

**THE STATE BANK OF  
VIETNAM**

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No. 19/2024/TT-NHNN

**THE SOCIALIST REPUBLIC OF VIET NAM  
Independence-Freedom-Happiness**

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*Hanoi, June 28, 2024*

## **CIRCULAR**

**AMENDMENTS TO CIRCULAR NO. 08/2023/TT-NHNN DATED JUNE 30, 2023 OF  
GOVERNOR OF THE STATE BANK OF VIETNAM 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 January 18, 2024;*

*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  
(SBV);*

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

*The Governor of the State Bank of Vietnam (SBV) promulgates a Circular providing  
amendments to Circular No. 08/2023/TT-NHNN dated June 30, 2023 of Governor of the State  
Bank of Vietnam prescribing eligibility requirements for foreign loans without government's  
guarantee.*

### **Article 1. Amendments to Circular No. 08/2023/TT-NHNN**

1. Clause 9 is added to Article 3 as follows:

*“9. Foreign loan arising from issuance of letter of credit (L/C) of a credit institution or foreign  
bank branch (issuing bank) means a loan which arises from the issuance of a deferred payment  
L/C containing a provision that the payment will be made at sight or in advance before the L/C  
due date in accordance with applicable regulations of law on L/C operations and other L/C-  
related business activities. The issuing bank (borrower) is considered to have received a loan  
from the reimbursing bank (lender) that is a non-resident when the reimbursing bank pays the  
beneficiary using its own funds before the L/C due date under terms and conditions of the L/C.”*

2. Article 5a is added as follows:

**“Article 5a. Foreign loans for settlement of import contracts of lenders that are not credit institutions of foreign bank branches**

1. When obtaining a foreign loan for settlement of a deferred payment contract for import of goods used for implementing the borrower’s investment project or business plan or other project:

- a) The purpose of the borrower’s foreign loan is to serve the implementation of its investment project or business plan or another project as prescribed in Article 17 of this Circular;
- b) The borrower may exclude the outstanding debt of its medium-term foreign loans equaling to the value of goods acquired under the deferred payment import contract when calculating the limit on its foreign loans as prescribed in point a clause 1 and clause 2 Article 18 of this Circular.

2. The borrower may obtain a foreign loan for settlement of an import contract (including compulsory debt repayment by the issuing bank) under an L/C issued by the issuing bank.”

3. Clause 3 Article 9 is amended as follows:

“3. The foreign loan agreement must be made in writing and concluded before or on the day on which the foreign loan capital is withdrawn. The foreign loan agreement may be concluded 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 concluded by the parties;
- 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;
- c) It is a short-term foreign loan arising from L/C operations performed by a credit institution or foreign bank branch.”

4. Article 14 is amended as follows:

**“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;

c) paying the beneficiary via the reimbursing bank when issuing a deferred payment L/C containing a provision that the payment will be made at sight or in advance before the L/C due date in accordance with applicable regulations of law on L/C operations and other L/C-related business activities.

2. Except the case specified in point c clause 1 of this Article, when applying for a medium- or 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.”

5. Article 15 is amended as follows:

#### **“Article 15. Limit on short-term foreign loans**

1. 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:

a) 30%, if the borrower is a commercial bank; or

b) 150%, if the borrower is a foreign bank branch or another credit institution.

2. The provisions of clause 1 of this Article do not apply to foreign loans arising from issuance of L/C of credit institutions or foreign bank branches.”

6. Clause 1 Article 16 is amended as follows:

“1. When applying for a short-term foreign loan or a foreign loan arising from issuance of L/C of a credit institution or foreign bank branch, 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.”

#### **Article 2. Responsibility for implementation**

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

#### **Article 3. Implementation**

1. This Circular comes into force from July 01, 2024.

2. Clause 1 Article 11 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 is amended as follows:

“1. Medium- and long-term foreign loans, except foreign loans arising from issuance of L/C of credit institutions or foreign bank branches.”

**PP. GOVERNOR  
DEPUTY GOVERNOR**

**Pham Quang Dung**

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