

THE GOVERNMENT

No: 96/2008/ND-CP

SOCIALIST REPUBLIC OF VIETNAM
Independence- Freedom- Happiness

Hanoi, August 26th, 2008

DECREE

PRESCRIBING THE FUNCTIONS, TASKS, POWERS AND ORGANIZATIONAL STRUCTURE OF THE STATE BANK OF VIETNAM

THE GOVERNMENT

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

Pursuant to the Law on the State Bank of Vietnam dated December 12, 1997; and the Amended Law on the State Bank of Vietnam dated June 17th, 2003;

Pursuant Decree No. 178/2007/ND-CP of the Government dated December 3rd, 2007 defining the functions, tasks, powers and organizational structures of the ministries and ministerial agencies;

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

DECREES:

Article 1.- Status and functions

The State Bank of Vietnam (hereinafter referred to as the State Bank) is a ministerial agency of the Government, which performs the State management of monetary and banking activities and acts as the Central Bank of the Socialist Republic of Vietnam; and performs the State management of public services under the jurisdiction of the State Bank.

Article 2.- Tasks and powers

The State Bank shall perform the tasks and powers prescribed in Decree No. 178/2007/ND-CP of the Government dated December 3rd, 2007, defining the functions, tasks, powers and organizational structures of the ministries and ministerial-level agencies as well as the following specific tasks and powers:

1. To submit to the Government bills, draft resolutions of the National Assembly, draft ordinances and draft resolutions of the Standing Committee of the National Assembly; and draft decrees of the Government in accordance with the approved annual law – making plans of the State Bank ; and projects and schemes assigned by the Government

and the Prime Minister.

2. To submit to the Prime Minister the development strategies and schemes, long-term, five-year and annual plans; national targeted programs, action plans and important projects in the banking sector; and draft decisions, instructions and other legal documents under the jurisdiction of the Prime Minister in line with law.

3. To promulgate circulars, decisions and directives under the jurisdiction of the State Bank.

4. To direct, guide, inspect and conduct the implementation of the approved legal documents, strategies, plans and important projects under the jurisdiction of the State Bank; and to publicize, disseminate and educate all the legal documents related to the areas under the State management of the State Bank.

5. To formulate the national monetary plans for the Government to submit to the National Assembly for approval; to utilize interest rates, exchange rates, reserve requirement, open market operations and other instruments in order to implement the national monetary policies; and to submit to the Government schemes on the development of the banking industry and credit institutions;

6. To grant and revoke licenses to or from credit institutions with the exceptional cases as decided by the Prime Minister; to grant and revoke banking licenses to or from other institutions; to make decision on the dissolution, renaming, separation or merging of credit institutions; and to make guidelines on the conditions of establishment and operation of credit institutions.

7. To monitor and supervise banking activities; to control credit activities; and to handle all violations in the monetary and banking activities in accordance with law.

8. In regard to foreign exchange management:

a) To manage the current transactions, capital transactions and foreign exchange spending in the Vietnamese territory in accordance with law;

b) To manage the State foreign exchange reserves; and to control international reserves;

c) To determine the exchange rates of Vietnam dong versus foreign currencies; to develop foreign currency market; and to develop foreign exchange mechanism to be submitted to the Prime Minister for approval.

9. In regard to the development of the international payment balance:

a) To collect, consolidate, compile, forecast and monitor the formulation and implementation of the international payment balance; and to make reports on the implementation of the international payment balance in line with law;

b) To act as the lead entity in providing data of Vietnam's international payment balance

to domestic and foreign institutions in compliance with law.

10. In regard to the management of the borrowing and repayment of foreign loans by resident economic and credit institutions and individuals in accordance with law:

a) To conduct State management of the borrowing and repayment of foreign loans by the enterprises and other institutions of the public sector; to monitor the borrowing and repayment of foreign loans by the private sector; to guide and supervise the guaranty for foreign debts by commercial banks and other institutions which are allowed to provide guaranty in line with law;

b) To take the lead and co-ordinate with the relevant authorities to develop the annual quota of foreign commercial loans by the enterprises and other institutions of the public sector and forecast the annual level of foreign loans by the private sector for consolidation by the Ministry of Finance to be submitted to the Prime Minister for approval;

c) To take the lead and coordinate with the Ministry of Finance to manage the annual quota of foreign commercial loans by other enterprises and institutions approved by the Prime Minister;

d) To consolidate the annual borrowing and repayment of foreign loans by enterprises and other institutions of the public and private sectors to be reported to the Prime Minister with C.C. reports to the Ministry of Finance for annual consolidation of foreign borrowing and repayment of the whole country;

đ) To guide and conduct registration of foreign loans by enterprises and other institutions of the public and private sectors (including the Government-guaranteed loans);

e) To control cash flows related to the borrowing and repayment of foreign loans for compiling the international payment balance, managing monetary policies and controlling foreign exchange;

g) To set up the early warning system for debt risks of the corporate sector;

h) To conduct other tasks and powers of managing the borrowing and repayment of foreign loans in compliance with law.

11. In regard to the lending and recovery of foreign debts of the Government and economic and credit institutions:

a) To co-ordinate with the Ministry of Finance to submit to the Prime Minister for decision on the amount, borrowing sources, types, beneficiaries and mechanism of lending and recovery of foreign debts of the Government;

b) To stipulate the conditions, beneficiaries, forms and mechanism of lending and

recovery of foreign loans for resident credit institutions;

c) To stipulate the conditions and procedures of granting licenses and submit to the Prime Minister to decide the choice of resident economic institutions to lend and recover foreign loans;

d) To conduct other tasks and powers of lending and recovering foreign loans in accordance with law.

12. In regard to negotiating, signing and joining international monetary and banking treaties :

a) To co-ordinate with the relevant authorities for preparing, negotiating, signing or joining international treaties on ODA with the World Bank (WB), the Asian Development Bank (ADB), the International Monetary Fund (IMF) under the authorization of the Government;

b) To periodically compile and inform the Ministry of Finance, the Ministry of Planning and Investment, and the relevant agencies about the disbursement and payment via the accounts of ODA programs and projects with commercial banks.

13. To represent the Socialist Republic of Vietnam at international banking and monetary institutions under the authorization of the President or the Government:

a) To conduct the functions of a member of the International Monetary Fund (IMF), the World Bank (WB), the Asian Development Bank (ADB), the International Investment Bank (IIB), and the International Bank for Economic Cooperation (IBEC);

b) To take the lead in coordinating with the relevant ministries to implement the constitutions and policies of IMF, WB, ADB, IIB, IBEC and the programs for macro-economic stabilization financed by IMF, WB and ADB in Vietnam ; to provide periodical and unexpected data as stipulated by the aforesaid institutions; to make recommendations of policies and measures to the Government for promotion of the relations with the aforesaid institutions.

14. In regard to the implementation of the functions of the Central Bank:

a) To make arrangement for minting, preservation and transportation of money; and to carry out the operations of issuance, withdrawal, replacement and destruction of money;

b) To carry out refinancing in order to provide short-term credit and payment instruments for the economy;

c) To regulate the money market; and to carry out the open-market operations;

d) To organize the payment system via banks; to conduct state management of payment activities; to provide payment services; and to pursue the policy of encouraging and

strengthening non-cash payment under the approval of the relevant authorities;

d) To act as an agent for, and provide banking services to the State Treasury;

e) To develop the banking information system and provide banking information services; to manage credit information organizations; and to conduct credit rating for Vietnamese enterprises;

g) To perform other functions of the Central Bank.

15. To make decision on and carry out investment projects under its authority; to evaluate and inspect the implementation of investment projects in the banking field in accordance with law;

16. To manage its allocated financial resources and assets as stipulated by law; and to use part of the revenue from foreign exchange, monetary and banking operations in service of its own professional activities in accordance with law;

17. To promote international cooperation in the monetary and banking field in accordance with law;

18. To organize and conduct scientific and technological research and application and environmental protection in the banking field in accordance with the law;

19. To make decision on specific directions and measures and guide the implementation of operational mechanism of public-service institutions in the monetary and banking field; and to perform the State management over operations of non-productive entities under its jurisdiction in accordance with law;

20. To act as the owner of the state capital in the state-owned enterprises :

a) To submit the plan on establishing, restructuring and divesting the state-owned enterprises under the management of the State Bank to the Prime Minister for approval and guide the implementation of the approved plan;

b) To approve under its authority or submit to the Prime Minister for approval the charters of the enterprises operating in the banking field;

c) To submit to the Prime Minister for appointment, or to appoint under its authority the members of the Board of Directors, General Directors and Deputy General Directors of the State-owned Credit Institutions and other State-owned enterprises under its management;

21. To guide and monitor activities of associations and non-governmental organizations operating in the fields under the management of the State Bank; and to handle or to make recommendations to the relevant authorities to handle violations committed by associations and non-governmental organizations in compliance with law.

22. To inspect, investigate, and handle the complains and denunciations and violations related to banking and monetary field under its jurisdiction ; to fight against corruption, red tape, bureaucracy and negative doings; and to conduct thrift and anti-waste in line with law.

23. To make decision on and guide the implementation of the administrative reform program of the State Bank in line with the objectives and agenda of the Government's administrative reform program and the direction of the Prime Minister; to make decision on and guide the renovation of the working modality, office modernization and IT application in service of daily operations of the State Bank;

24. To manage ranks and grades of specialized staff and officials in the banking field:

a) To organize upgrading-civil service exams; and to promulgate professional criteria for staff in accordance with law;

b) To develop professional criteria of civil servants in the banking sector for the Ministry of Home Affairs to issue;

25. To manage the organizational apparatus and staff; to employ, train, promote, relieve, move and rotate and to apply the regime of pension, reward, penalties, salaries and other regimes for the staff under the management of the State Bank.

26. To submit to the Prime Minister for issuance of the regulations on wage policies, recruitment and employment of civil servants in accordance with the special characteristics of the State Bank;

27. To perform other tasks as well as powers assigned by the Government and/or the Prime Minister in line with law.

Article 3.- Organizational structure

1. Monetary Policy Department.

2. Foreign Exchange Department.

3. Payment Department.

4. Credit Department.

5. Monetary Statistics and Forecasting Department

6. International Cooperation Department.

7. Internal Auditing Department.

8. Legal Department.

9. Accounting and Finance Department.
10. Personnel Department.
11. Emulation and Reward Department.
12. SBV Office;
13. Banking Information Technology Department.
14. Issue and Vault Department.
15. Administration Department.
16. Banking Operation Center.
17. Financial Supervision Agency.
18. Branches in provinces and the cities under the central government.
19. Representative Office in Ho Chi Minh City.
20. Banking Strategy Institute.
21. Credit Information Center.
22. Banking Times
23. Banking Magazine
24. Banking Training School

The departments numbered 1 to 19 in this article shall assist the Governor of the State Bank to perform the State management functions and the functions of the Central Bank; the entities numbered 20 to 24 are non-productive ones under the State Bank.

The departments in the organizational structure of the State Bank shall consist of various divisions; and the Issue and Vault Department and the Banking Information Technology Department shall set up their sub-departments in Ho Chi Minh City.

The Governor of the State Bank shall report to the Prime Minister to issue the decision prescribing the functions, tasks, powers and organizational structure of the Financial Supervision Agency and another decision on the list of other non-productive entities under the State Bank.

Article 4.- Effectiveness

1. This Decree shall take effect 15 days after its publication in the Official Gazette and replace Decree No. 52/2003/ND-CP of the Government dated May 19th, 2003 on the

functions, tasks, powers and organizational structure of the State Bank of Vietnam. .

2. All the previous stipulations contrary to this Decree shall cease to exist.

Article 5.- Implementation responsibility

The ministers, the heads of the ministerial agencies, the heads of the agencies attached to the Government and the chairmen of the People's Committees of provinces and the cities under the central government shall be responsible for implementing this Decree./.

FOR THE GOVERNMENT

PRIME MINISTER

(signed and sealed)

Nguyen Tan Dung