transactions of residents and non-residents are freely performed in accordance with regulations of this Decree and other relevant laws to follow the principles below:

1. Residents, non-residents are entitled to purchase, remit and carry foreign currency overseas to serve the demands for payment and money transfer of current transactions.
2. Residents, non-residents are responsible to submit required records as regulated by credit institutions upon purchase, transfer and carry of foreign currency overseas to perform current transactions as well as take legal responsibility for the authentication of these records provided for authorized credit institutions.
3. Upon purchase, transfer and carry of foreign currency overseas to perform current transactions, residents and non-residents do not need to present any record regarding the confirmation of fulfillment of their tax obligations in Vietnam.

Article 5. Foreign currency payment and transfer regarding imported and exported goods and services as well as other current sources

1. Foreign currency revenues of residents earned from the import and export of goods and services or other current sources overseas must be deposited into the foreign currency accounts

opened at authorized credit institutions in Vietnam, which corresponds to the payment term specified in the relevant contracts or payment records, except for some cases that the State Bank of Vietnam considers allowing to retain a partly or entire amount of foreign currency revenue overseas.

2. Foreign currency payment and transfer regarding imported and exported goods and services must be performed by wire transfer through authorized credit institutions.

Article 6. Money transfer from foreign countries to Vietnam

1. Foreign currency receipts of residents as organizations earned from such transfer process must be deposited into foreign currency accounts opened at authorized credit institutions or sold to these credit institutions.

2. Foreign currency receipts of residents as individuals earned from such transfer process must be deposited into foreign currency accounts or used as cash withdrawals to serve for the purposes regulated in Article 13 of this Decree.

Article 7. Money transfer from Vietnam to foreign countries

1. Residents as organizations are entitled to perform money transfer from foreign countries to serve the purposes of aids, grants or others as stipulated by the State Bank of Vietnam.

2. Residents as Vietnamese citizens are entitled to purchase, transfer and carry foreign currency overseas according to regulations specified by the State Bank of Vietnam to serve the following purposes:

- a) Overseas study and medical healthcare;
- b) Overseas business trips, tourism and travels to visit friends or families;
- c) Payment of fees and charges abroad;
- d) Grants provided for relatives living overseas;
- d) Money transfer of an inheritance to heirs living abroad;
- e) Money transfer in case of people who settle overseas;
- g) One-way money transfer in case of other legal demands.

3. Non-residents and residents are foreigners who keep foreign currency in their accounts or legal receipts remitted or carried overseas; in case they own legal receipts in Vietnamese dong, they are allowed to purchase foreign currency to remit and carry overseas.

4. Authorized credit institutions are responsible to examine records and documents submitted by residents and non-residents for the purchase, transfer and confirmation of their personal foreign currency or an amount of foreign currency purchased from authorized credit institutions to carry abroad, depending on actual and proper requirements for each money transfer transaction.

Article 8. Opening and use of direct investment accounts

1. Residents as foreign direct investment enterprises and foreign investors who are involved in the business cooperation agreement (hereinafter collectively referred to as foreign investment enterprise) must open foreign currency accounts for the direct investment at 01 (one) authorized credit institution to perform the receipt and expenditure transactions regarding the FDI activities in Vietnam.

2. In the event that the investment is paid in Vietnamese dong, residents as foreign investment enterprises are entitled to open 01 (one) Vietnamese dong account for the direct investment at authorized credit institutions where foreign investment enterprises have open the foreign currency account for the direct investment in accordance with regulations stated at Clause 1 of this Article to perform the legal transaction of foreign currency receipts and expenditures regarding the foreign direct investment in Vietnam.

3. The State Bank of Vietnam promulgates specific regulations on the opening and use of direct investment accounts as stipulated in Clause 1 and 2 of this Article.

Article 9. Transfer of earnings created by direct investments from Vietnam to foreign countries

If there are demands for the transfer of legal Vietnamese dong revenues created by the direct investments in Vietnam to foreign countries, foreign investors are allowed to purchase foreign currency at authorized credit institutions and transfer this foreign currency amount overseas within the period of 30 (thirty) working days from the date of foreign currency purchase.

Article 10. Residents as securities offering organizations in foreign countries

1. When being allowed to issue foreign currency securities in foreign countries in the form of bonds, residents as organizations must observe current laws and regulations on the management of borrowing and foreign debt repayment as well as other relevant laws.

2. Whenever foreign currency securities offering in the form of stocks, investment fund certificate and other securities in foreign countries are allowed, residents as organizations must open one account of foreign currency securities capital at one authorized credit institution as well as perform the transactions of foreign currency receipts and expenditures regarding the securities offering through this account as stipulated by the State Bank of Vietnam

Article 11. Non-residents as securities offering organizations in Vietnam

1. Non-residents as organizations are only allowed to release Vietnamese dong securities in the territory of Vietnam on condition that they must adhere to laws on securities and other relevant legal regulations.

2. Whenever their securities offerings are licensed in Vietnam, non-residents as organizations must open 01 (one) Vietnamese dong account of securities offering capital at 01 (one) authorized credit institution to perform the transactions of Vietnamese dong receipts and expenditures regarding the securities offering through this account as stipulated by the State Bank of Vietnam.

Article 12. Opening and use of foreign currency accounts in foreign countries held by residents as organizations

The State Bank of Vietnam regulates procedures for the issuance and revocation of the certificate of opening and use of foreign currency accounts in foreign countries that residents as organizations below must follow:

1. Economic organizations that establish their agencies and representative offices overseas or wish to open foreign currency accounts overseas to obtain loans and fulfill their contract commitments and obligations to foreign parties.

2. Regulatory agency, the armed forces unit, political organization, socio-political organization, socio-occupational political organizations, social organization, socio-occupational organization, social fund and charity fund in Vietnam wish to open foreign currency accounts overseas in order to receive foreign grants and aids or others licensed by Vietnam's competent agencies.

Article 13. Use of personal foreign currency cash

1. Individual residents, non-residents have the rights to keep, carry, give, present, inherit and sell foreign currency cash to authorized credit institutions, transfer it overseas as regulated in this Decree, and pay it to any entity eligible for the receipt of foreign currency cash.

2. Residents as Vietnamese citizens are eligible to use foreign currency cash to open foreign currency savings account at authorized credit institutions, withdraw interest and savings amount of currency which they have deposited.

Article 14. Vietnam's foreign currency market

1. Foreign currency market is the place where the trading of various foreign currencies occurs. Entities involved in the foreign currency market consist of the State Bank of Vietnam, authorized credit institutions and clients as residents or non-residents in Vietnam.

The State Bank of Vietnam provides for standards, modes and types of foreign currency transactions on foreign currency market.

2. Inter-bank foreign currency market is considered the marketplace where the transactions between the State Bank of Vietnam and authorized credit institutions or between credit

institutions take place. Those who participate in inter-bank foreign currency market perform the trading of foreign currency in the modes and types of transactions that participants agree on and promise between them in conformity with international practices and regulations of the State Bank of Vietnam

Article 15. System of Vietnamese dong exchange rate

1. Vietnamese dong exchange rate is formed on the basis of foreign currency demand and supply on the state-controlled market. The State Bank of Vietnam shall regulate the exchange rate through the use of monetary policies and take measures to control transactions on the foreign currency market.

2. Vietnamese dong exchange rate system is a managed floating system that the State Bank of Vietnam defines on the basis of a basket of currencies of countries that establish a cooperation of commerce, loaning, debt repayment and investment with Vietnam, which conforms to macroeconomic objectives in each period.

Article 16. Document inspection

Authorized credit institutions and other organizations eligible to perform foreign exchange transactions are responsible to examine, review and keep any relevant document and record during actual transactions to ensure that the supply of foreign exchange services serve the right purpose and complies with legal regulations.

Article 17. Satisfaction of demands for foreign currency for current account transactions

Within the existing amount of foreign currency, authorized credit institutions are responsible to satisfy the demand of residents and non-residents for foreign currency to perform current payment transactions, depending on the actual demand of each transaction.

Article 18. Inspection, supervision and report

1. Authorized credit institutions and other organization eligible to perform foreign exchange transactions are subject to inspection, supervision and adhere to the report requirements as regulated by the State Bank of Vietnam.

2. Rights and obligations of authorized credit institutions in terms of report and information

a) Report information and data regarding foreign exchange transactions in a timely manner as regulated in current laws on the foreign exchange;

b) Request clients to provide their information for the purpose of collecting data and information regarding foreign exchange transactions;

c) Protect the confidentiality of information defined as the secret list of the banking sector.

3. Rights and obligations of organizations and individuals in terms of report and information

a) Organizations, individuals involved in foreign exchange transactions are obliged to provide information and data if required by the State Bank of Vietnam and authorized credit institutions in the deadline as regulated in current laws on the foreign exchange;

b) Organizations, individuals have the right to request authorized credit institutions to provide instructions on the compliance with foreign exchange management policies.

Article 19. Regulations on information and report

1. Responsibilities of the State Bank of Vietnam:

a) Release regulations on report, analysis, forecast and publicize information on foreign exchange transactions;

b) Direct and cooperate with Ministries and regulatory agencies to collect information and data for the State management of foreign exchange and make balance of international payments.

2. Responsibilities of Ministries, ministerial-level agencies, the Government's bodies, the People's Committee of centrally-governed cities and provinces

Ministries, ministerial-level agencies, the Government's bodies, the People's Committee of centrally-governed cities and provinces within the scope of their power shall be responsible to report information and data about foreign exchange transactions to the State Bank of Vietnam for the State management of foreign exchange and the establishment of balance of international payments.

Chapter III

IMPLEMENTATION

Article 20. Effect

1. This Decree comes into effect from September 05, 2014.

2. This Decree shall supersede the Decree No.160/2006/ND-CP dated December 28, 2006 of the Government on detailing the implementation of the Foreign Exchange Ordinance.

Article 21. Implementation responsibility

The Governor of the State Bank of Vietnam, Minister, Heads of ministerial-level agencies, Heads of Governmental agencies, the Presidents of People's Committees of centrally-affiliated cities and provinces, relevant organization and individual are responsible for the implementation of this Decree./.

**PP. THE GOVERNMENT
PRIME MINISTER**

Nguyễn Tấn Dũng

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