

# **LAW ON THE STATE BANK OF VIETNAM, LAW NO. 01/1997/QH10 OF DECEMBER 12, 1997**

THE NATIONAL ASSEMBLY SOCIALIST REPUBLIC OF VIETNAM LEGISLATURE  
X, THE SECOND SESSION (From November 21 to December 12, 1997)

In order to formulate and efficiently implement the National monetary policy; enhance state management on monetary and banking activities; contribute to the development of the socialist-oriented multi-sector market economy operating under the State's management protect the interests of the State, the legitimate rights and interests of organisations; and individuals;

Pursuant to the 1992 Constitution of the Socialist Republic of Vietnam;  
This Law shall provide for the State Bank of Vietnam.

## **Chapter I - GENERAL PROVISIONS**

### **Article 1. Position and functions of the State Bank of Vietnam**

1. The State Bank of Vietnam (hereinafter referred to as the "State Bank") is a body of the Government and the Central Bank of the Socialist Republic of Vietnam.
2. The State Bank shall conduct the states management over monetary and banking activities is the issuing bank, the bank of credit institutions and the bank providing monetary services for the government.
3. The operations of the State Bank shall aim at the stabilisation of the value of the currency, contribute to securing the safety of banking activities and the system of credit institutions, facilitate the socio-economic development in a manner consistent with the socialist orientation.
4. The State Bank is a legal entity, having the legal capital under state ownership, the head office in Hanoi, the capital of Vietnam.

### **Article 2. The national monetary policy**

The national monetary policy is a component of the economic-financial policies of the State, aimed at stabilising the value of the currency, controlling inflation, facilitating the socio-economic development, ensuring the national defense, security and improving the living standards of the people.

The State shall undertake the unified management over all banking activities; adopt a policy of exploiting domestic resources as a main source and maximising the utilisation of offshore resources and exploiting the combined strength of various economic sectors; ensure the leading and driving role of state-owned credit institutions in monetary and banking activities; maintain socialist orientation and the national sovereignty; expand international co-operation

and integration; accommodate the requirements of socio-economic development and contribute to the country's industrialisation and modernisation.

### **Article 3. Decision and implementation of the national monetary policy**

1. The National Assembly shall decide on and supervise the implementation of the national monetary policy and estimated annual inflation rates in a correlation with the state budget and economic growth rates
2. The president of the State shall perform those duties and powers provided by the constitution and relevant laws in negotiating, executing, entering into and ratifying international treaties and conventions on behalf of the State of the Socialist Republic of Vietnam in the fields of finance, monetary and banking.
3. The government, shall prepare the plan for the national monetary policy and the estimated annual inflation rate and submit those to the National Assembly for decision; organise the implementation of the national monetary policy; determine the amount of additional money to be injected to annual circulation as well as the purpose of using that amount of money and periodically report the same to the Standing Committee of the National Assembly; and decide on other specific policies and relevant solutions.

### **Article 4. Advisory board for the national monetary policy**

1. The Government shall establish an advisory board for the national monetary policy which shall advise the Government in making decision on matters under the duties and powers of the government with respect to the monetary policy.
2. The advisory board for the national monetary policy shall comprise: a Chairman who is one of the deputy prime ministers, a standing member who is the State Bank's Governor, and other members who are representatives of the ministry of finance, the ministry of planning and investment, other relevant ministries, bodies, and banking experts.
3. The duties and powers of the advisory board for the national monetary policy shall be stipulated by the Government.

### **Article 5. Duties and powers of the State Bank**

The State Bank shall have the following duties and powers:

1. For conducting the State management function:
  - a. To be involved in developing the strategy and plan for the socio-economic development of the State;
  - b. To work out a plan of the national monetary policy for consideration by the Government before submitting to the National Assembly for decision, and to implement this policy; develop strategies for the development of the system of Vietnamese banks and credit institutions;

c. To draft laws and ordinances and other regulations on monetary and banking activities; promulgate regulation on monetary and banking activities under its jurisdiction;

d. To issue, revoke the establishment and operation licences of credit institutions except for cases whereby by licence is to be issued the Prime Minister; to issue, revoke the banking operation licences of other organisations; to decide on the dissolution and to approve the separation, integration or merger of credit institutions in accordance with applicable provisions of relevant laws;

d1. To inspect and supervise banking activities; to control credit; to deal with breaches of applicable provisions of relevant laws on monetary and banking activities under its jurisdiction;

e. To manage foreign loans granted to, repayment of foreign loans made by enterprises in accordance with regulations of the Government;

g. To take the lead in formulating and monitoring balance of payments;

h. To control foreign exchange and gold trading operations;

i. To sign and enter into international treaties on monetary and banking activities in accordance with applicable provisions of relevant laws;

k. To represent the Socialist Republic of Vietnam in international monetary and banking institutions as authorised by the President of the State or the Government;

l. To organise training courses on banking expertise; to conduct research and to apply the banking science and technologies.

2. For conducting the functions of the Central Bank:

a. To organise the printing, casting, maintenance and transportation of currency; to conduct the profession of issuing, recalling, replacing and destroying currency;

b. To exercise refinancing facility for the purpose of providing short-term credits and liquidity to the economy;

c. To manage the money market; and carry out open market operations;

d. To control international reserves; and manage the foreign exchange reserves of the State;

d1. To organise the banking payment system, provide payment services and manage the supply of liquidity;

e. To act as an agent and provide banking services for the State Treasury;

g. To organise the information system and provide banking information services.

3. To conduct other duties and powers in accordance with applicable provisions of relevant laws.

**Article 6. Responsibilities of the ministries, ministerial-level agencies, governmental bodies and other central State agencies with respect to banking activities**

1. The ministries, ministerial-level agencies, governmental bodies and other central State agencies shall, within their respective duties and powers, shall coordinate with the State Bank in conducting the state's management over monetary and banking activities.
2. The Ministry of Finance shall coordinate with the State Bank in formulating the national fiscal, monetary policies, estimating the total advance provided to the State Budget for the following year and implement other provisions of this law concerning the relationship between the Ministry of Finance and the State Bank.

**Article 7. Responsibilities of the People's Councils and the People's Committees at various levels with respect to the implementation of applicable provisions of relevant laws on monetary and banking activities**

The People's Councils and the People's Committees at various levels, within their respective duties and powers, shall monitor the implementation of applicable provisions of relevant laws on monetary and banking activities.

**Article 8. Role of the Fatherland Front of Vietnam and its member organisations in relation to banking activities**

The fatherland front of Vietnam and its member organisations, in conjunction with relevant state bodies, shall monitor the implementation of applicable provisions of relevant laws on monetary and banking activities, call on organisations and individuals to implement provisions of relevant laws on monetary and banking activities.

**Article 9. Explanation of terms and expressions**

In this law, the terms and expressions hereunder shall have the following meanings:

1. "Money" shall mean an instrument of payment comprising of banknotes, coins and other valuable papers that have the same value as money;
2. "Money market" shall mean a short-term capital market where short-term valuable papers, including treasury bills, State Bank bills, deposit certificates and other short-term valuable papers are bought and sold.
3. "Banking activities" shall mean monetary business activities and banking services; the regular operation of which is the receipt of deposit and use of the same to extend credits, provide payment services;
4. "Open market operations" shall mean the operations of purchasing selling short-term valuable papers conducted by the State Bank in the money market for the purpose of implementing the national monetary policy.
5. "Required reserves" mean the amount of money to be deposited at the State Bank by credit institutions for the purpose of implementation of the national monetary policy.
6. "Foreign exchange" shall mean foreign currencies, gold of international standard, various valuable papers and payment instruments denominated in foreign currencies.
7. "Foreign exchange operations" shall mean investments, borrowing, lending, guarantees, purchase, sale and other transactions with respect to foreign exchange.

8. “Foreign exchange rate” shall mean the ratio between the value of Vietnamese Dong and the currency of foreign countries.
9. “International reserves” shall mean the state’s foreign exchange reserves controlled by the State Bank and the foreign exchange reserves of credit institutions which are permitted to engage in foreign exchange operations.
10. “Refinancing” shall mean the form of the provision of secured credits by the State Bank for the purpose of providing short-term loans and liquidity to banks.
11. “Refinancing against credit documents” shall mean a form of refinancing by the State Bank to banks which have granted loans to customers.
12. “Base interest rate” shall mean an interest rate announced by the State Bank to serve as a basis for credit institutions to determine their interest rates.
13. “Refinancing interest rate” shall mean an interest rate applied to the refinancing by the State Bank.
14. “Rediscount rate” shall mean the refinancing interest rate applied by the State Bank for rediscount, of trade bills and other short-term valuable papers of credit institutions.
15. “Short-term valuable paper” shall mean valuable paper with the term of less than one year.

## **CHAPTER II - ORGANISATION OF THE STATE BANK**

### **Article 10. Organisational structure**

1. The State Bank is organised as an unified and centralised system, comprising an executive body and operating departments at its headquarters, branches in provinces and cities, representative offices at home and abroad and subsidiaries.
2. The organisational structure, duties and powers of the executive body of the State Bank shall be stipulated by the Government.

### **Article 11. Leadership and Management of the State Bank**

1. The State Bank’s Governor (hereinafter referred to as “the Governor”) is a member of the Government and shall be responsible for the leadership and management of the State Bank.
2. The Governor shall have the following duties and powers:
  - a. Directing and organising the implementation of the duties and powers of the State Bank as set out in Article 5 of this law, and other provisions of the law on the organisation of the Government;
  - b. Being responsible to the Prime Minister and the National Assembly for the fields of which the Governor is in charge;
  - c. Being juridical person for the State Bank.

### **Article 12. Branches and representative offices**

1. Branches are subordinate units under the State Bank, subject to the unified and centralised leadership and management of the Governor.

Branches shall carry out and exercise the following duties and powers as authorised by the Governor:

- a. To supervise and inspect banking activities in the geographical area of which they are in charge;
  - b. To issue, revoke the establishment and banking operation licence of credit institutions and the banking operation licence of other organisations; to decide on the dissolution, to approve the separation, integration and merger of credit institutions in geographical area of which they are in charge;
  - c. To carry out refinancing operations and provide loans for payment purpose;
  - d. To provide payment, treasury and other banking services to credit institutions and the State Treasury;
  - d. To conduct other authorisations in accordance with applicable provisions of relevant laws.
2. Representative offices are subordinate units of the State Bank and function as representative in accordance with the authorisation by the Governor. A representative office shall not be permitted to engage in professional banking operations.
3. The Governor shall provide regulations on the specific organisational structure, the duties and powers of the branches and representative offices of the State Bank.

### **Article 13. Subordinate units**

1. The State Bank shall have its administrative units to carry out the duties of training, scientific research, provision of informatics services, information and press services with respect to banking activities.
2. The Prime Minister shall decide on the establishment of subordinate units under the State Bank for the purpose of providing specialised products to service banking activities.

### **Article 14. Responsibilities of officials and civil servants of the State Bank**

Official and civil servants of the State Bank shall observe the following rules:

1. To keep confidential the professional operations of the State Bank, credit institutions and customers' deposits in accordance with applicable provisions of relevant laws;
2. Not to work as consultant, as a representative of or as associates for any monetary, credit, trading, financial institutions or other business organisations, except as otherwise provided for by applicable provisions of relevant laws;
3. Not to abuse their provision, powers in order to take bribes, create harassment for personal interest;

4. To perform other obligations of the officials, civil servants in accordance with applicable provisions of relevant laws.

## **CHAPTER III – OPERATIONS OF THE STATE BANK**

### *Section 1 - Implementation of the National Monetary Policy*

#### **Article 15. Responsibilities of the State Bank in the implementation of the national monetary policy.**

In the implementation of the national monetary policy, the State Bank shall have the following responsibilities:

1. To take the lead in formulating the national monetary policy, annual plans on additional money supply for circulation to be submitted to the Government;
2. To conduct the instruments for implementing the national monetary policy; to inject, withdraw money from circulation according to market signals within the quantity of money supply approved by the Government;
3. To report on the outcome of the implementation of the national monetary policy to the Government and the National Assembly.

#### **Article 16. Instruments for implementing the national monetary policy**

To implement the national monetary policy, the State Bank shall use refinancing instruments, interest rates, exchange rates, required reserve, open market operations and other instruments as decided by the Governor.

#### **Article 17. Form of refinancing**

The State Bank shall refinance banks in the following forms:

1. Relending against credit documents;
2. Discount and re-discount of trade bills and other short-term valuable papers;
3. Provision of secured loans against trade bills and other short-term valuable papers.

#### **Article 18. Interest rates**

The State Bank shall determine and announce the base interest rate and interest rates for refinancing.

#### **Article 19. Foreign exchange rates**

1. Foreign exchange rates of Vietnamese Dong shall be established on the basis of supply and demand of foreign currencies in the state-regulated market.
2. The State Bank shall determine and announce the exchange rates of Vietnamese Dong.

## **Article 20. Required reserves**

1. The State Bank shall stipulate the ratios of required reserves applied to each type of credit organisation and each type of deposit within a range from 0% to 20% of the total deposit balance at each period.
2. The payment of interest with respect to the deposited reserves required of each type of credit organisation and each type of deposit in each period of time shall be stipulated by the Government.

## **Article 21. Open market operations**

The State Bank shall carry out open market operations through the purchase, sale of treasury bills, deposit certificates, State Bank bills and other short-term valuable papers in the money market for the purpose of implementing the national monetary policy.

## *Section 2 – Issuance of Banknotes and coins*

## **Article 22. Currency unit**

The currency unit of the Socialist Republic of Vietnam is the “Dong”, its national symbol is “đ” the international symbol is “VND”; one “dong” is worth ten “Hao”, and one “Hao” is worth ten “XU”.

## **Article 23. Issuance of money**

1. The State Bank is the sole agency of the Socialist Republic of Vietnam authorised to issue money, including banknotes and coins.
2. Banknote and coins issued by the State Bank shall be used as unrestricted means of payment in the territory of the Socialist Republic of Vietnam.
3. The State Bank shall manage reserves of money to be issued in accordance with regulations of the Government.
4. The State Bank shall ensure that the supply of banknotes and coins to the economy shall be in sufficient amounts and appropriate denominations structure.
5. The money issued for circulation shall be the “Liabilities” to the economy and shall be balanced by the “Assets” of the State Bank.

## **Article 24. Printing, casting, safe-keeping, transport, issuance and destruction of currency**

1. The State Bank shall design the face value, size, weight, drawing, decoration and other features of banknotes and coins to be submitted to the Prime Minister for approval.
2. The State Bank shall conduct the printing, casting, safekeeping, transport, issuance and destruction of currency.

## **Article 25. Dealing with torn, damaged currency**



The State Bank shall provide criteria for the classification of torn, damaged currency; exchange or recall currency which is torn, damaged during circulation, and not to exchange currency which is torn, damaged by destructive acts.

#### **Article 26. Recall, replacement of currency**

The State Bank shall recall and withdraw from circulation various types of currency which are no longer suitable and shall issue other currency for replacement. The currency to be recalled shall be changed by other substitute currency of the same value during a time limit stipulated by the State Bank. After the time limit for recall and exchange, the recalled currency shall no longer be valid for circulation.

#### **Article 27. Specimen and commemorative banknotes, coins**

The State Bank shall conduct the printing, casting and sale domestically and abroad of all types of specimen and commemorative banknotes, coins designed for the purpose of collection or other purposes as stipulated by the Government.

#### **Article 28. Promulgation, inspection and supervision of the implementation of regulations on money issuing operations**

1. The Government shall promulgate regulations on money issuing operations including provisions on the printing, casting, safe-keeping, transport, issuance, recall, replacement and destruction of currency, and expenses for the money issuing operations.
2. The Ministry of Finance shall monitor the implementation of regulations on money issuing operations; the Ministry of Finance and the Ministry of the Interior Affairs shall supervise the process of currency printing, casting and destruction.

#### **Article 29. Acts prohibited**

The following acts are strictly prohibited:

1. Making counterfeit currency; transport, storage and circulation of counterfeit currency;
2. Destruction of currency;
3. Defusing receipt and circulation of currency issued by the State Bank.

### ***Section 3 - CREDIT OPERATIONS***

#### **Article 30. Extension of loans**

1. The State Bank shall extend to credit institutions which are banks short-term loans in the form of the refinancing as stipulated in Article 17 of this law.
2. Subject to the Prime Minister's approval, the State Bank shall, in exceptional cases, extend loans to credit institutions which are temporarily illiquid and may endanger the safety of the system of credit institutions

3. The State Bank shall not extend loans to individual and organisations other than credit institutions as stipulated in clauses 1 and 2 of this Article.

#### **Article 31. Guarantee**

The State Bank shall not issue a guarantee to any organisations, individuals except the case as instructed by the Prime Minister with respect to guarantees for foreign borrowing of credit institutions.

#### **Article 32. Provision of advances to the State budget**

The State Bank shall, upon the Prime Minister's approval, provide advances to the central budget for the purpose of dealing with temporary shortfalls in the state budget. Such advances shall be repaid during the budget year in which they are made, except as otherwise decided by the Prime Minister in exceptional cases.

#### **Article 33. Capital contributions and share purchases**

The State Bank shall not be permitted to contribute capital to, purchase shares from other credit institutions and enterprises.

### **Section 4 - *OPENING OF ACCOUNTS, SETTLEMENT AND TREASURY OPERATIONS***

#### **Article 34. Opening of accounts**

1. The State Bank shall be entitled to open accounts at foreign banks, international monetary, banking institutions.
2. The State Bank shall open accounts and carry out transactions for domestic credit institutions, foreign banks, international monetary banking institutions.
3. The State Bank shall open accounts and carry out transactions for the state treasury. The state treasury, in districts and towns other than provincial town, shall open accounts at a state-owned commercial bank.

#### **Article 35. Payment and treasury operations**

1. The State Bank shall organise an inter-bank payment system and provide payment services.
2. The State Bank shall provide treasury services for the purposes of collecting from and paying customers in cash.
3. The State Bank shall perform on a full and timely basis all cash and non-cash payments at the request of the account-holders.
4. The State Bank shall enter into and perform agreements concerning settlement with foreign banks and international monetary, banking institutions in accordance with applicable provisions of relevant laws.

#### **Article 36. Agent for the State Treasury**

The State Bank shall act as an Agent for the State Treasury in the tender, issuance and settlement of treasury bills and bonds.

## Section 5 - *FOREIGN EXCHANGE MANAGEMENT AND OPERATIONS*

### **Article 37. Duties and powers of the State Bank with respect to foreign exchange management**

The State Bank shall perform the following duties and powers with respect to foreign exchange management:

1. To draft laws, ordinances and other documents concerning foreign exchange management; and promulgate regulations on foreign exchange management under its jurisdiction;
2. To issue, withdraw licences for foreign exchange business;
3. To organise and operate the inter-bank foreign exchange market, and domestic foreign exchange market;
4. To control and inspect the implementation of regulations on foreign exchange management and control the import and export of foreign exchange;
5. To control foreign exchange operations of credit institutions;
6. To perform other duties and powers in relation to foreign exchange management in accordance with applicable provisions of relevant laws.

### **Article 38. Management of State foreign exchange reserves**

1. State foreign exchange reserves shall comprise:
  - a. Foreign currencies in cash, and the balance of foreign currencies in offshore deposit accounts;
  - b. Foreign bills of exchange and foreign debenture in foreign currencies;
  - c. Debt securities issued and guaranteed by foreign Governments, banks, international monetary, banking institutions;
  - d. Gold;
  - d. Other types of foreign exchange of the State.
2. The State Bank shall manage the foreign exchange reserves of the Socialist Republic of Vietnam in accordance with regulations of the Government in order to implement the national monetary policy, ensure international payment capability and maintain the State foreign exchange reserves.
3. The use of foreign exchange for emergency requirement shall be determined by the Prime Minister.
4. The State Bank shall report to the Government and the Standing Committee of the National Assembly on changes in State foreign exchange reserves.

5. The Ministry of Finance shall control the State Bank's management of foreign exchange reserves in accordance with regulations of the Government.

#### **Article 39. Foreign exchange operations of the State Bank**

The State Bank shall purchase, sell foreign currencies on the domestic market in accordance with the objectives of the national monetary policy: purchase, sell foreign currencies on international markets and carry out other foreign exchange transactions in accordance with the regulations of the Government.

### *Section 6 - INFORMATION ACTIVITIES*

#### **Article 40. Information collection and provision**

1. The State Bank shall organise the collection, analysis and forecast of domestic and international information on economics, finance, monetary and banking activities in order to formulate and implement the national monetary policy. The relevant bodies shall be responsible for providing necessary information to the State Bank in accordance with regulations of the Government.

2. The State Bank shall exchange and provide information services relating to monetary and banking activities to credit institutions and other organisations and individuals.

#### **Article 41. Publication of information**

The State Bank shall publish information on monetary and banking activities. The Governor shall provide for the scope, form and timing of the publication of such information.

#### **Article 42. Information confidentiality**

The State Bank shall be responsible for preparing and submitting to the Government for its decision a list of confidential documents on monetary and banking activities; maintaining the confidentiality of the State, the State Bank and customers in accordance with applicable provisions of relevant laws.

## **CHAPTER IV - FINANCE, ACCOUNTING AND REPORTING OF THE STATE BANK**

#### **Article 43. Legal capital**

The legal capital of the State Bank shall be allocated from the State budget. The level of the State Bank's legal capital shall be determined by the Prime Minister.

#### **Article 44. Financial revenues, expenditures**

The State Bank's financial revenues, expenditures shall, in principle, be implemented in accordance with provisions of the law on State Budget. The Government shall provide for the

particulars of the financial revenues, expenditures which are suitable to operational activities of the State Bank.

#### **Article 45. Differences between revenues and expenditures of the State Bank**

Annual differences between revenues and expenditures of the State Bank shall be determined on the basis of revenues from banking activities and other sources after deducting expenses for operations and provisions for risks.

#### **Article 46. Establishment of funds**

The State Bank shall use a portion of the difference between its revenues and expenditures to establish funds for implementation of the national monetary policy in accordance with regulations of the Government. The remaining sum shall be transferred to the State budget.

#### **Article 47. Accounting of the State Bank**

The State Bank shall perform its accounting based on the system of account and financial documents in accordance with the laws on accounting and statistics.

#### **Article 48. Auditing**

The annual financial statements of the State Bank shall be audited and certified by the State Auditor.

#### **Article 49. Fiscal year and financial reporting**

1. The fiscal year of the State Bank shall begin on 1-st January and end on 31 December of the calendar year.
2. The State Bank shall implement regulations on financial reporting in accordance with applicable provisions of relevant laws.

### **CHAPTER V – STATE BANK INSPECTION, GENERAL CONTROLLER OF THE STATE BANK**

#### **Article 50. State Bank Inspectorate**

1. The State Bank inspectorate shall be the professional inspection in banking area under the State Bank.
2. The relationship between the Bank inspectorate and the State Inspectorate shall be stipulated by the laws on inspection.
3. The specific organisation, duties and powers of the State Bank inspectorate shall be stipulated by the Government.

#### **Article 51. Objects and objectives of the State Bank Inspectorate**

1. The objects of the State Bank inspectorate are organisations and operations of credit institutions and banking activities of other organisations.
2. The objectives of the Bank inspectorate shall be to secure the safety of the system of credit institutions, to protect legitimate rights and interests of depositors, to support the implementation of the national monetary policy.

#### **Article 52. Scope of activities of the Bank Inspectorate**

The scope of activities of the Bank Inspectorate comprises:

1. Ensuring the compliance with laws on monetary and banking activities, the implementation of the provisions in the banking operation licence.
2. Within its jurisdiction, detecting, preventing and dealing with violation of laws on monetary and banking activities, proposing to the competent bodies solutions for the violation of legislation on monetary and banking activities.
3. Proposing solutions for ensuring the enforcement of legislation on monetary and banking activities.

#### **Article 53. Rights of the State Bank Inspectorate**

During the inspection the State Bank inspectorate shall have the right to:

1. Request the inspected organisations and other concerned parties to provide documents evidences and responses to matters relating to inspection;
2. Prepare the minutes of the inspection and recommend measures to be taken.
3. Apply preventive measures and deal with violations in accordance with applicable provisions of relevant laws.

#### **Article 54. Responsibilities of the Bank Inspectorate**

During the inspection the State Bank inspectorate shall be responsible for:

1. Presenting the inspection decision and the inspector's cards;
2. Conducting proper inspection procedures, not impeding ordinary banking activities causing losses to time legitimate interests of credit institutions and other organisations conducting banking activities;
3. Making reports to the Governor of the State Bank on the results of the inspection and recommendations of measures to be taken;
4. Complying with applicable provisions of relevant laws, being responsible to the Governor of State Bank and before the laws for their conclusions and any act, decision made by themselves.

#### **Article 55. Rights of credit institutions and other organisations conducting banking activities during the inspection of the Bank inspector**

During the inspection of the Bank inspector, credit institutions and other organisations conducting banking activities shall have the following rights:

1. To request the inspectors to show the inspection decision and the inspector's card and to comply with regulations on inspection;
2. To file complaints, petitions, initiate a law suit to the competent state authority against any acts taken by the inspector or any conclusion, decision made by the State Bank inspectorate which they consider to be improper;
3. To request compensation for damage caused by any act or decision of the State Bank inspectorate which is not in compliance with the applicable provisions of the Laws.

#### **Article 56. Obligations of credit institutions, other organisations conducting banking activities during the State Bank inspection**

During the inspection of the State Bank inspectorate, credit institutions, other organisations conducting banking business shall have the following obligations:

1. To satisfy requirements made by the State Bank inspectorate with respect to the inspection;
2. To comply with any decision made by the State Bank inspectorate.

#### **Article 57. General controller**

1. The General controller which is a unit of the State Bank shall perform the following duties:

- a. To controller activities of units in the State Bank system;
- b. To conduct internal auditing with respect to units conducting central banking operations of the Central Bank;

2. The organisation, specific duties and powers of the General controller shall be determined by the Governor of the State Bank.

### **CHAPTER VI - AWARDS AND DEALING WITH VIOLATIONS**

#### **Article 58. Awards**

Organisations and individuals who attain achievements in banking activities, contributing to the socio-economic development, securing the safety of the system of credit institutions shall be rewarded in accordance with applicable provisions of relevant laws.

#### **Article 59. Violators and acts of violation**

1. Any organisations, individuals violating provisions of Article 29 of this law; conducting banking activities without licence or conducting activities other than as stated in the licence;

creating obstacles for the supervision and inspection of the State Bank; violating other provisions of this law and other applicable provisions of relevant laws on monetary and banking activities, shall, depending on the nature and seriousness of the violation, be disciplined, be subject to administrative punishments or prosecuted for criminal liability in accordance with applicable provisions of relevant laws.

2. Any officials and civil servants of the State Bank violating provisions of Article 14 of this law; being negligent in performing their duties, concealing violations by organisations, individuals to the provisions of this law and other of applicable provisions of relevant laws on monetary and banking activities, shall be disciplined, be subject to administrative punishments or prosecuted for criminal liability in accordance with applicable provisions of relevant laws.

3. In the case where any organisations and individuals violate the provisions in Clauses 1 and 2 of this Article causing damage to the interests of the State or that of other organisations, individuals, such organisations and individuals shall pay compensation in accordance with applicable provisions of relevant laws.

#### **Article 60. Powers of the State Bank in dealing with administrative violations**

The State Bank shall have powers to deal with administrative violations in the fields of monetary and banking activities committed by organisations, individuals in accordance with applicable provisions of relevant laws.

#### **Article 61. Making a petition, initiating a lawsuit against decisions on punishment for administrative violations**

1. Any organisations which, individuals who, are judged for administrative violation in the fields of monetary and banking activities shall have the right to file a complaint against the decision on administrative sanction to the state competent bodies or to initiate a lawsuit at the Courts. Complaints shall be filed and lawsuits shall be initiated in accordance with the applicable provisions of relevant laws;

2. Pending the settlement of a complaint or a lawsuit, organisations which, individuals who are subject to administrative sanctions shall have to comply with the administrative sanction decision. When a decision on settlement of complaint is made by the state competent bodies or a judgment or decision by the Court has come into effect, such decision or judgment shall prevail.

### **CHAPTER VII - IMPLEMENTING PROVISIONS**

#### **Article 62. Effectiveness**

1. This Law shall come into effect as of 1 October 1998.

2. The decree-law on the State Bank of Vietnam dated 23 May 1990 shall cease to be effective as of the effective date of this law.



3. The Government, the people's supreme court and the supreme prosecution shall, within their respective duties and powers, organise the revision of all legal provisions on monetary and banking activities in order to repeal, amend, supplement, issue new regulations or request the Standing Committee of the National Assembly or the National Assembly repeal, amend, supplement, issue new regulations in accordance with the provisions of this law.

**Article 63. Guidelines for the implementation**

The Government shall make detailed provisions and guidance for the implementation of this law.

This law is passed by the X Legislature of the National Assembly of the Socialist Republic of Vietnam in its second session on 12 December 1997.

THE CHAIRMAN OF THE NATIONAL ASSEMBLY  
NONG DUC MANH