

GOVERNMENT

SOCIALIST REPUBLIC OF VIETNAM

Independence – Freedom – Happiness

No. 135/2015/ND-CP

Hanoi, 31 December 2015

DECREE

REGULATION ON OUTWARD PORTFOLIO INVESTMENTS

Pursuant to the Law on Government Organization dated 25 December 2001;

Pursuant to the Law on Investment dated 26 November 2014;

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

Pursuant to the Law on Credit institutions dated 16 June 2010;

Pursuant to the Law on Securities dated 29 June 2006 and the Law on amendments to the Law on Securities dated 24 November 2010;

Pursuant to the Law on Insurance Business dated 09 December 2000 and the Law on amendments to the Law on Insurance Business dated 24 November 2010;

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

At the request of the Governor of Vietnam State Bank,

The government issues the Decree regulating outward portfolio investments.

Chapter I

GENERAL

Article 1. Scope of regulation

This decree regulates in details the outward investment activities in the forms of purchasing and selling securities, valuable papers or investing through securities investment funds or other financial intermediaries in foreign nations (referred to as outward portfolio investments).

Article 2. Regulated entities

1. Investors include:

- a) Economic organizations as defined in Section 16, Article 3, Law on Investment;
 - b) Individuals of Vietnamese nationality who are allowed to participate in a program awarding shares issued in foreign nations.
2. Governmental management bodies that participate in the management of the activities of outward portfolio investments according to this Decree.
 3. Other organizations and individuals involved in the activities of outward portfolio investments.
 4. Economic organizations possessing foreign investments (as defined in Section 1, Article 23, Law on Investment) are not allowed to conduct outward portfolio investments according to this Decree.

Article 3. Definitions

1. Outward portfolio investment refers to an activity of making an overseas investment in the forms of purchasing and selling securities, valuable papers or investing through securities investment funds or financial intermediaries in foreign nations.
2. Investment instrument refers to types of securities and valuable papers eligible to be invested in abroad according to the regulations of Vietnam State Bank.
3. Proprietary trading of outward portfolio investments refers to an organization permitted for proprietary trading and for its own account purchasing and selling securities and valuable papers in foreign nations or making investments through securities investment funds and financial intermediaries in foreign nations.
4. Outward portfolio investment trust refers that an economic organization (referred to as a delegating organization) entrusts capital in foreign currency to a domestic organization permitted to be delegated for investments (referred to as a delegated organization) and the latter conduct outward portfolio investments through investment trust contracts.
5. Investment trust contract is a written agreement between a delegating organization and a delegated organization on the delegating organization's entrustment of capital in foreign currency for the delegated organization to make outward portfolio investments.
6. Safe investment ratio is the highest permitted ratio of outward portfolio investments, defined by the percentage (%) of the size of a proprietary trader's capital and assets.
7. Total limit of annual outward portfolio investments refers to the total highest amount of foreign currency of the economy spent on outward portfolio investments according to this Decree.

8. Proprietary trading limit refers to the highest annual amount of foreign currency that a proprietary trader can spend on outward portfolio investments.
9. Trust limit refers to the highest annual amount of foreign currency that a delegated organization is allowed to be entrusted with for outward portfolio investments.
10. Registration of proprietary trading limit refers to a proprietary trader's registration of its proprietary trading limit with Vietnam State Bank.
11. Confirmation of proprietary trading limit registration refers to Vietnam State Bank's confirmation in writing of a proprietary trader's registration of proprietary trading limit.
12. Registration of trust limit refers to a delegated organization's registration of its trust limit with Vietnam State Bank.
13. Confirmation of trust limit registration refers to Vietnam State Bank's confirmation in writing of the delegated organization's registration of trust limit.
14. A program awarding shares issued in foreign nations refers to a foreign organization's program that awards shares to employees working in foreign organizations in Vietnam.
15. Self-gained foreign currency in accounts refers an investor's foreign currency legally self-gained and not purchased or borrowed from credit institutions or foreign banks' branches permitted to provide foreign exchange services in Vietnam.

Article 4. Enforcement of relevant laws, international treaties, foreign laws, international practices

1. Proprietary trading of outward portfolio investments and outward portfolio investment trust through domestic trust organizations must abide by this Decree and other relevant laws.
2. If there is discrepancy between this Decree and an international treaty that the Socialist Republic of Vietnam participates, the international treaty prevails.

Article 5. Individual's outward portfolio investments

1. An investor who is an individual of Vietnamese nationality is only allowed to make outward portfolio investments by participating a program that awards shares issued in foreign nations.
2. Vietnam State Bank regulates the details on:
 - a) Procedures, formalities and contents of a foreign organization's share awarding program in Vietnam as defined in Section 1 of this Article;
 - b) Methods and other contents regarding the participation in a program that awards shares to Vietnamese employees working in foreign organizations in Vietnam.

Article 6. Methods of outward portfolio investments

Other organizations and individuals involved in the activities of outward portfolio investments.

1. Proprietary trading of outward portfolio investments
2. Outward portfolio investment trust

Article 7. Forms of outward portfolio investments

Proprietary traders and trust organizations are allowed to make outward portfolio investments in the following forms:

1. Direct purchase and sale of securities and valuable papers in foreign nations.
2. Making investments by purchasing and selling securities investment fund certificates in foreign nations or delegating financial intermediaries in foreign nations to make investments.

Article 8. Investment instruments

1. Vietnam State Bank regulates the details of types and criteria for the selection of outward investment instruments from time to time.
2. An investor is only allowed to make outward portfolio investments through the investment instruments regulated by Vietnam State Bank.
3. Proprietary traders and trust organizations that are commercial banks and general financial companies are only allowed to proprietary trade in or be entrusted for outward portfolio investments in the investment instruments including bonds and monetary market instruments as regulated by Vietnam State Bank.

Article 9. Other investment cases

1. Prime Minister shall make decisions on the activities of outward portfolio investments in a project approved by an authorized body and conducted by an economic organization, 65% of whose charter capital is state owned, or an economic organization's outward portfolio investment from 800 billion Vietnam dongs and not defined in Article 6, Article 7, Article 8, Section 4 and Section 5 of Article 10 and Article 13 of this Decree.
2. Vietnam State Bank leads and coordinates with relevant bodies to present the cases of outward portfolio investment as stated in Section 1 of this Article to the Prime Minister for ratification and decision.
3. Vietnam State Bank provides guidelines on the formalities for outward portfolio investments to the cases approved by Prime Minister according to Section 1 of this Article.

Article 10. Capital for outward portfolio investments

1. Proprietary traders (excluding commercial banks and general financial companies) are allowed to spend self-gained foreign currency in accounts and foreign currency purchased from credit institutions and foreign banks' branches permitted to provide foreign exchange services in Vietnam on outward portfolio investments by the proprietary trading limit registered with and confirmed by Vietnam State Bank.
2. Delegating organizations (excluding commercial banks and general financial companies) are only allowed to spend self-gained foreign currency in accounts on outward portfolio investments by delegating trust organizations.
3. Commercial banks and general financial companies balance their sources of foreign currency on their own to make outward portfolio investments in conformity with the regulations on foreign currency position, limits, safety guaranteeing ratio for the sector of banking.
4. Investors are not allowed to use loans in Vietnam Dong from credit institutions and foreign banks' branches to purchase foreign currency for outward portfolio investments.
5. Investors are not allowed to use local and overseas loans in foreign currency for outward portfolio investments.

Article 11. Opening accounts for outward portfolio investment and for outward portfolio investment trust

1. Opening the foreign currency account for proprietary trading of outward portfolio investments:
 - a) A proprietary trader must open 01 (one) account that holds capital for outward portfolio investment at 01 (one) commercial bank or foreign bank's branch permitted to provide foreign exchange services in Vietnam to collect and make payments related to its proprietary trading of outward portfolio investments (not applicable to proprietary traders that are securities investment companies and securities investment funds making outward portfolio investments through fund management companies);
 - b) If a proprietary trader, as a securities investment fund or securities investment company, makes outward portfolio investments through a fund management company, the fund management company must open 01 (one) foreign currency account that holds capital for outward portfolio investments at 01 (one) commercial bank or foreign bank's branch permitted to provide foreign exchange services in Vietnam. An account is opened separately for each securities investment fund or securities investment company to collect and make payments related to the securities investment fund's or securities investment company's proprietary trading of outward portfolio investments.
2. Opening the foreign currency account for outward portfolio investment trust:

a) A delegated organization must open 01 (one) foreign currency account that holds trust capital for outward portfolio investments at 01 (one) commercial bank or foreign bank's branch permitted to provide foreign exchange services in Vietnam to collect and make payments related to the activities of outward portfolio investment trust;

b) The delegated organization must manage separately the sum of investment money entrusted by each investor and manage separately the investment money entrusted by investors and the money for proprietary trading of outward portfolio investments.

3. Opening the foreign currency account abroad:

a) Proprietary traders and trust organizations are allowed to open foreign currency accounts in foreign nations to collect and make payments related to the activities of outward portfolio investment according to the regulations of such nations;

b) Proprietary traders and trust organizations are only allowed to open foreign currency accounts in foreign nations according to Point a, Section 3 of this Article upon the specialized management bodies' issuance of the certificate of outward portfolio investment registration, the written approval of outward portfolio investment, the certificate of outward portfolio investment trust registration and upon Vietnam State Bank's confirmation of the registrations of proprietary trading limit and trust limit.

4. Vietnam State Bank regulates the opening and use of accounts for proprietary trading of outward portfolio investment and outward portfolio investment trust in Section 1 and Section 2 of this Article.

Article 12. Transfer of capital for outward portfolio investment to foreign nations and transfer of capital, profits and legitimate incomes from outward portfolio investment activities to Vietnam.

1. Proprietary traders are only allowed to transfer capital for outward portfolio investments upon Vietnam State Bank's confirmation of proprietary trading limit registration.

2. Trust organizations are only allowed to transfer trust capital for outward portfolio investments upon Vietnam State Bank's confirmation of trust limit registration.

3. The transfer of capital for proprietary trading of outward portfolio investments to foreign nations and the transfer of capital, profits and legitimate incomes from outward portfolio investments to Vietnam must be done through the outward portfolio investment capital account as defined in Section 1, Article 11 of this Decree.

4. The transfer of trust capital for outward portfolio investments to foreign nations and the transfer of capital, profits and legitimate incomes to Vietnam must be done through the outward portfolio investment trust capital account as defined in Section 2, Article 11 of this Decree.

Chapter II

PROPRIETARY TRADING OF OUTWARD PORTFOLIO INVESTMENTS

Article 13. Entities eligible for proprietary trading of outward portfolio investments

The organizations permitted for proprietary trading of outward portfolio investments include:

1. Securities companies, fund management companies.
2. Securities investment funds through fund management companies (referred to as securities investment funds), securities investment companies.
3. Insurance companies.
4. Commercial banks.
5. General financial companies.
6. State capital investment corporation.

Article 14. Requirements for the approval of proprietary trading of outward portfolio investments and written certification of outward portfolio investment registration

1. Requirements for proprietary trading of outward portfolio investments:

a) A proprietary trader to be eligible for proprietary trading of outward portfolio investments must receive the certificate of outward portfolio investment registration from an authorized body (not applicable to State Capital Investment Corporation, securities investment funds, securities investment companies);

b) A securities investment fund or securities investment company to be eligible for proprietary trading of outward portfolio investments must approved by an authorized body of outward portfolio investments.

2. To receive the certificate of outward portfolio investment registration, securities companies, fund management companies and insurance companies must fulfill these requirements:

a) Gain profit in 05 consecutive years preceding the year when the application for the certificate of outward portfolio investment registration is submitted. Such profit shall be shown in audited financial statements that bear only essential remarks according to the regulations of Ministry of Finance. Financial statements must be audited by independent auditing organizations approved and announced by Ministry of Finance according to the regulations on independent auditing of units holding public benefits;

b) Fulfill all financial duties for the Government and incur no tax debts against the government's treasury;

c) Have internal procedures and systems for internal control, audit, risk identification and management related to the activities of outward portfolio investment;

d) Abide by the effective regulations of specific laws on capital, financial safety norms, investment limits for securities companies, fund management companies and insurance companies;

dd) Have facilities, techniques and human resources to guarantee the proprietary trading of outward portfolio investments according to the laws;

e) Abide by the laws on the management and use of state capitals (for economic organizations with state-owned capital).

3. Securities investment funds and securities investment companies to be eligible for outward portfolio investments must fulfill these requirements:

a) The regulations of securities investment funds and securities investment companies have rules permitting outward portfolio investments.

b) Fund management companies managing securities investment funds and securities investment companies making outward portfolio investments have internal procedures, systems for internal control, audit, risk identification and management related to the activities of outward portfolio investment. Such companies shall fulfill the financial safety norms according to the regulations of Ministry of Finance, and have facilities, techniques, human resources to guarantee the making of outward portfolio investments according to the laws.

To make outward portfolio investments, securities investment companies self-managing capitals must fulfill the requirements in Point C and Point d, Section 2 of this Article.

c) Overseas investment assets of securities investment funds and securities investment companies must be deposited in an organization licensed for depository activities according to foreign laws and entering a depository contract with a depository bank or supervising bank in Vietnam of such securities investment funds and securities investment companies.

4. Proprietary traders, as commercial banks and general financial companies to be eligible for the certificates of outward portfolio investment registration, must fulfill these requirements:

a) Have permission to conduct foreign exchange activities in international markets;

b) Gain profit in 05 consecutive years preceding the year when the application for the certificate of outward portfolio investment registration is submitted. Such profit shall be shown in audited financial statements that bear only essential remarks according to the regulations of Ministry of Finance.

Financial statements must be audited by independent auditing organizations not defined in Vietnam State Bank's list of auditing organizations ineligible for auditing credit institutions and foreign banks' branches;

c) Fulfill all financial duties for the Government and incur no tax debts against the government's treasury;

d) Have internal procedures and systems for internal control, audit, risk identification and management related to the proprietary trading of outward portfolio investment;

dd) Have facilities, techniques and human resources to guarantee the proprietary trading of outward portfolio investments according to the laws;

e) Conform to the effective regulations of Vietnam State Bank on limits and safety guaranteeing ratios in the sector of banking;

g) Abide by the laws on the management and use of state capitals (for commercial banks and general financial companies with state-owned capital).

5. State Capital Investment Corporation conducts the outward portfolio investments according to the Government's regulations.

Article 15. Authority, procedures and formalities for the issuance and revocation of the certificate of outward portfolio investment registration and written approval of outward portfolio investment

1. The tasks of Ministry of Finance:

a) Regulate the details of the procedures and formalities for the issuance and revocation of the certificate of outward portfolio investment registration for proprietary traders that are securities companies, fund management companies and insurance companies;

b) Consider and issue or revoke the certificate of outward portfolio investment registration for securities companies, fund management companies and insurance companies permitted to carry out the proprietary trading of outward portfolio investments;

c) Regulate the details of the forms, procedures and formalities for the issuance and revocation of the written approval of outward portfolio investments for proprietary traders that are securities investment funds and securities investment companies.

2. The tasks of Vietnam State Bank:

a) Regulate the details of the procedures and formalities for the issuance and revocation of the certificate of outward portfolio investment registration for proprietary traders that are commercial banks and general financial companies;

b) Consider and issue or revoke the certificate of outward portfolio investment registration for commercial banks and general financial companies.

Article 16. Safe investment ratio

1. The activities of outward portfolio investments by securities companies, securities investment companies, fund management companies, securities investment funds, insurance companies and State Capital Investment Corporation must conform to the safe investment ratio as regulated by the Ministry of Finance and specialized laws.

2. The activities of outward portfolio investments by commercial banks and general financial companies must conform to the safe investment ratio as regulated by Vietnam State Bank and specialized laws.

Article 17. Registration of proprietary trading limit

1. Proprietary traders must register their proprietary trading limits with Vietnam State Bank.

2. Proprietary traders are only allowed to make outward portfolio investments upon Vietnam State Bank's confirmation in writing of the registration of proprietary trading limits. Proprietary traders are only permitted to make outward portfolio investments within the proprietary trading limits registered with and confirmed by Vietnam State Bank.

Chapter III

OUTWARD PORTFOLIO INVESTMENT TRUST

Section 1. DELEGATION OF OUTWARD PORTFOLIO INVESTMENT

Article 18. Entities eligible for delegating outward portfolio investments

Economic organizations are only allowed to make outward portfolio investments through investment trusts by delegating the organizations permitted to be delegated to make investments according to Article 21 of this Decree, except for the entities as defined in Section 4, Article 19 of this Decree.

Article 19. Principles for outward portfolio investment trust

1. Delegating organizations are only allowed to delegate outward portfolio investments into the instruments of investment as defined in Article 8 of this Decree.

2. The delegation of outward portfolio investments must be executed into investment trust contracts that ought to specify the amount of trust money, term of delegation, investment instruments, rights and duties of the parties according to this Decree and relevant laws.

3. The currency for outward portfolio investment trust must be foreign.

4. If proprietary traders receive a certificate of outward portfolio investment registration from authorized bodies and the effect of such certificate remains valid, proprietary traders are not allowed to delegate outward portfolio investments to trust organizations.

Article 20. Requirements for the delegation of outward portfolio investment

Economic organizations to be eligible for delegating outward portfolio investments must fulfill these requirements:

1. Gain profit in 05 consecutive years preceding the year when outward portfolio investments are delegated. Such profit shall be shown in financial statements audited by independent auditing organizations and bearing only essential remarks according to the regulations of Ministry of Finance (not applicable to securities investment funds and securities investment companies).
2. Fulfill all financial duties for the Government and incur no tax debts against the government's treasury;
3. Possess documents evidencing that the foreign currency in accounts for outward portfolio investment trust has been self-gained.
4. Have outward portfolio investment plans ratified by authorized bodies of economic organizations (general shareholders' meeting, board of directors, member council and equivalents) or other authorized bodies according to the laws.
5. Abide by the laws on the management and use of state capitals (for delegating organizations that are economic organizations with state-owned capital).

Section 2. HOLDING OF TRUSTEESHIP FOR OUTWARD PORTFOLIO INVESTMENT

Article 21. Entities eligible for holding trusteeship for outward portfolio investment

The following entities are allowed to hold trusteeship for outward portfolio investments:

1. Fund management companies.
2. Commercial banks.

Article 22. Principles for holding of trusteeship for outward portfolio investments

1. The holding of trusteeship for outward portfolio investments must be executed in written contracts according to Section 2, Article 19 of this Decree.
2. Trust organizations are not allowed to exploit capitals entrusted in ways contrary to the purpose and contents of investment trust contracts and regulations of this Decree.

3. Trust organizations are not allowed to re-delegate a local third party.
4. Trust organizations are allowed to receive the trust fee on the basis of the parties' negotiations in conformity with the regulations of relevant laws.
5. Trust organizations are responsible for inspecting and guiding the delegating organizations to process the delegation of outward portfolio investments according to this Decree.

Article 23. Requirements for written certification of registration of trusteeship for outward portfolio investment

1. Trust organizations to be eligible for holding trusteeship for outward portfolio investments must receive the certificate of the registration of trusteeship for outward portfolio investment from authorized bodies.
2. Trust organizations must fulfill the following requirements for the consideration and issuance of the certificate of the registration of trusteeship for outward portfolio investment:
 - a) Gain profit in 05 consecutive years preceding the year when the application for the certificate of trusteeship for outward portfolio investment is submitted. Such profit shall be shown in audited financial statements that bear only essential remarks according to the regulations of Ministry of Finance. Financial statements must be audited by independent auditing organizations approved and announced by Ministry of Finance according to the regulations on independent auditing of units holding public benefits (applicable to trust organizations that are fund management companies);
 - b) Gain profit in 05 consecutive years preceding the year when the application for the certificate of trusteeship for outward portfolio investment is submitted. Such profit shall be shown in audited financial statements that bear only essential remarks according to the regulations of Ministry of Finance. Financial statements must be audited by independent auditing organizations not defined in Vietnam State Bank's list of auditing organizations ineligible for auditing credit institutions and foreign banks' branches (applicable to trust organizations that are commercial banks);
 - c) Fulfill all financial duties for the Government and incur no tax debts against the government's treasury;
 - d) Have internal regulations on the management of the activities of holding trusteeship for outward portfolio investments, including the identification and management of risks related to the holding of trusteeship for outward portfolio investments;
 - dd) Have facilities, techniques and human resources to guarantee the holding of trusteeship for outward portfolio investments according to the laws;
 - e) Conform to the effective regulations of specialized laws on financial safety norms and safety guaranteeing ratio for the activities of trust organizations.

Article 24. Authority, procedures and formalities for the issuance and revocation of the certificate of the registration of trusteeship for outward portfolio investment

1. The tasks of Ministry of Finance:

- a) Regulate the details of the procedures and formalities for the issuance and revocation of the certificate of the registration of trusteeship for outward portfolio investment for trust organizations that are fund management companies;
- b) Consider and issue or revoke the certificate of the registration of trusteeship for outward portfolio investment for fund management companies permitted to hold trusteeship for outward portfolio investment.

2. The tasks of Vietnam State Bank:

- a) Regulate the details of the procedures and formalities for the issuance and revocation of the certificate of the registration of trusteeship for outward portfolio investment for trust organizations that are commercial banks;
- b) Consider and issue or revoke the certificate of the registration of trusteeship for outward portfolio investment for commercial banks permitted to hold trusteeship for outward portfolio investment.

Article 25. Registration of trust limit

1. Trust organizations must register the trust limits with Vietnam State Bank.

2. Trust organizations are only allowed to hold trusteeship for outward portfolio investments upon Vietnam State Bank's confirmation in writing of the registration of trust limit. Trust organizations are only allowed to hold trusteeship for investments within the limits of trust registered with and confirmed by Vietnam State Bank.

Chapter IV

TOTAL LIMIT OF ANNUAL OUTWARD PORTFOLIO INVESTMENTS, PROPRIETARY TRADING LIMIT, TRUST LIMIT

Article 26. Total limit of annual outward portfolio investments

1. Total limit of annual outward portfolio investments are established on the basis of:

- a) The performance of the balance of payments in the immediately preceding year and the forecast of the balance of payments for the year when the total limit is established;
- b) The size of the Government's foreign exchange reserve;

- c) The conjuncture of foreign investment activities in Vietnam and Vietnam's outward investments;
- d) The conjuncture of the macro economy and the monetary policy management goals in the year when the total limit of outward portfolio investments is established.

2. Procedures for the establishment of the total limit of outward portfolio investments:

- a) No later than the 15th of March annually, Vietnam State Bank leads and coordinates with Ministry of Finance and Ministry of Planning and Investment to establish the total limit of outward portfolio investments for Prime Minister's ratification;
- a) No later than the 31st of March annually, Prime Minister ratifies the total limit of outward portfolio investments.
- c) Prior to the Prime Minister's approval of the total limit of annual outward portfolio investments, Vietnam State Bank is allowed to consider and endorse the temporary registration of proprietary trading limit and trust limit for proprietary traders and trust organizations to make investments equivalent to at most 50% of the proprietary trading limit or trust limit confirmed by Vietnam State Bank in the immediately preceding year.

Article 27. Proprietary trading limit

1. Each year, Vietnam State Bank confirms proprietary traders' registrations of proprietary trading limits on the basis of:

- a) Total limit of annual outward portfolio investments approved by the Prime Minister;
- b) The capital size of proprietary traders that are securities companies, fund management companies, insurance companies, commercial banks, general financial companies, State Capital Investment Corporation; or the asset size of proprietary traders that are securities investment funds and securities investment companies;
- c) The safe investment ratio for proprietary traders as regulated by authorized governmental management bodies (not applicable to State Capital Investment Corporation);
- d) The proprietary traders' performance of outward portfolio investments in previous years;
- dd) The conjuncture of the micro economy and monetary policies and targets from time to time.

2. No later than the 15th of April annually, proprietary traders in need of outward portfolio investments must submit the documents for the registration of proprietary trading limit by hand or by post to Vietnam State Bank.

3. No later than the 15th of May annually, Vietnam State Bank bases on the elements for the confirmation of the registration of proprietary trading limit according to Section 1 of this Article

and the proprietary traders' valid documents to confirm the proprietary traders' registration of proprietary trading limits. If the registration is rejected, Vietnam State Bank shall issue a written notice of reasons.

4. Vietnam State Bank regulates the establishment of proprietary trading limit, procedures and formalities for the registration and confirmation of the registration of proprietary trading limit.

Article 28. Trust limit

1. Each year, Vietnam State Bank confirms trust organizations' registration of trust limit on the basis of:

- a) Total limit of annual outward portfolio investments approved by the Prime Minister;
- b) The capital size of trust organizations that are commercial banks, or the size of trust assets of trust organizations that are fund management companies;
- c) The proprietary trading limit registered with and confirmed by Vietnam State Bank (if any);
- d) Trust organizations' performances of holding trusteeship for outward portfolio investments in previous years;
- dd) The conjuncture of the micro economy and monetary policies and targets from time to time.

2. No later than the 15th of April annually, trust organizations in need of holding trusteeship for outward portfolio investments must submit documents for the registration of trust limit by hand or by post to Vietnam State Bank.

3. No later than the 15th of May annually, Vietnam State Bank bases on the elements for the confirmation of the registration of trust limit according to Section 1 of this Article and the trust organizations' valid documents to confirm the trust organizations' registration of trust limits. If the registration is rejected, Vietnam State Bank shall issue a written notice of reasons.

4. Vietnam State Bank regulates the establishment of trust limit, procedures and formalities for the registration and confirmation of the registration of trust limit.

Chapter V

AUTHORITY OF PRIME MINISTER AND RESPONSIBILITIES OF MINISTRIES, SECTORS, INVESTORS AND CONCERNED PARTIES

Article 29. Authority of Prime Minister

1. Ratify the total limit of annual outward portfolio investments.

2. Grant permission to the cases of outward portfolio investment as defined in Article 9 of this Decree.

Article 30. Responsibilities of Vietnam State Bank

1. Carry out the responsibilities of governmental management according to its functions, missions and authority on the activities of outward portfolio investments according to this Decree.

2. Lead and coordinate with the Ministry of Finance and Ministry of Planning and Investment to establish the total limit of annual outward portfolio investments for the Prime Minister's ratification according to Article 26 of this Decree.

3. Lead and coordinate with relevant bodies to present the cases of outward portfolio investments as defined in Article 9 of this Decree for the Prime Minister's ratification.

4. Regulate:

a) Outward portfolio investment instruments from time to time;

b) Procedures and formalities for the issuance and revocation of the certificate of the registration of outward portfolio investment for proprietary traders that are commercial banks and general financial companies;

c) Procedures and formalities for the issuance and revocation of the certificate of the registration of trusteeship for outward portfolio investment for trust organizations that are commercial banks;

d) Safe investment ratio for proprietary traders that are commercial banks and general financial companies;

dd) Procedures and formalities for the registration and confirmation of the registration of proprietary trading limit and trust limit;

e) Procedures, formalities and contents of foreign organizations' share awarding programs in Vietnam and methods and contents for participation in share awarding programs for Vietnamese employees working in foreign organizations in Vietnam according to Article 5 of this Decree;

g) Procedures for transfer of capital to foreign nations and transfer of capital and legitimate incomes to Vietnam for the cases approved by Prime Minister for outward portfolio investments according to Article 9 of this Decree;

h) Opening and use of outward portfolio investment accounts and outward portfolio investment trust capital accounts are stipulated in Article 11 of this Decree;

i) The reporting regulations for investors on the proprietary trading of outward portfolio investments and holding of trusteeship for outward portfolio investments, proprietary trading limit and trust limit are stipulated in Article 35 of this Decree.

5. Manage foreign exchange of outward portfolio investment activities.

6. Inspect and supervise the investors' performances of outward portfolio investment activities.

7. Lead and coordinate with Ministry of Finance to compile data and assess the conjuncture of investors' outward portfolio investments and make annual reports to the Prime Minister on the investors' performances of outward portfolio investments according to this Decree.

Article 31. Responsibilities of Ministry of Finance

1. Regulate procedures and formalities for the issuance and revocation of the certificate of the registration of outward portfolio investments for proprietary traders that are securities companies, fund management companies and insurance companies; and regulate the forms, procedures and formalities for the issuance and revocation of written approvals of outward portfolio investments for proprietary traders that are securities investment funds and securities investment companies.

2. Regulate procedures and formalities for the issuance and revocation of the certificate of the registration of trusteeship for outward portfolio investments for trust organizations that are fund management companies.

3. Regulate the safe investment ratio for proprietary traders that are securities companies, fund management companies, securities investment companies, securities investment funds, insurance companies and State Capital Investment Corporation.

4. Verify, inspect and supervise, under its jurisdiction, the compliance with regulations on proprietary trading of investments and holding trusteeship for outward portfolio investments in securities companies, fund management companies, securities investment funds, securities investment companies, insurance companies and State Capital Investment Corporation.

5. Regulate the reporting of the proprietary trading of outward portfolio investments by proprietary traders that are securities companies, fund management companies, securities investment funds, securities investment companies, insurance companies and State Capital Investment Corporation; and of the holding of trusteeship for outward portfolio investments by trust organizations that are fund management companies according to Article 35 of this Decree.

6. Coordinate with Vietnam State Bank:

a) Establish the total limit of annual outward portfolio investments for the Prime Minister's ratification according to Article 26 of this Decree;

b) Compile and provide data, assess investors' conjuncture of outward portfolio investments and make annual reports to the Government on the investors' performances of outward portfolio investments.

Article 32. Responsibilities of Ministry of Planning and Investment

1. Coordinate with Vietnam State Bank to establish the total limit of annual portfolio investments for the Prime Minister's ratification according to Article 26 of this Decree.
2. Coordinate with Vietnam State Bank and Ministry of Finance to verify, inspect and supervise, under its jurisdiction, the compliance with the laws on investors' proprietary trading of outward portfolio investment, delegation of outward portfolio investment and trusteeship for outward portfolio investment.

Article 33. Responsibilities of investors

1. Abide by the regulations of this Decree and effective regulations on foreign exchange management, anti-money laundering regulations and other relevant laws of Vietnam on the activities of outward portfolio investments
2. Be held liable for the legitimacy of foreign currency spent on outward portfolio investments.
3. Be held liable for the legal capacity, financial capacity, economic efficiency and risks on capitals for proprietary trading of investments and trusteeship for outward portfolio investments.
4. Abide by the reporting regulations as stated in Article 35 of this Decree.
5. Execute the requests of authorized bodies during the inspection, verification and supervision of the activities of outward portfolio investments according to the laws.

Article 34. Responsibilities of commercial banks and foreign banks' branches permitted to provide foreign exchange services

When collecting and making payments related to the investors' activities of outward portfolio investments, Commercial banks and foreign banks' branches permitted to provide foreign exchange services in Vietnam are responsible for considering, checking and archiving documents and papers corresponding with actual transactions to maintain the compliance of their provision of foreign exchange services with suitable purposes and the laws.

Article 35. Reporting regulations

1. Proprietary traders and trust organizations make reports on the conjuncture of proprietary trading limit and trust limit according to the regulations of Vietnam State Bank.
2. Commercial banks and foreign banks' branches permitted to provide foreign exchange services (where investors' outward portfolio investment capital accounts and outward portfolio

investment trust capital accounts are opened) make reports on the opening and use of accounts according to the regulations of Vietnam State Bank.

3. Proprietary traders and trust organizations make reports on the conjuncture of proprietary trading of outward portfolio investment and holding of trusteeship for outward portfolio investments according to the regulations of Vietnam State Bank and Ministry of Finance.

Article 36. Inspection, verification, supervision

1. The inspection, verification and supervision of outward portfolio investment activities according to this Decree are governed by the laws on inspection, verification and supervision.

2. Vietnam State Bank inspects, verifies and supervises the performances of proprietary trading of outward portfolio investments by commercial banks, general financial companies; and the conjuncture of holding of trusteeship for outward portfolio investments by commercial banks.

3. Ministry of Finance inspects, verifies and supervises the performances of proprietary trading of outward portfolio investments by securities companies, securities investment companies, fund management companies, securities investment funds, insurance companies and State Capital Investment Corporation; and the conjuncture of holding of trusteeship for outward portfolio investments by fund management companies.

Article 37. Settlement of violations

Organizations and individuals violating the regulations of this Decree subject to the nature and level of their violations shall be penalized against administrative violations or prosecuted for criminal offences according to the laws.

Chapter VI

ENFORCEMENT CLAUSE

Article 38. Term of effect

This decree takes effect as of 15 February 2016.

Article 39. Responsibility for enforcement

1. Vietnam State Bank and Ministry of Finance are responsible for guiding and organizing the enforcement of this Decree.

2. Ministers, Heads of bodies at ministerial level, Heads of Government's bodies, Chairs of People's Committees of provinces and municipalities and relevant organizations and individuals are responsible for enforcing of this Decree./.

**FOR THE GOVERNMENT
PRIME MINISTER**

Nguyen Tan Dung