

THE GOVERNMENT

No: 158/2006/ND-CP

SOCIALIST REPUBLIC OF VIET NAM

Independence - Freedom - Happiness

Hanoi, December 28, 2006

DECREE

**DETAILING THE IMPLEMENTATION OF THE COMMERCIAL LAW REGARDING
GOODS PURCHASE AND SALE THROUGH THE GOODS EXCHANGE**

THE GOVERNMENT

*Pursuant to the December 25, 2001 Law on Organization of the Government;
Pursuant to the June 14, 2005 Commercial Law;
At the proposal of the Trade Minister,*

DECREES:

Chapter I

GENERAL PROVISIONS

Article 1.- Governing scope

This Decree details the provisions of the Commercial Law on the establishment of the Goods Exchange and goods purchase and sale through the Goods Exchange.

Article 2.- Subjects of application

This Decree applies to the Goods Exchange and other organizations and individuals involved in the goods purchase and sale through the Goods Exchange.

Article 3.- Interpretation of terms

In this Decree, the terms below are construed as follows:

1. Operation charter of the Goods Exchange (hereinafter referred to as the operation charter for short) means the rules regulating the transactions of the Goods Exchange, its members and other subjects involved in the goods purchase and sale through the Goods Exchange.
2. Dealing means goods purchase and sale through the Goods Exchange by a trading member of the Goods Exchange for itself.
3. Trading order means a written request of a trading member for a goods purchase or sale transaction to be conducted through the Goods Exchange.
4. Entrusted trading order means a written request of a customer for a goods purchase or sale transaction to be conducted by a trading member through the Goods Exchange under a trading entrustment contract.
5. First day of contractual trading means the day specified by the Goods Exchange from which the contractual trading is allowed to be conducted.
6. Last day of contractual trading means the day specified by the Goods Exchange from which the contractual trading is no longer allowed to be conducted.

7. Member status collateral means the depositing by a member of a sum of money or other valuable papers in a frozen account designated by the Goods Exchange to secure the performance of the member obligations.
8. Trading collateral means the depositing by a member of a sum of money in a frozen account designated by the Goods Exchange to secure the execution of a transaction.
9. Membership fee means a sum of money paid by a member to the Goods Exchange according to the operation charter.
10. Trading fee means a sum of money paid by a member to the Goods Exchange for execution of each transaction.
11. Month of contract maturity means the month when a trading contract should be performed.
12. Contract final settlement means the final settlement of all obligations under a contract which the contracting parties ought to perform.
13. Customer means an organization or individual that is not a member of the Goods Exchange and conducts goods purchase and sale through the Goods Exchange by entrusting a trading member of the Goods Exchange.

Article 4.- State management

1. The Government performs the unified management of goods purchase and sale through the Goods Exchange.
2. The Trade Ministry is answerable to the Government for managing goods purchase and sale through the Goods Exchange. The Trade Ministry shall perform the following tasks:
 - a/ Submitting to the Government for promulgation legal documents governing goods purchase and sale through the Goods Exchange;
 - b/ Deciding on the establishment and operation of the Goods Exchange; approving the operation charter of the Goods Exchange as well as amendments and supplements thereto; promulgating the list of goods permitted for trading through the Goods Exchange;
 - c/ Taking necessary management measures in emergency circumstances;
 - d/ Organizing inspection and supervision of activities related to goods purchase and sale through the Goods Exchange;
 - e/ Providing for roadmap and conditions for Vietnamese traders to participate in goods purchase and sale through Goods Exchanges overseas in each period;
 - f/ Performing other state management activities according to its functions, tasks and powers.
3. The State Bank of Vietnam shall guide the regulations on payment in goods purchase and sale through the Goods Exchange; and provide specific conditions for operation of the Payment Center.
4. The Finance Ministry shall guide regulations on taxes, charges and fees for goods purchase and sale through the Goods Exchange; and coordinate with the Trade Ministry in inspecting the financial capability of founding members of the Goods Exchange.
5. The Planning and Investment Ministry shall coordinate with the Trade Ministry in examining the feasibility of the establishment of the Goods Exchange.

6. Ministries, ministerial-level agencies, government-attached agencies and provincial-level People's Committees shall manage goods purchase and sale through the Goods Exchange within their respective functions, tasks and powers.

Article 5.- Goods purchase and sale through Goods Exchanges overseas

1. Vietnamese traders may participate in goods purchase and sale through Goods Exchanges overseas according to the roadmap, conditions and scope specified and announced by the Trade Ministry in each period.

2. When participating in goods purchase and sale through Goods Exchanges overseas, Vietnamese traders shall comply with regulations on export, import, international payment and relevant provisions of Vietnamese law.

Chapter II

THE GOODS EXCHANGE

Article 6.- Legal position of the Goods Exchange

The Goods Exchange is a legal entity established and operating as a limited liability company or a joint-stock company according to the provisions of the Enterprise Law and this Decree.

Article 7.- Competence to license the establishment of the Goods Exchange

The Trade Minister shall decide on granting, re-granting, amending or supplementing the establishment license of the Goods Exchange; and approve the operation charter of the Goods Exchange.

Article 8.- Conditions for establishment of the Goods Exchange

The Goods Exchange is established when the following conditions are satisfied:

1. Its legal capital is one hundred and fifty billion dong or more;
2. Its operation charter is compliant with this Decree;
3. Its director or general director possesses bachelor or higher degree and has worked in the economic-financial domain for at least five years; has full civil act capacity and is not banned from corporate administration according to the provisions of the Enterprise Law;
4. Other conditions specified by the Enterprise Law.

Article 9.- Dossier of application for establishment license of the Goods Exchange

The dossier of application for establishment license of the Goods Exchange comprises:

1. An application for establishment license of the Goods Exchange, made according to a form set by the Trade Ministry;
2. A list of members in case the Goods Exchange operates as a limited liability company and the following enclosed documents:

a/ For individual members: Copies of their identity cards or other lawful personal identification papers;

b/ For institutional members: Copies of their establishment decisions, business registration certificates or other equivalent documents; powers of attorney, identity cards or lawful personal identification papers of their authorized representatives.

3. A list of founding shareholders in case the Goods Exchange operates as a joint-stock company and the following enclosed documents:

a/ For individual shareholders: Copies of their identity cards or other lawful personal identification papers;

b/ For institutional shareholders: Copies of their establishment decisions, business registration certificates or other equivalent documents; powers of attorney, identity cards or lawful personal identification papers of their authorized representatives.

4. The competent agency's written certification of the legal capital;

5. The econo-technical explanation, stating objectives, location, schedule for establishment and operation commencement, and technological solutions to conduct transactions;

6. Draft operation charter of the Goods Exchange;

7. Draft charters of enterprises.

Article 10.- Examination of conditions and dossier and grant of establishment license of the Goods Exchange

1. The Trade Ministry shall examine the conditions and dossier of application for establishment license of the Goods Exchange specified in Articles 8 and 9 of this Decree.

2. Within seven working days after receiving the dossier of application for establishment license of the Goods Exchange, the Trade Ministry shall examine its validity and may request supplementation of the incomplete dossier contents according to Article 9 of this Decree.

3. The Trade Ministry shall complete the examination within forty five days after receiving the valid dossier. This time limit may be prolonged but must not exceed sixty days.

4. Upon the expiration of the time limit specified in Clause 3 of this Article, the Trade Ministry shall decide to grant or refuse to grant the establishment license of the Goods Exchange. In case of refusal to grant the license, the Trade Ministry shall notify it in writing, clearly stating the reason therefor.

Article 11.- Contents of the establishment license of the Goods Exchange

The establishment license of the Goods Exchange serves concurrently as its business registration license and contains the following information:

1. The name and address of the head office of the enterprise, its representative offices and branches and the place where goods purchase and sale transactions are conducted;

2. The full name, permanent residence address, nationality, serial number of identity card, passport or another personal identification number of the representative at law of the Goods Exchange;

3. The full names, permanent residence addresses, nationalities, serial numbers of identity cards, passports or other personal identification numbers of the Goods Exchange's founding members or individual shareholders;

4. The serial numbers of the establishment decisions or the business registration certificates of the owner of the company or the members in case the Goods Exchange operates as a limited liability company;
5. The serial numbers of the establishment decisions or the business registration certificates of the founding institutional shareholders in case the Goods Exchange operates as a joint-stock company;
6. The charter capital in case the Goods Exchange operates as a limited liability company; the number of shares, value of paid-up equity capital and number of shares eligible for sale offer in case the Goods Exchange operates as a joint-stock company;
7. Type of goods to be traded.

Article 12.- Amendments and supplements to the establishment license of the Goods Exchange

1. In case of a change in the contents of the establishment license specified in Article 11 of this Decision, the Goods Exchange shall file to the Trade Ministry a dossier of request for amendment or supplementation of the establishment license.
2. A dossier of request for amendment or supplementation of the establishment license of the Goods Exchange comprises:
 - a/ A written request for amendment or supplementation of the establishment license of the Goods Exchange, made according to a form set by the Trade Ministry;
 - b/ The original establishment license of the Goods Exchange.
3. Within 15 days after receiving the valid dossier specified in Clause 2 of this Article, the Trade Ministry shall decide on amendment or supplementation of the establishment license of the Goods Exchange. In case the amendment or supplementation of the establishment license of the Goods Exchange is rejected, the Trade Ministry shall notify the rejection in writing, clearly stating the reason therefor.

Article 13.- Re-grant of the establishment license of the Goods Exchange

1. If the establishment license of the Goods Exchange is lost, torn or burned or otherwise damaged, the Goods Exchange shall file to the Trade Ministry its dossier of application for re-grant of its establishment license.
2. A dossier of application for re-grant of the establishment license of the Goods Exchange comprises:
 - a/ An application for re-grant of the establishment license of the Goods Exchange, made according to a form set by the Trade Ministry;
 - b/ The original or a copy of the establishment license of the Goods Exchange (if any).
3. Within 10 days after receiving the valid dossier specified in Clause 2 of this Article, the Trade Ministry shall re-grant the establishment license of the Goods Exchange. In case of refusal to re-grant the establishment license of the Goods Exchange, the Trade Ministry shall notify it in writing, clearly stating the reason therefor.

Article 14.- The operation charter of the Goods Exchange

1. The operation charter of the Goods Exchange must have the following principal contents:

- a/ Conditions and procedures for recognizing the member status; rights and obligations of members;
- b/ Cases of termination of the member status and responsibilities thereupon;
- c/ Type of goods for trading; standards and units of measurement of such type of goods;
- d/ Model trading contract and trading order;
- e/ Time limit for contractual trading and trading process;
- f/ Trading limits, collateral and fee;
- g/ Methods and procedures for contract performance;
- h/ Information to be disclosed by the Goods Exchange and operation reports and financial statements of the members;
- i/ Risk management measures;
- j/ Settlement of disputes;
- k/ Amendment or supplementation of the operation charter;
- l/ Other relevant contents.

2. The operation charter of the Goods Exchange must not contravene the provisions of this Decree and current provisions of law.

Article 15.- Powers of the Goods Exchange

1. To select goods on the list of goods specified in Article 32 of this Decree and organize the trading of that goods through the Goods Exchange.
2. To organize, administer and manage goods purchase and sale through the Goods Exchange.
3. To accept or revoke the member status according to the provisions of the operation charter of the Goods Exchange.
4. To request trading members to pay member status collaterals and trading collaterals according to the operation charter of the Goods Exchange.
5. To collect membership fee, trading fee, information supply service charge and other service charges according to the provisions of the operation charter of the Goods Exchange and provisions of law.
6. To promulgate regulations on listing, information disclosure and goods purchase and sale at the Goods Exchange.
7. To inspect and supervise trading and information disclosure activities of members.
8. To request members to take risk management measures specified in the operation charter of the Goods Exchange.
9. To designate another trading member to perform a contract being currently held by a trading member whose member status has been terminated according to the provisions of Article 24 of this Decree.

10. To act, when requested, as a conciliator upon the appearance of disputes related to goods purchase and sale through the Goods Exchange.

11. To exercise other rights provided for in this Decree, its operation charter and law.

Article 16.- Responsibilities of the Goods Exchange

1. To organize goods purchase and sale in strict compliance with the provisions of this Decree and its operation charter.

2. To organize goods purchase and sale transactions through the Goods Exchange in a fair, orderly and efficient manner.

3. To announce its operation charter and establishment license which have already been approved, granted, amended or supplemented by the Trade Minister; to announce the list of and information on its members; to disclose information on transactions and trading orders for goods purchase and sale through the Goods Exchange and other information according to its operation charter.

4. To report periodically or extraordinarily at the request of the Trade Ministry on information related to goods purchase and sale through the Goods Exchange and the list of members at the time of reporting.

5. To supply information on and coordinate with competent agencies in inspecting, preventing and combating law-breaking acts related to goods purchase and sale through the Goods Exchange.

6. To observe the statistical, accounting and audit regimes provided for by law.

7. To bear the final responsibility for all activities of goods purchase and sale through the Goods Exchange.

8. To set up a system for internal control, risk management and monitoring and prevention of internal conflicts of interest.

9. To pay compensations for damage caused by the Goods Exchange to its members, except for damage caused by force majeure circumstances as prescribed by law.

10. To perform other obligations specified in this Decree, the Enterprise Law, the operation charter of the Goods Exchange and relevant provisions of law.

Chapter III

MEMBERS OF THE GOODS EXCHANGE

Article 17.- Members of the Goods Exchange

1. Members of the Goods Exchange include:

a/ Brokers (hereinafter referred to as brokerage members);

b/ Traders (hereinafter referred to as trading members).

2. Only trading members of the Goods Exchange are allowed to conduct activities of goods purchase and sale through the Goods Exchange.

3. Only brokerage members are allowed to conduct activities of brokering goods purchase and sale through the Goods Exchange.

Article 18.- Acceptance of Goods Exchange member status

1. Traders wishing to become members of the Goods Exchange may request the Goods Exchange to accept their member status.
2. Based on the conditions specified in Articles 19 and 20 of this Decree and the provisions of its operation charter, the Goods Exchange shall consider the acceptance of the member status for traders.
3. In case of refusal to accept the member status, the Goods Exchange shall reply traders in writing, clearly stating reasons for the refusal.
4. If the Goods Exchange accepts the member status of traders that fail to satisfy the conditions specified in Article 19 or Article 21 of this Decree, the Trade Ministry may terminate the member status of those traders. The Goods Exchange shall bear responsibility for the consequences of that termination.

Article 19.- Brokerage members

A brokerage member must fully satisfy the following conditions:

1. Being an enterprise established under the Enterprise Law.
2. Having legal capital of five billions Vietnam dong or more.
3. Its director or general director possesses the university degree (bachelor or higher degree), has full civil act capacity and is not banned from corporate administration according to the provisions of the Enterprise Law.
4. Other conditions specified in the operation charter of the Goods Exchange.

Article 20.- Rights and obligations of brokerage members

Rights and obligations of brokerage members shall comply with the Commercial Law and the operation charter of the Goods Exchange.

Article 21.- Trading members

A trading member must fully satisfy the following conditions:

1. Being an enterprise established under the Enterprise Law.
2. Having legal capital of seventy five billions Vietnam dong or more.
3. Its director or general director possesses the university degree (bachelor or higher degree), has full civil act capacity and is not banned from corporate administration according to the provisions of the Enterprise Law.
4. Other conditions specified in the operation charter of the Goods Exchange.

Article 22.- Rights of trading members

1. To conduct dealing activities or be entrusted to conduct goods purchase and sale for their customers through the Goods Exchange.
2. To request their customers to pay collateral to secure the performance of transactions in case they are entrusted to conduct goods purchase and sale for their customers through the Goods Exchange.

3. Other rights provided for in this Decree and the operation charter of the Goods Exchange.

Article 23.- Obligations of trading members

1. To strictly and fully perform the obligations arising from transactions through the Goods Exchange.
2. To pay member status collateral and trading collateral before conducting transactions through the Goods Exchange.
3. To pay the membership fee, trading fee and other fees specified in the operation charter of the Goods Exchange.
4. To set up a system for internal control, risk management and monitoring and prevention of internal and transaction conflicts of interest.
5. In case of undertaking entrustment, to sign written entrustment contracts with their customers and be allowed to conduct transactions for their customers only when receiving entrusted trading orders from customers.
6. To supply adequate, truthful and prompt information to their customers.
7. To keep all documents and accounts specifically and accurately reflecting transactions for their customers and for themselves.
8. To execute their customers' entrusted trading orders before their own ones.
9. To conduct honest and fair transactions in their customers' interest.
10. To separately account activities of goods purchase and sale through the Goods Exchange for each customer and for itself.
11. To abide by the Goods Exchange's designation according to the provisions of Clause 2, Article 25 of this Decree.
12. Other obligations specified in this Decree and the operation charter of the Goods Exchange.

Article 24.- Termination of the member status

The member status of a trader is terminated in the following cases:

1. It no longer satisfies the conditions for being a member.
2. It dissolves, goes bankrupt or terminates its operation according to the provisions of law.
3. It proposes at its own will the termination of its member status and gets approval of the Goods Exchange according to the operation charter of the Goods Exchange.
4. It commits a violation constituting a condition for termination of its member status as specified in the operation charter of the Goods Exchange or the provisions of law.

Article 25.- Performance of obligations upon member status termination

1. When its member status is terminated, a trader shall notify its customers of the reason(s) for the termination of its member status and the performance of contractual obligations as entrusted by its customers.
2. In case of termination of member status of a member according to this Decree, the Goods Exchange may request that member to authorize another member to perform the contractual

obligations. If the terminated member fails to make authorization, the Goods Exchange may designate another member to do so.

3. The trader with its member status terminated is obliged to transfer necessary information on customers to the authorized or designated member.

4. After the authorization or designation of a member to perform the contractual obligations according to the provisions of Clause 2 of this Article is made, the collateral paid by customers for the trader with its member status terminated must be converted into collateral of customers for the authorized or designated trading member.

5. The trader with its member status terminated shall pay charge for the performance of contractual obligations to the trader authorized by itself or designated by the Goods Exchange according to the provisions of the operation charter of the Goods Exchange.

6. Upon the termination of its member status, the trader shall perform obligations arising towards its customers and other subjects related to its trading activities at the Goods Exchange. If damage is caused to customers, it shall pay compensations therefor according to law.

Chapter IV

THE PAYMENT CENTER AND THE GOODS FORWARDING CENTER

Article 26.- The Payment Center

1. The Center for payment for goods purchase and sale through the Goods Exchange (hereinafter referred to as the Payment Center for short) means an organization functioning to provide payment services for goods purchase and sale through the Goods Exchange.

2. The Goods Exchange may establish its attached payment center or authorize a credit institution to function as a payment center.

3. The Payment Center shall operate independently from members of the Goods Exchange.

4. The State Bank shall specify the conditions for establishment and operation of the Payment Center.

Article 27.- Rights of the Payment Center

1. To request parties involved in the goods purchase and sale through the Goods Exchange to perform the payment security obligations.

2. To collect the payment service charge.

3. If a member is insolvent to pay at the request of the Payment Center for performing the obligations related to goods purchase and sale through the Goods Exchange, the Payment Center may retain all collateral amounts and documents on delivery and receipt of goods and other assets, regardless of whether those assets are owned by that member or its customers.

4. Other rights provided for by law on payment service provision and this Decree.

Article 28.- Obligations of the Payment Center

1. To keep collaterals of members and documents related to transactions.

2. To ensure accurate payment for transactions.

3. To notify accurately and promptly information on accounts of members.

4. To perform obligations related to information confidentiality.
5. Other obligations specified by law on payment service provision and this Decree.

Article 29.- The Goods Forwarding Center

1. The Goods Forwarding Center is an organization functioning to store, preserve and forward goods for purchase and sale through the Goods Exchange.
2. The Goods Exchange may establish its attached goods forwarding center or authorize another organization to function as a goods forwarding center.

Article 30.- Rights of the Goods Forwarding Center

1. To refuse to receive goods not up to the requirements of the Goods Exchange.
2. To refuse to receive or deliver goods without sufficient valid documents.
3. To collect goods storage and preservation charges specified by the Goods Exchange.
4. Other rights provided by the Goods Exchange and this Decree.

Article 31.- Obligations of the Goods Forwarding Center

1. Not to receive goods not up to the requirements of the Goods Exchange.
2. To preserve goods to ensure their standards, quality and quantity for a duration requested by the Goods Exchange.
3. To deliver goods under delivery orders of the Goods Exchange when receiving sufficient valid documents.
4. To report the goods storage, preservation and forwarding according to regulations of the Goods Exchange.
5. Other obligations specified by the Goods Exchange and this Decree.

Chapter V

GOODS PURCHASE AND SALE THROUGH THE GOODS EXCHANGE

Article 32.- Goods permitted for purchase and sale through the Goods Exchange

1. The Trade Minister shall announce a detailed list of goods permitted for purchase and sale through the Goods Exchange in each period.
2. The Goods Exchange may only organize the purchase and sale of goods on the list promulgated by the Trade Minister mentioned in Clause 1 of this Article.
3. Quality, units of measurement and other standards of goods shall be announced by the Goods Exchange in compliance with current law on standards and measurement.

Article 33.- Trading time

1. The Goods Exchange shall announce specific trading time, including trading day, trading session, time of matching trading orders and opening and closing hours of the trading day.
2. The Goods Exchange may change temporarily the trading time in the following circumstances:
 - a/ The trading system is out of order, making it impossible to normally execute trading orders;

b/ The trading order transfer systems of more than half of members are out of order;

c/ Force majeure circumstances specified by law.

3. Upon occurrence of the circumstances specified in Clause 2 of this Article, the Goods Exchange shall temporarily cease trading until those circumstances are redressed. If a circumstance cannot be redressed within a trading session, that trading session is considered closed at the preceding order matching.

4. The Goods Exchange shall promptly announce circumstances specified in Clauses 2 and 3 of this Article.

Article 34.- Trading limits

1. The total trading limit for a type of goods of all contracts within the trading time limit in a year must not exceed 50% of the total volume of such goods made in Vietnam in the preceding year.

2. The trading limit of a member must not exceed 10% of the total trading limit specified in Clause 1 of this Article.

3. The Goods Exchange may set specific trading limits compliant with the provisions of Clauses 1 and 2 of this Article.

4. In case of necessity to assure economic security and market stability, the Trade Minister may change the total trading limit applicable to each type of goods.

Article 35.- Trading orders

1. Trading members request transactions through the Goods Exchange with trading order.

2. Contents of trading orders for each kind of transaction and each type of goods are specified by the Goods Exchange.

3. Members may modify or cancel their trading orders if the orders are not yet matched and in other circumstances specified in the operation charter of the Goods Exchange.

Article 36.- Trading mode

The Goods Exchange organizes trading by mode of centralized matching of buying orders and selling orders on the following quoting principles:

1. The executed price conducive to the largest trading volume is chosen;

2. When there are many prices satisfying the condition specified in Clause 1 of this Article, the price equal or closest to the executed price of the latest order matching is chosen;

3. When there are still many prices satisfying the condition specified in Clause 2 of this Article, the highest one is chosen.

Article 37.- Principle for matching trading orders

The principle for matching orders requires:

1. Buying orders with higher prices are executed first;

2. Selling orders with lower prices are executed first;

3. When orders of the same type have the same price, the trading orders earlier entering the trading system are executed first.

Article 38.- Disclosure of trading information by the Goods Exchange

The Goods Exchange shall disclose the following information:

1. Trading quotations on total volume of goods traded each day, including opening, closing, the highest and lowest prices and prices matched for each type of goods traded through the Goods Exchange.

2. Trading results by mode of order matching and order matching contents, including types of goods and volumes of goods for which selling orders match buying orders and other contents specified in the operation charter.

3. Other information specified in the operation charter of the Goods Exchange.

Article 39.- Trading collateral

1. The Goods Exchange specifies the initial collateral level for placement of trading orders, which, however, must not be lower than 5% of the value of each trading order.

2. When placing trading orders through the Goods Exchange, trading members shall ensure that the balance of their accounts opened at the Payment Center satisfies the conditions on the trading collateral level for order placement.

3. Within a time limit specified in the operation charter of the Goods Exchange, trading members shall add collateral amounts upon any price fluctuation. If collateral amounts are not added in time, the Goods Exchange may finally settle contracts with those trading members.

4. If the account balance exceeds the required collateral amount, trading members may withhold the excess.

Article 40.- Contractual trading time limit

1. The time limit for contractual trading through the Goods Exchange is counted from the first trading session of the first day of contractual trading to the last trading session of the last day of contractual trading.

2. Upon expiration of the contractual trading time limit, the contract holding parties are obliged to perform the contract.

Article 41.- Mode of contract performance

1. Term-contract trading parties may choose to perform their contract by either of two following modes:

a/ Clearing payment through the Payment Center at the last session of the last day of contractual trading;

b/ Delivery and receipt of goods through the Goods Forwarding Center.

2. Contractual trading parties may choose to perform their contract by either of two following modes:

a/ Exercise of the right to option by the modes specified in Clause 1 of this Article;

b/ Non-exercise of the right to option.

3. Before the last day of contractual trading, the Goods Exchange shall, as required by its operation charter, request trading members to choose to perform contracts by the modes specified in Clauses 1 and 2 of this Article.

4. Trading members shall, as required by the operation charters of the Goods Exchange, notify in writing the Goods Exchange of their option to perform contracts by mode of goods forwarding.

5. If choosing to perform a contract by mode of goods forwarding, within a time limit specified by the Goods Exchange, a trading member is obliged:

a/ To remit money into its account if it is the purchaser;

b/ To deliver goods to the Goods Forwarding Center if it is the seller.

Article 42.- Clearing payment

1. The Payment Center shall notify trading members of account balance of members entitled to clearing payment on a day at closed trading price of that trading day.

2. The clearing of transactions must be made in compatibility with goods volumes and money amounts written in transaction documents.

Article 43.- Goods delivery and receipt

The delivery and receipt of goods of each contract must be effected on goods forwarding days of the month following the month of contract maturity as announced by the Goods Exchange.

Article 44.- Goods assessment

1. The Goods Exchange designates assessing organizations to assess goods purchased and sold through the Goods Exchange.

2. Trading members may select specific assessing organizations among those designated by the Goods Exchange to assess goods.

Chapter VI

ENTRUSTED GOODS PURCHASE AND SALE THROUGH THE GOODS EXCHANGE

Article 45.- Entrusted goods purchase and sale through the Goods Exchange

1. Organizations and individuals other than trading members of the Goods Exchange may entrust trading members to conduct goods purchase and sale through the Goods Exchange.

2. The entrusted goods purchase and sale through the Goods Exchange must be conducted on the basis of written trading entrustment contracts.

3. Entrusted trading orders are executed for each specific trading on the basis of a trading entrustment contract. Entrusted trading orders may be made in writing or in other archivable forms as agreed upon by the parties.

4. Trading members may only conduct transactions for their customers after receiving entrusted trading orders.

5. On the basis of written requests of customers for adjustment or cancellation of entrusted trading orders, trading members shall adjust or cancel the corresponding trading orders for those customers if such orders are not matched.

6. Trading members shall archive trading entrustment contracts, entrusted trading orders and customers' requests for adjustment or cancellation of entrusted trading orders.

Article 46.- Contents of trading entrustment contracts

1. Contents of a trading entrustment contract is agreed upon by contracting parties.

2. An entrusted trading order consists of the following principal contents:

a/ Type of transaction;

b/ Goods for trading;

c/ Trading volume;

d/ Price;

e/ Trading contract.

3. Trading members may add other contents, depending on particular characteristics of each type of transaction, type of goods to be traded and the Goods Exchange's regulations on contents of trading orders.

Article 47.- Methods of securing transaction execution

1. Trading members of the Goods Exchange shall request their customers to pay collaterals to secure the execution of transactions entrusted by customers to them through the Goods Exchange.

2. Collateral forms include initial collateral, additional collateral and other collateral forms as agreed upon by trading members and their customers.

3. Collateral level is specifically determined according to agreement between parties but must not be lower than 5% of the value of the entrusted trading order. That collateral level must be maintained in the form of additional collateral upon each trading day to ensure the collateral level agreed upon by the parties.

4. Within a time limit specified in the trading entrustment contract, a trading member may finally settle contracts of its customer in case that customer fails to add collateral amount as specified in Clause 3 of this Article.

5. If the collateral level exceeds the necessary level specified in Clause 3 of this Article, the customer may withhold the excess.

Article 48.- Notification of execution of transactions

1. Right after executing transactions for their customers, trading members shall notify in writing those customers of results of order placement through the Goods Exchange.

2. In case of order matching, trading members shall notify their customers of the following information:

a/ Trading form;

b/ Goods for trading;

c/ Time and date of transaction execution;

d/ Number of sale or purchase contracts;

e/ Trading price;

f/ Total value of executed transactions;

g/ Trading charge;

h/ Other contents as agreed upon between them and their customers.

3. If trading orders cannot be executed, trading members shall promptly notify their customers of the failure, clearly justifying the reasons therefor.

4. After receiving notices on execution of transactions according to Clauses 1, 2 and 3 of this Article, if detecting that those notices are incorrect or inappropriate, customers may lodge with trading members written complaints about the notified contents.

5. In case of contract performance by the mode of goods delivery and receipt, trading members shall notify their customers of the contents specified in Clause 2 of this Article and the following contents:

a/ The name of the goods warehouse;

b/ The name of the goods seller or purchaser;

c/ The certification number of the warehouse;

d/ Other contents as agreed upon by the parties.

Article 49.- Notification of accounts of customers

1. Trading members shall regularly notify in writing their customers of the status of their accounts and request the latter to certify that account status.

2. If the collateral amounts exceed the necessary level agreed upon by the parties, trading members shall promptly notify their customers of the excess and refund that collateral excess at the request of the customers.

3. If the collateral amounts do not reach the necessary level agreed upon by the parties, trading members shall promptly notify their customers of the deficit and request the latter to pay additional collateral amounts to ensure necessary collateral level.

4. When disagreeing with information on account status notified by trading members, customers shall promptly complain with trading members and those trading members shall reply in writing the customers.

Chapter VII

HANDLING OF VIOLATIONS, SETTLEMENT OF COMPLAINTS, DENUNCIATIONS AND DISPUTES

Article 50.- Settlement of disputes

Disputes related to goods purchase and sale through the Goods Exchange shall be settled according to the provisions of the Commercial Law and relevant laws on settlement of commercial disputes.

Article 51.- Settlement of complaints and denunciations

Complaints and denunciations related to goods purchase and sale through the Goods Exchange shall be settled according to the current provisions of law on settlement of complaints and denunciations.

Article 52.- Law-breaking acts in goods purchase and sale through the Goods Exchange

1. The Goods Exchange, its members and concerned organizations and individuals involved in goods purchase and sale through the Goods Exchange that commit the following acts of violation shall, depending on the nature and severity of their violations, be administratively sanctioned according to the provisions of law on handling of administrative violations:

- a/ Taking the prohibited acts specified in Articles 70 and 71 of the Commercial Law;
- b/ Failing to fulfill obligations related to state management or failing to satisfy requests of competent state management agencies defined in the Commercial Law and this Decree;
- c/ Violating other provisions of this Decree and relevant laws.

2. If traders commit acts of violation causing damage to material interests of concerned organizations and individuals, they shall pay compensations therefor according to the provisions of law.

Article 53.- Competence and procedures for handling of administrative violations

Competence and procedures for handling of acts of administrative violation specified in Article 52 of this Decree shall comply with the provisions of law on handling of administrative violations.

Chapter VIII

IMPLEMENTATION PROVISIONS

Article 54.- Effect

This Decree takes effect 15 days after its publication in "CONG BAO."

Article 55.- Organization of implementation

1. The Trade Minister, other ministers and heads of concerned ministerial-level agencies shall, within the ambit of their respective functions, tasks and powers, guide the implementation of this Decree.
2. Ministers, heads of ministerial-level agencies, heads of government-attached agencies and presidents of provincial/municipal People's Committees shall implement this Decree.