

Circular No. 32/2013/TT-NHNN dated December 26th 2013 of the State Bank of Vietnam on guiding the implementation of regulations on restricting the use of foreign exchange within the territory of Vietnam

Pursuant to the June 16, 2010 Law on the State bank of Vietnam No. 46/2010/QH12;

Pursuant to the June 16, 2010 Law on Credit Institutions No. 47/2010/QH12;

Pursuant to Ordinance on foreign exchange No. 28/2005/PL-UBTVQH11 dated 13 December 2005 and Ordinance No. 06/2013/PLUBTVQH13 dated March 18, 2013, amending and supplementing several Articles of Ordinance on foreign exchange;

Pursuant to the Government's Decree No. 156/2013/ND-CP dated November 11, 2013, defining the functions, tasks, powers and organizational structure of the State bank of Vietnam;

At the proposal of Department of Foreign Exchange Management;

The Governor of the State bank of Vietnam issues the Circular guiding the implementation of regulations on restricting the use of foreign exchange in the territory of Vietnam.

Article 1. Scope of regulation

This Circular guides the implementation of regulations on restricting the use of foreign exchange in the territory of Vietnam.

Article 2. Subjects of application

1. Organizations and individuals being residents and non-residents and having activities of foreign exchange within Vietnam's territory.
2. Organizations and individuals being residents involving management, examination, inspection and handling of violations in activities of foreign exchange.

Article 3. Principles used to restrict the use of foreign exchange in the territory of Vietnam

In Vietnam's territory, except for the cases allowed to use foreign exchange specified in Article 4 of this Circular, all transactions, payments, listing, advertisements, quotations, pricing, prices in contracts, agreements other similar forms (including conversion or adjustment of prices of goods and services, the value of contracts and agreements) of residents and non-residents are not allowed to be conducted in foreign exchange.

Article 4. Cases allowed to use foreign exchange in the territory of Vietnam

1. Customs agencies, police, border guard and other state agencies at border gates of Vietnam and bonded warehouses are allowed to list in foreign currency and collect in foreign currency by transfer or cash from non-residents for various taxes, charges for exit and entry visa, charges for provision of services and other charges and fees as prescribed by law.
2. Banks and non-bank credit institutions and branches of foreign banks licensed to do business and provide foreign exchange services (hereinafter abbreviated to the authorized credit institutions) are allowed for transactions, payments, listing, advertisements, quotations, pricing, prices in contracts, agreements in foreign exchange within the scope of business and foreign exchange services permitted by the State Bank of Vietnam (SBV) in accordance with laws.
3. Other organizations licensed to provide foreign exchange services are allowed for transactions and listing in foreign currency within the scope of foreign exchange service provision permitted by the State Bank of Vietnam (SBV) in accordance with laws.
4. Residents being entities with legal person status are allowed to transfer internal capital in foreign currency between their accounts with accounts of their dependent units that have no legal person status and vice versa.
5. Residents are allowed to contribute capital in foreign currency by transfer in order to perform foreign investment projects in Vietnam.
6. Residents performing contracts of import and export entrustment shall comply with the following provision:
 - a) Residents entrusted with import are allowed to write price in contracts of import entrustment in foreign currency and receive payments in foreign currency by transfer for the value of import contract from the import-entrusting party;
 - b) Residents entrusted with export are allowed to write price in contracts of export entrustment in foreign currency and pay in foreign currency by transfer for the value of export contract for the export-entrusting party.
7. Residents being domestic and foreign contractors shall comply with the following provision:
 - a) For costs outside Vietnam involving the implementation of bidding package through international bid as prescribed in the Law on bid: Contractors are allowed to bid in foreign currency and receive payments in foreign currency by transfer from investors or principal contractors for payment and remittance to foreign countries.
 - b) For implementation of bidding package as prescribed by law on oil and gas: Contractors are allowed to bid in foreign currency and receive payments in foreign currency by transfer from investors or principal contractors for payment and remittance to foreign countries.

8. Residents being insurers shall comply with the following provision:

a) They are allowed to make quotations, fix prices, write prices of insurance services in contracts in foreign currency or receive payments in foreign currency by transfer from the insurance-buying parties for goods and services required to purchase the re-insurance in foreign countries.

b) Cases of arising damages for part re-insured abroad, residents being the insurance-buying organizations shall be allowed to receive amounts for compensation in foreign currency by transfer from foreign reinsurers through the insurers so as to pay costs for overseas damage remedy.

9. Residents being organizations trading in free-duty goods are allowed to list the prices of goods in foreign currency and receive payments in foreign currency by transfer or cash from provision of goods. Foreign currencies used in transactions at free-duty stores shall comply with legislations on sale of duty-free goods.

10. Residents being organizations providing services in isolated areas at international border gates, organizations trading in bonded warehouses are allowed for listing, quotation, pricing, prices in contracts in foreign currency and receipt of payments in foreign currency by transfer or cash from provision of goods and services.

11. Residents being organizations that act as agents for foreign transportation firms on the basis of agent contracts signed by two parties shall comply with the following provision:

a) They are allowed to make quotations, fix prices and write prices in contract in foreign currency, on behalf of foreign transportation firms, for freights of international goods. Payment must be performed in Vietnam dong;

b) They are allowed to provide payment services on behalf of their customers in foreign currency by transfer so as to pay goods and services at international sea ports, in isolated areas at international airports;

c) They are allowed to provide payment services in foreign currency by cash, under authorization of foreign ship firms, so as to pay salaries, bonus, and allowances for non-residents.

12. Residents being exporting and processing enterprises shall comply with the following provision:

a) They are allowed for prices in contracts in foreign currency and payment in foreign currency by transfer when they buy goods from domestic market for production, processing, reprocessing, and assembling of export goods or for export, except for goods banned export. Domestic enterprises are allowed to make quotations, fix prices in foreign currency or receive payments in foreign currency by transfer when they sell goods for exporting and processing enterprises;

b) They are allowed for quotations, pricing and prices in contracts in foreign currency and payment, receipt of payments in foreign currency by transfer with other exporting and processing enterprises.

13. Residents being organizations trading in the domains of air transport, hotel, and tourist are allowed for listing, advertisement of prices of goods and services in Vietnam dong and equivalent foreign currency on websites, specialized-line publications (excluding menu and service price table) that only use foreign language.

14. Residents and non-residents being organizations are allowed to make agreements and pay salaries, bonus and allowances in labor contracts in foreign currency by transfer or cash to non-residents and residents who are foreigners working in such organizations.

15. Non-residents being diplomatic agencies, consular agencies are allowed for listing in foreign currency and collection of charges for exit and entry visa, other charges and fees in foreign currency by transfer or cash.

16. Non-residents shall comply with the following provision:

a) They are allowed to transfer in foreign currency for other non-residents;

b) They are allowed for prices in contracts in foreign currency and payment of export goods and services in foreign currency by transfer for residents. Residents are allowed to make quotations, fix prices in foreign currency or receive payments in foreign currency by transfer when they supply goods and services for non-residents.

17. Other cases allowed to use foreign exchange in the territory of Vietnam will be considered and approved by the SBV's Governor based on the actual situations and necessities of each case.

Article 5. Responsibilities of organizations and individuals having activities involving foreign exchange within Vietnam's territory

1. The authorized credit institutions and other organizations licensed to provide foreign exchange services shall:

a) Implement strictly and guide their customers to implement provisions in this Circular;

b) Check, keep papers and documents in line with actual transactions as prescribed in this Circular.

2. The relevant organizations and individuals shall implement strictly provisions in this Circular.

Article 6. Handling of violations

Organizations and individuals violating provisions in this Circular, depending on nature and seriousness of violations, shall be handled as prescribed by law.

Article 7. Provision of implementation

1. This Circular takes effect on February, 10, 2014.
2. The Chief of office, Director of Department of Foreign Exchange Management, heads of relevant units of the State bank of Vietnam, Directors of the State bank's branches in provinces and Central-affiliated cities, chairmen of Boards of Directors, chairmen of Members' Council, Directors General (Directors) of the authorized credit institutions shall implement this Circular.

For Governor of the State Bank

Deputy Governor

Le Minh Hung