

MINISTRY OF FINANCE

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SOCIALIST REPUBLIC OF VIETNAM

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No.: 10/2017/TT-BTC

Hanoi, February 06, 2017

**CIRCULAR**

AMENDMENTS TO THE CIRCULAR NO. 234/2012/TT-BTC DATED DECEMBER 28, 2012  
BY MINISTER OF FINANCE ON MANAGEMENT OF TRANSACTIONS IN  
GOVERNMENT BONDS, GOVERNMENT-BACKED BONDS AND MUNICIPAL BONDS

*Pursuant to the Law on Securities dated June 29, 2006;*

*Pursuant to the Law dated November 24, 2010 on amendments to a number of articles of the Law on securities;*

*Pursuant to the Government's Decree No. 58/2012/ND-CP dated July 20, 2012 elaborating and guiding the implementation of some articles of the Law on securities and the Law on amendments to some articles of the Law on securities;*

*Pursuant to the Government's Decree No. 60/2015/ND-CP dated June 26, 2015 on amendments to the Government's Decree No. 58/2012/ND-CP dated July 20, 2012 elaborating and guiding the implementation of some articles of the Law on securities and the Law on amendments to some articles of the Law on securities;*

*Pursuant to the Government's Decree No.01/2011/ND-CP dated January 05, 2011 on issuance of government bonds, government-backed bonds and municipal bonds;*

*Pursuant to the Government's Decree No.215/2013/ND-CP dated 23 December 2013 defining the functions, tasks, powers and organizational structure of Ministry of Finance;*

*At the request of Chairman of the State Securities Commission of Vietnam;*

*Minister of Finance promulgates a Circular on amendments to the Circular No. 234/2012/TT-BTC dated December 28, 2012 by Minister of Finance on management of transactions in government bonds, government-backed bonds and municipal bonds.*

**Article 1.** Amendments to the Circular No. 234/2012/TT-BTC dated December 28, 2012 by Minister of Finance on management of transactions in government bonds, government-backed bonds and municipal bonds:

**1. Addition of Clause 9 to Article 2:**

**“9. *Comparable convertible government bonds*** mean government bonds which are listed on Hanoi Stock Exchange (hereinafter referred to as HNX) and used as substitutes for the original government bonds in settlement of government bond-related transactions in case the original government bonds are not enough for settlement. Using comparable convertible government bonds shall depend on agreements made by and between trading parties. HNX shall announce detailed regulations on the use of comparable convertible government bonds in government bond-related transactions.”

## **2. Amendments to Article 3:**

### **“Article 3. Categories of membership**

1. There are 02 categories of membership that is normal trading member and special trading member on the government bond trading market in HNX.

2. State Treasuries shall participate in the government bond trading market in accordance with regulations in the Government’s Decree No. 24/2016/ND-CP dated April 05, 2016 on regulations on state fund management.

a) State Treasuries may conduct purchase transactions in the purchase and resale transactions in government bonds via the government bond trading system of HNX provided the maximum period for purchase and resale transactions shall not exceed 03 months and State Treasuries must pay transaction-related service fees in accordance with prevailing laws. State Treasuries may use trading systems and services provided by HNX and the Vietnam Securities Depository.

b) State Treasuries must not comply with regulations on membership eligibility requirements, registration of membership, member’s obligations and reporting by member as mentioned in Articles 4, 5, 6, 9 herein.”

## **3. Amendments to Clause 2 Article 7:**

“2. The membership shall be mandatorily terminated in the following cases:

a) A member fails to maintain the satisfaction of membership eligibility requirements prescribed in Article 4 herein;

b) A member commits a serious or systematic violation against regulations on trading members in government bonds at HNX;

c) A member is dissolved, declared bankrupt or has its license for establishment and operation revoked; or an entity no longer exists after it is consolidated (consolidating enterprise), or merged (transferor enterprise), or divided (divided enterprise); or an entity is established after the merger (transferee enterprise) or partial division (divided enterprise) but it fails to meet all of membership eligibility requirements prescribed in Article 4 herein;

d) HNX shall announce detailed regulations and procedures for termination of membership upon the approval by the State Securities Commission of Vietnam."

#### **4. Amendments to Clause 2 Article 9:**

"2. Reporting form:

Each member shall report required contents to HNX by sending electronic data to the Information Disclosure System of HNX. HNX has the right to request members to submit written reports, where necessary."

#### **5. Amendments to Article 11:**

**"Article 11. Types of listed government bonds**

1. Government bonds;
2. Government-backed bonds;
3. Municipal bonds."

#### **6. Amendments to Clause 2 and Clause 3 Article 12:**

"2. Procedures for listing of treasury bonds shall comply with regulations in Article 38 of the Circular No. 111/2015/TT-BTC dated July 28, 2015 by Minister of Finance providing guidance on domestic issue of government bonds.

3. Procedures for listing of treasury bills shall comply with regulations in Article 18 of the Joint Circular No. 92/2016/TTLT-BTC-NHNN dated June 27, 2016 by the Minister of Finance and the Governor of the State Bank of Vietnam providing for the issuance of treasury bills through the State Bank of Vietnam."

#### **7. Amendments to Article 13:**

**"Article 13. Listing of government-backed bonds**

1. An application for listing of corporate bonds guaranteed by the government includes:
  - a) The application form for listing of government-backed bonds using the form stated in the Appendix 03a (if it is the first bidding), or the form stated in the Appendix 03b (if it is an additional bidding), or the form stated in the Appendix 03c (if bonds are issued under another form);
  - b) Certificate granted by the Vietnam Securities Depository certifying that such enterprise's bonds have been registered or centrally deposited;

c) The written approval given by the Prime Minister to approve of the guarantee provision and guarantee limit;

d) The written notice given by Ministry of Finance of the maximum limit for issue of guaranteed bonds.

2. Bonds issued by banks for social policies under the government guarantee shall be listed on HNX when receiving the issuer's written request using the form stated in the Appendix 03a (if it is the first bidding), or the form stated in the Appendix 03b (if it is an additional bidding), or the form stated in the Appendix 03c (if bonds are issued under another form) and the notice of registration of bonds of the Vietnam Securities Depository.

3. Procedures for listing of government-backed bonds shall comply with regulations in Article 13 of the Circular No. 99/2015/TT-BTC dated June 29, 2015 by Minister of Finance providing guidance on issue of government-backed bonds."

#### **8. Amendments to Clause 2 Article 15:**

"2. Transactions in government bonds in HNX shall be conducted via members; the settlement for such transactions shall be made via the Vietnam Securities Depository and settlement banks.

a) Government bonds shall be sold out only when the seller ensures it has enough government bonds for transferring on the settlement day in conformity with regulations adopted by the Vietnam Securities Depository. Transferred government bonds shall include government bonds available on the seller's depository account at the trading day and those which the seller receives before or on the settlement date for purchase or lending transactions previously conducted by the seller.

Lending of government bonds shall be conducted upon the lending agreement between the parties and via the HNX's trading system or the securities lending system of the Vietnam Securities Depository provided that the following principles must be followed:

- Only trading member who is also a bidder may borrow government bonds for sale in accordance with HNX's regulations;
- Borrowing duration shall not exceed 180 days and the remaining duration of government bonds;
- The loan must be repaid by borrowed government bonds. If the number of borrowed government bonds is not enough for repayment, the loan shall be repaid by comparable convertible government bonds;
- Relevant parties shall themselves carry out an agreement and assume responsibility for agreements on lending volume, borrowed and repaid assets, collateral, lending interest rate and other provisions. Relevant parties must ensure that their agreements shall strictly comply with regulations of laws applied to trading parties.

HNX and the Vietnam Securities Depository shall promulgate specific regulations on lending of government bonds for sale.

b) An investor may conduct two outright transactions at the same time with the one trading partner (sell/buy-backs, hereinafter referred to as repurchase agreement), in which the investor sells government bonds (the first outright transaction) and then buys them back (the second outright transaction) at a predetermined time in future. In such case, the seller of the first outright transaction shall be the buyer of the second outright transaction. And at the same time the price, volume and time of conducting the second transaction is predetermined at the time of entering into the repurchase agreement.

HNX shall promulgate specific regulations on repurchase agreement.

c) Trading orders of members of the Vietnam Securities Depository who are not trading members in government bonds and clients who open depository accounts at depository members shall be placed via securities companies that are normal trading members, and the settlement for their transactions shall be made by members of the Vietnam Securities Depository.”

#### **9. Amendments to Clause 1 Article 24:**

“1. Normal agreement refers to a transaction in which the parties shall themselves carry out an agreement on trading conditions in the form of sending messages on trading system or via other means of communication, and report results to the trading system to confirm the transaction. Trading results must be reported and input into the trading system within the same day after the relevant parties have completed their agreement on trading. Reported contents shall comply with HNX’s regulations, consisting of: time of entering into the transaction, time of signing contract and time of conducting the transaction, and other relevant information.”

#### **10. Amendments to Clause 1 Article 27:**

“1. Normal agreement refers to a transaction in which the parties shall themselves carry out an agreement on trading conditions in the form of sending messages on trading system or via other means of communication, and report results to the trading system to confirm the transaction. Trading results must be reported and input into the trading system within the same day after the relevant parties have completed their agreement on trading. Reported contents shall comply with HNX’s regulations, consisting of: time of entering into the transaction, time of signing contract and time of conducting the transaction, and other relevant information.”

#### **11. Amendments to Article 37:**

“Article 37. Information disclosure by normal trading members.

Normal trading members are obliged to disclose information in conformity with regulations in the Circular No. 155/2015/TT-BTC dated October 06, 2015 by Minister of Finance on guidelines for information disclosure on securities market.”

**12. The Appendix No. 01/TTTP and the Appendix No.02/TTTP enclosed with the Circular No. 234/2012/TT-BTC dated December 28, 2012 by Minister of Finance on management of transactions in government bonds, government-backed bonds and municipal bonds shall be superseded by the Appendix No.01 and the Appendix No.02 enclosed herewith.**

## **Article 2. Implementation**

1. This Circular shall come into force as from September 01, 2017. If the legislative documents referred to in this Circular are amended, supplemented or superseded, the newly-revised ones shall be applied.

2. The State Securities Commission of Vietnam, HNX, Vietnam Securities Depository and entities participating in transactions in government bonds shall implement this Circular.

3. HNX and Vietnam Securities Depository shall assume responsibility to improve information technology infrastructure and systems, and promulgate Statutes to instruct transactions mentioned herein./.

**PP MINISTER  
DEPUTY MINISTER**

**Tran Xuan Ha**