

**THE STATE BANK OF
VIETNAM**

No.: 08/2023/TT-NHNN

THE SOCIALIST REPUBLIC OF VIETNAM
Independence - Freedom - Happiness

Hanoi, June 30, 2023

CIRCULAR

PRESCRIBING ELIGIBILITY REQUIREMENTS FOR FOREIGN LOANS WITHOUT GOVERNMENT'S GUARANTEE

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

*Pursuant to the Law on Credit Institutions dated June 16, 2010 and the Law providing
amendments to the Law on Credit Institutions dated November 20, 2017;*

*Pursuant to the Ordinance on Foreign Exchange dated December 13, 2005; the Ordinance
providing amendments to the Ordinance on Foreign Exchange dated March 18, 2013;*

*Pursuant to the Government's Decree No. 219/2013/ND-CP dated December 25, 2013
prescribing management of enterprises' foreign borrowing and repayment of foreign loans
without government guarantee;*

*Pursuant to the Government's Decree No. 102/2022/ND-CP dated December 12, 2022
prescribing functions, tasks, powers and organizational structure of the State Bank of Vietnam;*

At the request of the Director of the Foreign Exchange Management Department;

*The Governor of the State Bank of Vietnam (SBV) promulgates a Circular on eligibility
requirements for foreign loans without the Government's guarantee.*

Chapter I

GENERAL PROVISIONS

Article 1. Scope

This Circular introduces eligibility requirements that borrowers must meet to qualify for foreign loans which are not guaranteed by the Government of Vietnam.

Article 2. Regulated entities

This Circular applies to:

1. Residents that are enterprises, cooperatives, cooperative unions, credit institutions and foreign bank branches (FBBs) duly established and operating in Vietnam and known as the parties applying for foreign loans (hereinafter referred to as “borrowers”).
2. Credit institutions or FBBs in Vietnam where borrowers’ accounts are opened to serve their foreign borrowing and repayment of foreign loan debts (hereinafter referred to as “account service banks”).

Article 3. Definitions

For the purposes of this Circular, the terms below shall be construed as follows:

1. “short-term foreign conventional loan” (hereinafter referred to as “short-term foreign loan”) means a foreign loan which is not guaranteed by the Government and usually runs for a term of less than 01 year.
2. “medium/long-term foreign conventional loan” (hereinafter referred to as “medium/long-term foreign loan”) means a foreign loan which is not guaranteed by the Government and usually runs for a term of over 01 year.
3. “investment project” means a project for which an investment certificate, investment registration certificate or written approval for investment guidelines is granted by a competent authority as prescribed by the investment law and other relevant laws.
4. “other project” means a project which is not the investment project defined in Clause 3 of this Article.
5. “foreign borrowing cost” means the total amount of costs converted by the annual proportion to the loan amount, including foreign borrowing interest rate and other costs associated with the foreign loan that the borrower is obliged to repay to the lender, guarantor, insurer, agents and other relevant parties.
6. “foreign debt restructuring” means the repayment of an existing foreign debt using funds from a new foreign loan.
7. “foreign loan in VND” means a foreign loan which is disbursed to the borrower’s account used for foreign borrowing and debt repayment in VND or for which debt obligations are denominated in VND.
8. “debt obligations denominated in VND” means the indebtedness amount of a foreign loan withdrawn in foreign currency which is recorded under a foreign loan agreement in VND according to the foreign currency buying/selling rate quoted by a credit institution agreed upon by the parties.

Article 4. Application of relevant regulations and laws

1. In addition to the fulfillment of eligibility requirements for foreign loans laid down in this Circular, borrowers of foreign loans in the form of issuance of international bonds must also comply with regulations of law on offering of corporate bonds in international market and other relevant law provisions.

2. In addition to the fulfillment of eligibility requirements for foreign loans laid down in this Circular, borrowers that are state-owned enterprises must also comply with regulations of law on management and use of state capital invested in manufacturing and business activities of enterprises and other relevant regulations of law.

Article 5. Foreign loans granted by deferral of payment for imported goods

1. Borrowers of foreign loans which are granted in the form of import of goods with deferred payment are not required to meet the eligibility requirements for foreign loans laid down in this Circular.

2. Borrowers of foreign loans which are granted in the form of import of goods with deferred payment shall comply with regulations and guidelines on management of foreign exchange in foreign borrowing and foreign debt repayment by enterprises, regulations of law on foreign trade management and other relevant law provisions.

Article 6. Rules for using foreign loan capital

1. Borrowers shall assume overall responsibility to use foreign loan capital for lawful purposes as defined in this Circular.

2. In case a foreign loan amount has been withdrawn but has not yet used for the lawful loan purposes as defined in this Circular, the borrower may deposit this loan amount at credit institutions or FBBs operating in Vietnam. Term of each deposit does not exceed 01 month.

Article 7. Plan for use of foreign loan capital

1. The plan for use of foreign loan capital is the business plan to be financed by the foreign loan, in which the borrower justifies their lawful and reasonable purposes and the need of the foreign loan. The borrower's plan for use of foreign loan capital must be approved by a competent authority in accordance with provisions of the Investment Law, the Law on Enterprises, the Law on Credit Institutions, the Law on Cooperatives, the borrower's charter and other relevant law provisions (hereinafter referred to as "authorized approving authority").

2. The plan for use of foreign loan capital prepared by the borrower that is a credit institution or FBB shall, inter alia, have the following contents:

a) Name of the borrower, type of the credit institution, equity capital, address, license for establishment and operation of the credit institution or license for establishment of the FBB, outstanding debts incurred from short-term, medium/long-term loans as at the planning date;

- b) Business objectives, total demand for capital mobilization, and demand for foreign loan capital of the borrower;
- c) Information on the foreign loan to be obtained;
- d) Purposes of the foreign loan, including: information on target customers to who the borrower considers giving loans using the foreign loan capital, planned lending interest rate and loan term;
- dd) Foreign borrowing scale: loan amount, credit growth target, credit growth rate as at the planning date, comparison of the foreign borrowing scale with the remaining credit growth scale as at the end of the year or with the credit growth scale of the previous year in case information on credit growth target of the current year is not available;
- e) Measures for management of risks arising from the foreign loan;
- g) Authority to approve the plan for use of foreign loan capital: approving authority and grounds for determining approving authority;
- h) Other contents (if any).

3. The plan for use of foreign loan capital prepared by the borrower that is not a credit institution or FBB shall, inter alia, have the following contents:

- a) The borrower's name, business type, charter capital, address, establishment license, business registration certificate, certificate of registration of cooperative or cooperative union and its amending documents (if any) or another document of equivalent validity, and lawful business lines relevant to the purposes of the foreign loan;
- b) Information on the foreign loan to be obtained;
- c) Purposes and scale of the foreign loan;

Information on business activities, other projects to be financed by the foreign loan, which must be within the lawful scope of business of the borrower:

Regarding a short-term foreign loan: the statement of demands for use of the short-term foreign loan (hereinafter referred to as "capital demand statement") which is made using the form in the Appendix enclosed herewith, and according to the rules laid down in Clause 4 of this Article.

Regarding a medium/long-term foreign loan: total capital for business activities; capital structure; scale of the foreign loan; expenditures to be covered using medium/long-term foreign loan;

- d) Measures for management of risks arising from the foreign loan (if any);

dd) Authority to approve the plan for use of foreign loan capital: approving authority and grounds for determining approving authority;

e) Other contents (if any).

4. Rules for preparing the capital demand statement:

a) If the loan capital is used for paying short-term debts in cash (excluding outstanding principal amounts of domestic loans):

The borrower shall indicate in its capital demand statement all payment obligations to be fulfilled within the loan term on the basis of the estimate of amounts payable prepared according to records and documents under which payment obligations arise such as invoices, agreements and contracts signed or issued before the borrower withdraws the loan capital.

In case amounts actually paid differ from those specified in the capital demand statement due to objective causes such as the beneficiary's failure to deliver sufficient amount of goods, parties' agreement on delayed or accelerated debt payment or offsetting, or changes in tax amounts payable as notified by tax authorities, the borrower shall modify its plan for use of foreign loan capital and provide a new capital demand statement which has been updated according to actual payments and to which other lawful short-term debts to be paid within the loan terms have been also added;

b) If the short-term foreign loan is used for serving business operations of the borrower that is required to achieve minimum levels of prudential indicators as prescribed by specialized laws:

The borrower shall indicate in its capital demand statement total amount to be used for each of business operations defined in its business plan according to the relevant specialized law.

In case there are changes in the capital amount actually spent in comparison to that estimated in the capital demand statement as a result of changes in its business plan, the borrower shall modify its plan for use of foreign loan capital and provide a new capital demand statement indicating updated data on capital demands and other lawful purposes of the loan (if any);

c) In case there are changes in its capital demand statement as prescribed in Point a and Point b of this Clause, the borrower shall modify its plan for use of foreign loan capital before the occurrence of the change and comply with regulations on retention and presentation of documents used for inspection of the use of foreign loan capital as prescribed in Clause 4 Article 19 of this Circular.

Article 8. Plan for restructuring of foreign debts

1. The plan for restructuring of foreign debts (hereinafter referred to as "debt restructuring plan") includes information on the use of a new foreign loan for paying off lawful and existing foreign loan debts. The borrower's debt restructuring plan must be approved by an authorized approving authority.

2. A debt restructuring plan shall, inter alia, include the following contents:

a) The borrower's particulars:

Information specified in Point a Clause 2 Article 7 of this Circular if the borrower is a credit institution or FBB.

Information specified in Point a Clause 3 Article 7 of this Circular if the borrower is not a credit institution or FBB;

b) Information on the existing foreign loan and outstanding debts thereof, including: the lender, loan amount, currency, loan term, borrowing cost, loan purposes, withdrawal of loan capital, debt repayment, outstanding debts as at the planning date, debt amount to be restructured, code of the loan (for medium/long-term foreign loans), or statement of use of foreign loan capital (for short-term foreign loans);

c) Information on the new foreign loan, including: the lender, loan amount, currency, loan term, borrowing cost, capital withdrawal plan, and plan to pay off outstanding debts of the existing foreign loan;

d) Authority to approve the debt restructuring plan: approving authority and grounds for determining approving authority;

dd) Other contents (if any).

Chapter II

GENERAL REQUIREMENTS

Article 9. Foreign loan agreement

1. A foreign loan agreement is a document or a set of some documents recording specific agreements between the parties under which the lender provides or promises to provide the borrower with a sum of money or assets (in case a foreign loan is granted in the form of a finance lease contract) which shall be used for specific purposes within a given period of time on the principle of repayment of both principal and interests (if agreement on interests is made).

2. The foreign loan agreement must be made in writing. In case the foreign loan agreement is made in the form of electronic messages, it must comply with provisions of law on electronic transactions.

3. The foreign loan agreement must be signed before or on the day on which the foreign loan capital is withdrawn. The foreign loan agreement may be signed on the day on which the foreign loan capital is withdrawn if:

- a) It is a short-term foreign loan which will be disbursed after the loan agreement is signed by the parties; or
- b) It is a foreign loan converted from funds for investment preparations of projects granted investment registration certificate in accordance with regulations of law on management of foreign currency for foreign borrowing and debt repayment, and foreign direct investments in Vietnam.

Article 10. Currency of foreign loans

- 1. Foreign loans are denominated in foreign currencies.
- 2. A foreign loan in VND shall be granted if:
 - a) the borrower is a microfinance institution;
 - b) the borrower that is a foreign-invested enterprise gets a loan from profits earned from direct investments in the territory of Vietnam by the lender that is the foreign investor making capital contribution to the borrower; or
 - c) the borrower withdraws loan capital and pays debts in foreign currency but debt obligations are denominated in VND.

Article 11. Secured transactions for a foreign loan

The borrower and relevant parties shall comply with current law regulations on secured transactions and other relevant law provisions when entering into and conducting secured transactions for the foreign loan.

Article 12. Foreign borrowing costs

- 1. The borrower and relevant parties shall comply with current law regulations on foreign borrowing interest rate and other costs associated with the foreign loan when reaching agreements on foreign borrowing costs.
- 2. In order to administer the limit on conventional foreign loans, where necessary, the SBV's Governor shall decide to apply the foreign borrowing cost requirement; decide and announce the ceiling level of foreign borrowing costs in each period.

Article 13. Foreign borrowing by state-owned enterprises

State-owned enterprises may apply for foreign loans if their foreign borrowing policies are appraised and approved by competent authorities in accordance with regulations of law on assignment and delegation of authority to perform rights, responsibilities and obligations of state owners, representatives of state owners in state-owned enterprises. Such foreign borrowing by

state-owned enterprises must comply with regulations of law on management and use of state capital invested in manufacturing and business activities of enterprises.

Chapter III

ADDITIONAL REQUIREMENTS

Section 1. ADDITIONAL REQUIREMENTS TO BE FULFILLED BY BORROWERS THAT ARE CREDIT INSTITUTIONS OR FOREIGN BANK BRANCHES

Article 14. Loan purposes

1. Short-term and medium/long-term foreign loans are used for:
 - a) increasing the borrower's funding for credit extension activities to meet its credit growth target;
 - b) restructuring the borrower's foreign debts;
2. When applying for a medium/long-term foreign loan, the borrower shall be required to prove its loan purposes by presenting:
 - a) The plan for use of foreign loan capital as prescribed in Clause 2 Article 7 of this Circular if the loan is used for the purpose defined in Point a Clause 1 of this Article; or
 - b) The debt restructuring plan as prescribed in Article 8 of this Circular if the loan is used for the purpose defined in Point b Clause 1 of this Article.

Article 15. Limit on short-term foreign loans

A borrower may apply for a short-term foreign loan if it meets the limit on short-term foreign loans as at December 31 of the year preceding the year in which the loan application is submitted. The limit on short-term foreign loans is the maximum ratio of total outstanding principal of short-term foreign loans to standalone equity, and shall not exceed:

1. 30% if the borrower is a commercial bank; or
2. 150% if the borrower is a FBB or another credit institution.

Article 16. Prudential ratios

1. When applying for a short-term foreign loan, the borrower shall be required to achieve the minimum levels of prudential ratios prescribed in the Law on Credit Institutions on the last day of each of the last 03 months prior to the signing date of the foreign loan agreement or agreement on increase in the foreign loan amount, except the case in Point c Clause 2 of this Article.

2. When applying for a medium/long-term foreign loan, the borrower shall be required to achieve the minimum levels of prudential ratios prescribed in the Law on Credit Institutions on the last day of each of the last 03 months prior to the signing date of the foreign loan agreement or agreement on increase in the foreign loan amount until the end of the month prior to the month in which an adequate application for administrative procedure processing is submitted as prescribed in current law regulations on management of foreign currency for foreign borrowing and debt repayment, except the following cases:

- a) The medium/long-term foreign loan is eligible to be accounted for in tier-2 capital of the credit institution or FBB and will help the credit institution or FBB achieve the required levels of prudential ratios;
- b) The borrower that gets a foreign loan in the form of issuance of bonds in the international market shall be required to achieve the minimum levels of prudential ratios imposed by the SBV in accordance with the Law on Credit Institutions on the last day of each of the last 03 months prior to the date of submission of an application for bond issuance registration;
- c) The borrower that is an assisting credit institution under an approved recovery plan or a assisting credit institution placed under special control shall be required to achieve specific levels of prudential ratios imposed on them as prescribed in the Law on Credit Institutions.

Section 2. ADDITIONAL REQUIREMENTS TO BE FULFILLED BY BORROWERS THAT ARE NOT CREDIT INSTITUTIONS OR FOREIGN BANK BRANCHES

Article 17. Loan purposes

1. Purposes of a short-term foreign loan:

- a) The borrower may only use the short-term foreign loan capital for restructuring its foreign debts and paying its short-term debts payable in cash (excluding outstanding principal amounts of domestic loans). Short-term debts payable mentioned in this Clause are those incurred by the borrower during its execution of investment projects, business plans and/or other projects, and determined in accordance with current regulations and guidelines on corporate accounting policies;
- b) Apart from the purpose defined in Point a Clause 1 of this Article, the borrower that is required to achieve minimum levels of prudential indicators as prescribed by specialized laws is allowed to use the short-term foreign loan capital for its business operations within a maximum duration of 12 months from the day on which the foreign loan capital is withdrawn.

2. Purposes of a medium/long-term foreign loan:

The borrower may only use a medium/long-term foreign loan for the following purposes:

- a) Executing its investment projects;

- b) Executing its business plans or other projects;
- c) Restructuring its foreign debts.

3. The borrower's use of foreign loan capital for the purposes defined in Clause 1 and Clause 2 of this Article must be conformable with:

- a) the borrower's registered business lines, scope of its establishment license, investment certificate, investment registration certificate, written approval for investment guidelines, certificate of registration of cooperative or cooperative union or other documents of equivalent validity as prescribed by laws;
- b) the scope of other lawful operations prescribed in current legislative documents on charter on organization and operation of the borrower.

4. The borrower shall be required to prove its foreign loan purposes by presenting:

- a) Investment certificate, investment registration certificate or written approval for investment guidelines as prescribed by the investment law and other relevant law provisions, if the foreign loan capital is used for executing the borrower's investment project;
- b) The plan for use of foreign loan capital as prescribed in Clause 3 Article 7 of this Circular, if the foreign loan capital is used for executing the borrower's business plans or other projects;
- c) The debt restructuring plan as prescribed in Article 8 of this Circular, if foreign loan capital is used for restructuring the borrower's foreign debts.

Article 18. Limit on foreign loans

1. If the foreign loan capital is used for executing an investment project:

- a) The sum of outstanding principal amounts of the borrower's medium/long-term domestic and foreign loans (including short-term loans that are extended and overdue short-term loans that are treated as medium/long-term loans) used for executing its investment project shall not exceed the limit on borrowed capital of that investment project;
- b) The limit on borrowed capital of the investment project prescribed in Point a Clause 1 of this Article is the difference between the total investment capital of the investment project and the paid-in capital of investors as specified in the investment certificate, investment registration certificate or written approval for investment guidelines.

2. If the foreign loan capital is used for executing business plans or other projects of the borrower:

The sum of outstanding debts of the borrower's medium/long-term domestic and foreign loans (including short-term loans that are extended and overdue short-term loans that are treated as

medium/long-term loans) used for this purpose shall not exceed total demand for borrowed capital defined in its plan for use of foreign loan capital approved by an authorized approving authority.

3. If the foreign loan capital is used for restructuring foreign debts of the borrower:

a) The maximum foreign loan amount used for restructuring the borrower's foreign debts shall not exceed the sum of outstanding principal, unpaid interests and relevant expenses of the existing foreign loan, and expenses associated with the new loan determined when restructuring its foreign debts;

b) If the new foreign loan is a medium/long-term foreign loan, within 05 working days from the day on which the new foreign loan capital is withdrawn, the borrower shall repay its existing foreign loan debts so that it shall meet foreign loan limit requirements laid down in Clause 1 and Clause 2 of this Article after this 05-day period;

4. Short-term foreign loans are not subject to foreign loan limit requirements laid down in Clause 1 and Clause 2 of this Article.

5. Exchange rate used for calculating foreign loan limit:

a) In case the foreign loan is used for executing an investment project and the loan currency is not the one specified in the investment certificate, investment registration certificate or written approval for investment guidelines, the borrower shall calculate the foreign loan limit using the exchange rate announced by the Ministry of Finance of Vietnam (via the State Treasury) at the time of signing the foreign loan agreement or agreement on changes in the loan amount;

b) In case the foreign loan is used for executing business plans or other projects of the borrower, and the capital demand specified in the plan for use of foreign loan capital is expressed in the currency other than the currency of the foreign loan, the borrower shall calculate the foreign loan limit using the exchange rate announced by the Ministry of Finance of Vietnam (via the State Treasury) at the time of preparing the plan for use of foreign loan capital;

c) In case the foreign loan is used for restructuring the borrower's foreign debts and the currency of the new foreign loan is not the one of the existing foreign loan, the borrower shall calculate the foreign loan limit using the exchange rate announced by the Ministry of Finance of Vietnam (via the State Treasury) at the time of preparing the debt restructuring plan.

Chapter IV.

RESPONSIBILITY OF RELEVANT PARTIES

Article 19. Borrower's responsibilities

1. Comply with eligibility requirements for foreign loans laid down in this Circular and relevant law regulations on foreign exchange management.

2. Comply with regulations of the civil code, laws on enterprises, investment, secured transactions, and anti-money laundering, specialized laws, relevant laws and international practices when entering into foreign loan agreements and getting foreign loans.
3. Assume legal responsibility for the accuracy and truthfulness of documents proving purposes of the foreign loan, and use foreign loan capital for the purposes defined in such documents as prescribed in Clause 2 Article 14 and Clause 4 Article 17 of this Circular.
4. Retain adequate documents proving the borrower's use of the foreign loan capital for proper purposes as prescribed in Article 14 and Article 17 of this Circular, documents on changes in the capital demand statement (if any) as prescribed in Clause 4 Article 7 of this Circular, and present them to serve competent authorities' inspection of use of foreign loan capital.
5. Keep record of each idle amount of money in case the borrower makes term deposits at credit institutions and FBBs according to the rules for using foreign loan capital in Article 6 of this Circular, and present it together with the documents proving the borrower's compliance with Article 6 of this Circular to serve competent authorities' inspection of use of foreign loan capital, when required.

Article 20. Responsibilities of account service banks

1. Check, inspect and keep all documents according to actual transactions so as to ensure that their foreign exchange services are provided for proper purposes and in compliance with law regulations.
2. Cooperate with and provide relevant information/documents on borrowers for SBV to serve its inspection of borrowers' fulfillment of eligibility requirements for foreign loans.

Chapter V.

IMPLEMENTATION

Article 21. Implementation

1. This Circular comes into force from August 15, 2023, except the provisions of Clause 2 of this Article.
2. Provisions on limits on short-term foreign loans in Article 15 of this Circular come into force from January 01, 2024.
3. The Circular No. 12/2014/TT-NHNN dated March 31, 2014 of the SBV's Governor on eligibility requirements to be fulfilled by enterprises for foreign loans without Government's guarantee is abrogated.

4. Some phrases, Clauses and Articles of the Circular No. 12/2022/TT-NHNN dated September 30, 2022 of SBV's Governor on management of foreign exchange in enterprises' foreign borrowing and foreign debt repayment are amended and abrogated as follows:

a) Point c Clause 3 Article 15, Clause 5 Article 15, Clause 10 Article 16, Clause 3 Article 20 and the phrase “trừ các khoản vay nước ngoài bằng đồng Việt Nam phải được Thống đốc Ngân hàng Nhà nước xem xét, chấp thuận” (“except VND foreign loans which are subject to approval given by SBV's Governor”) in Point b Clause 1 Article 20 are abrogated;

b) The phrase “hoặc văn bản chứng minh việc chưa tuân thủ các quy định của pháp luật về giới hạn cấp tín dụng và các tỷ lệ bảo đảm an toàn đã được Thủ tướng Chính phủ hoặc Thống đốc Ngân hàng Nhà nước chấp thuận theo quy định của pháp luật (nếu có)” (“or documents proving non-compliance with credit extension limit and prudential ratios approved by the Prime Minister or SBV's Governor in accordance with regulations of law (if any)”) in Clause 7 Article 16 is replaced with the phrase “hoặc văn bản chứng minh bên đi vay thuộc trường hợp quy định tại điểm c khoản 2 Điều 16 Thông tư số 08/2023/TT-NHNN quy định điều kiện vay nước ngoài không được Chính phủ bảo lãnh” (“or documents proving that the borrower falls in the case specified in Point c Clause 2 Article 16 of the Circular No. 08/2023/TT-NHNN prescribing eligibility requirements for foreign loans without the Government's guarantee”);

c) The “Notes” part in Appendix 02 is amended as follows: “The borrower falls in the case specified in Point c Clause 2 Article 16 of the Circular No. 08/2023/TT-NHNN prescribing eligibility requirements for foreign loans without the Government's guarantee, specify prudential ratios which are not compulsory for credit institutions and FBBs and application duration”.

Article 22. Transition

Regarding foreign loan agreements which are signed before the effective date of this Circular and conformable with regulations of law in force at the signing date, borrowers shall be allowed to comply with terms and conditions of the signed agreements and written certifications of registration of foreign loans or certifications of registration of changes in foreign loans given by SBV (if any) until the termination of the foreign loan term. Any revisions to these agreements must be conformable with the provisions of this Circular and relevant laws.

Article 23. Implementation organization

The Chief of Office, Director of the Foreign Exchange Management Department, heads of SBV's affiliated units, Directors of SBV's provincial branches, credit institutions, FBBs, enterprises, cooperatives and cooperative unions are responsible for the implementation of this Circular.

**PP. GOVERNOR
DEPUTY GOVERNOR**

Pham Thanh Ha

Appendix

(Enclosed with Circular No. 08/2023/TT-NHNN dated December 30, 2023 of the Governor of the State Bank of Vietnam)

STATEMENT OF DEMANDS FOR SHORT-TERM FOREIGN LOAN CAPITAL

(Enclosed with the Plan for use of short-term foreign loan capital)

1. Payment for short-term debts payable in cash after the short-term foreign loan capital is withdrawn¹

Short-term debts to be paid using the short-term foreign loan capital ²	Value ³	Planned payment date ⁴	Agreement/document under which the short-term debt obligations arise ⁵
1.			
2.			
Total			

2. Capital used for serving the borrower's business operations for a duration of less than 12 months after the short-term foreign loan capital is withdrawn (applicable to the borrower that is required to achieve minimum levels of prudential indicators as prescribed by specialized laws).

Purposes ⁶	Value ⁷	Grounds for determining capital demand ⁸
1.		
2.		
Total		

Guidelines on preparation of this statement:

1. Short-term debts in this section are determined according to current law regulations and guidelines on corporate accounting policies, including short-term debts payable in cash but

excluding domestic loan debts. In case the short-term foreign loan is used for repaying foreign debts, the borrower shall be required to prove purposes of the foreign loan by presenting its plan for restructuring of foreign debts (which are not specified in this statement).

2. Specify short-term debts payable in cash incurred from the borrower's execution of its business plans and other projects, e.g. short-term debts payable to sellers, taxes and other amounts payable to state budget, amounts payable to employees, short-term expenses payable, amounts payable according to the payment schedule defined in construction contract, etc.

3. Specify the value converted into the currency in which the foreign loan capital is withdrawn. In case the currency of debts payable is not the one in which the foreign loan capital is withdrawn, the borrower shall employ the exchange rate announced by the Ministry of Finance of Vietnam (via the State Treasury) at the time of preparing the plan for use of foreign loan capital to calculation of value of debts and estimation of total demand for short-term foreign loan capital.

4. Specify the payment date as defined in the agreement/document under which the debt obligations arise or other relevant agreements applicable to debts (estimated in month, e.g. October, 2023).

5. Specify information on the agreement/document, reference information such as number and date of the agreement/document under which the debt obligations arise.

6. Specify the borrower's business operations to be financed by the foreign loan capital as prescribed by specialized laws. This section shall be filled out if the borrower of the short-term foreign loan is required to achieve the minimum levels of prudential indicators as prescribed by specialized laws such as a securities trading organization.

7. Specify the value converted into the currency in which the foreign loan capital is withdrawn. In case the currency of payments for business operations of the borrower is not the one in which the foreign loan capital is withdrawn, the borrower shall employ the exchange rate announced by the Ministry of Finance of Vietnam (via the State Treasury) at the time of preparing the plan for use of foreign loan capital to calculation of this value.

8. Specify grounds for determining the capital demand such as business plan approved by a competent authority, or a signed agreement under which the capital demand arises, etc.

*This translation is made by **THƯ VIỆN PHÁP LUẬT**, Ho Chi Minh City, Vietnam and for reference purposes only. Its copyright is owned by **THƯ VIỆN PHÁP LUẬT** and protected under Clause 2, Article 14 of the Law on Intellectual Property. Your comments are always welcomed*