

**PRIME MINISTER**

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No. 20/2017/QĐ-TTg

**THE SOCIALIST REPUBLIC OF VIETNAM**

**Independence - Freedom - Happiness**

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*Hanoi, June 12, 2017*

## **DECISION**

**ON MICROFINANCE PROGRAMS AND PROJECTS OF POLITICAL INSTITUTIONS,  
SOCIO-POLITICAL ORGANIZATIONS AND NON-GOVERNMENTAL ORGANIZATIONS**

*Pursuant to the Civil Code dated November 24, 2015;*

*Pursuant to the Law on Government Organization dated June 19, 2015;*

*Pursuant to the Law on State Budget dated June 25, 2015;*

*Pursuant to the Law on the State bank of Vietnam dated June 16, 2010;*

*Pursuant to the Law on Credit Institutions dated June 16, 2010;*

*At the request of the Governor of the State bank of Vietnam;*

*The Prime Minister hereby promulgates a Decision on microfinance programs and projects of political institutions, socio-political organizations and non-governmental organizations.*

### **Chapter I**

#### **GENERAL PROVISIONS**

##### **Article 1. Scope**

This Decision provides for microfinance programs and projects (hereinafter referred to as “microfinance programs”) of political institutions, socio-political organizations and non-governmental organizations.

##### **Article 2. Regulated entities**

1. Political institutions, socio-political organizations and non-governmental organizations.
2. Ministries, ministerial agencies, Governmental agencies, People’s Committees of provinces, organizations and individuals related to microfinance programs of political institutions, socio-political organizations and non-governmental organizations.

##### **Article 3. Definitions**

For the purposes of this Decision, the terms below shall be construed as follows:

1. "microfinance activities" include grant of loans in Vietnam dong for microfinance clients, receipt of compulsory and voluntary saving deposits from microfinance clients.
2. "microfinance client" means an individual who is a member of a poor household, near poverty household, household just escaping from the poverty line or middle-income household; low-income individual or a micro-enterprise.
3. "microfinance programs" mean the programs related to microfinance activities and one or some other activities prescribed in Clause 3, Article 13 of this Decision aiming to meet the demand of microfinance clients without profitable aims, create more jobs, eradicate hunger and reduce poverty.
4. "non-governmental organizations" include domestic non-governmental organizations and foreign non-governmental organizations.
5. "domestic non-governmental organizations" include associations, social funds, charity funds and other types of social organizations established by an individual or organization to provide non-profit assistance in the development in accordance with the charter and regulations of Vietnam's law.
6. "foreign non-governmental organizations" include non-governmental organizations, social funds, private funds and other type of social organizations and nonprofit organizations established according to the foreign law that may operate according to Vietnam's law.
7. "compulsory saving deposits" means an amount that has to be deposited according to regulations of a microfinance program by a microfinance client.
8. "voluntary saving deposits" means an amount that is deposited to a microfinance program by a microfinance client on a voluntary basis.
9. "capital for microfinance" means the funding that is provided to prepare for and execute a microfinance program.
10. "manager of a microfinance program" means a person holding the position of the head of management Board or Director or an equivalent position and takes responsibility for the operation of a microfinance program in accordance with regulations of this Decision.

## **Chapter II**

### **APPLICATIONS FOR AND REVOCATION OF CERTIFICATE OF REGISTRATION OF MICROFINANCE PROGRAMS AND EXECUTION THEREOF**

#### **Article 4. Conditions for registration of a microfinance program**

1. Political organizations, socio-political organizations and non-governmental organizations shall apply for registration in accordance with regulations of this Decision upon execution of microfinance programs.

2. A political institution, socio-political organization and non-governmental organization shall be issued with the Certificate of registration of the microfinance program (hereinafter referred to as “registration certificate”) if the following conditions are met:

a) it owns legal capital for microfinance activities in accordance with regulations of law;

b) it has the organizational structure of the microfinance program prescribed in Article 10 of this Decision;

c) the manager of the microfinance program holds a bachelor degree in economics, banking, finance, accounting or business administration or higher decree or has at least 01 year experience in banking operations or microfinance operations;

d) it has internal regulations on the execution of the microfinance program;

dd) the non-governmental organization that is licensed by the Ministry of Foreign Affairs or the Ministry of Home Affairs is allowed to execute the microfinance program by the Ministry of Foreign Affairs or the Ministry of Home Affairs;

e) the execution of the microfinance program is approved by the People’s Committee of the province or People’s Committee of the district and People’s Committee of the commune that are authorized by the People’s Committee of the province (hereinafter referred to as “the competent People’s Committee”).

### **Article 5. Applications for registration of a microfinance program**

An application for registration of a microfinance program consists of:

1. An application form for registration of the microfinance program made using the Form 01 enclosed herewith

2. Documents concerning the establishment and operation of the applicant.

3. A written representation of the origin of capital for the microfinance program.

4. The expected organizational structure, administration and control of the microfinance program.

5. The expected manager’s resume and documentary evidences for his/her fulfillment of the criteria set forth in Point c, Clause 2, Article 4 of this Decision.

6. Draft internal regulations prescribed in Article 11 of this Decision.

## **Article 6. Authorities that have the power to issue and revoke the registration certificate**

1. The Central Banking Inspection and Supervision Authority affiliated to the State Bank of Vietnam (hereinafter referred to as “the Central Banking Inspection and Supervision Authority”) shall issue and revoke registration certificates of the microfinance programs executed within 02 provinces or more or executed by foreign non-governmental organizations.
2. The branch of the State Bank shall issue and revoke registration certificates of the microfinance programs within 01 province.

## **Article 7. Procedures for issuance and revocation of the registration certificate**

1. The political institution, socio-political organization and non-governmental organization shall submit the application specified in Article 5 of this Decision, directly or by post, to:
  - a) the Central Banking Inspection and Supervision Authority if the microfinance program is the one mentioned in Clause 1, Article 6 of this Decision;
  - b) the branch of the State Bank if the microfinance program is the one mentioned in Clause 2, Article 6 of this Decision.
2. Within 5 working days from the day on which the application is received, the State Bank of Vietnam or the branch of State Bank of Vietnam shall provide written confirmation of receipt of the valid application. If the application is invalid, the State Bank of Vietnam or the branch of the State Bank shall send the applicant a written request for completion of the application.
3. Within 5 working days from the day on which the valid application is received, the branch of the State Bank shall request the State Bank of Vietnam to seek opinions of the Ministry of Foreign Affairs, the Ministry of Home Affairs and the competent People’s Committee about the execution of the microfinance program.

Within 5 working days from the day on which the written request of the branch of State Bank of Vietnam is received or from the day on which the documents about the microfinance program of the non-governmental organization prescribed in Clause 1, Article 6 of this Decision are received, the State Bank of Vietnam shall:

- a) seek opinions of Ministry of Foreign Affairs and Ministry of Home Affairs about the execution of the microfinance program and coverage of the program of the nongovernmental organization licensed by Ministry of Foreign Affairs or Ministry of Home Affairs.
- b) seek opinions of the competent People’s Committee about the execution of the microfinance program within its area.

Within 10 working days from the day on which the written opinion sent by the State Bank of Vietnam is received, the Ministry of Foreign Affairs, the Ministry of Home Affairs and the competent People’s Committee shall make a written reply showing their assenting or dissenting

opinions about the execution of the microfinance program. In case of disagreement, the Ministry of Foreign Affairs, the Ministry of Home Affairs and the competent People's Committee shall provide explanation. It will be considered that the Ministry of Home Affairs and the competent People's Committee assent to the program if no responses are given by the aforementioned deadline.

4. If the application for issuance of the registration certificate includes a written permission of the Ministry of Foreign Affairs, the Ministry of Home Affairs and the competent People's Committee, the State Bank of Vietnam shall not seek opinions as prescribed in Clause 3 of this Article.

5. Within 20 working days (or 10 working days in respect of the cases prescribed in Clause 4 of this Article) from the day on which the valid application submitted by the political institution, socio-political organization and non-governmental organization is received:

a) The State Bank of Vietnam shall assess and issue the registration certificate to the microfinance program prescribed in Clause 1, Article 6 of this Decision using the Form No. 02 enclosed herewith;

b) The branch of the State Bank shall assess and issue the registration certificate to the microfinance program prescribed in Clause 2, Article 6 of this Decision using the Form No. 02 enclosed herewith;

In case of rejection, the State Bank of Vietnam or the branch of the State Bank shall provide explanation in writing.

6. Within 180 days from the day on which the registration certificate is received, the applicant shall execute the microfinance program. Upon expiry of the above-mentioned time limit, if the applicant fails to execute the microfinance program, the registration certificate will expire.

7. The State Bank of Vietnam and the branch of the State Bank shall send issue a written decision on revocation of the issued registration certificate in the following cases:

a) The application for the microfinance program contains fraudulent information;

b) The time limit for execution of the microfinance program specified in the registration certificate expires.

c) The microfinance program commits serious violations of regulations of this Decision and relevant regulations of law;

d) The applicant voluntarily terminates the microfinance program;

dd) The applicant voluntarily ceases its operation.

8. The political institution, socio-political organization or non-governmental organization shall terminate the microfinance program from the day on which the written decision on revocation of the registration certificate comes into force.

### **Article 8. Execution of a microfinance program**

1. Within 30 days before a microfinance program is executed, the political institution, socio-political organization or non-governmental organization shall:

- a) establish an organizational structure as prescribed in Article 10 of this Decision;
- b) have a written assignment of capital for microfinance; appoint the manager of the program and issue internal regulations on the microfinance program;
- c) have an office building, necessary equipment and vehicles to facilitate and ensure safety of the microfinance program

2. Contents, scope, coverage and microfinance clients of the microfinance program shall be published at the office building of the program and on media or radio of the area where the microfinance program is executed within 03 working days before the date of execution.

### **Article 9. Adjustments to the information specified in the registration certificate**

1. If the coverage of the program is expanded beyond the registered province or city, the political institution, socio-political organization or non-governmental organization shall return the registration certificate to the State Bank of Vietnam or the branch of the State Bank and apply for registration of the microfinance program as prescribed in Clause 2, Article 4, Article 5, Article 6 and Clause 1, Article 7 of this Decision.

2. If there is any change in the capital, the building office, the manager, the coverage, microfinance clients or the content of the microfinance program, within 15 working days from the date of change, the applicant shall submit a report on such change to Central Banking Inspection and Supervision Authority if the program is the one mentioned in Clause 1, Article 6 of this Decision or the branch of the State Bank if the program is the one mentioned in Clause 2, Article 6 of this Decision.

### **Article 10. Organizational structure of a microfinance program**

1. A microfinance program that is executed within a province shall have the following organizational structure:

a) The organizational structure of a microfinance program having its capital of 3 billion dong or more consists of:

(i) A management board that is responsible for managing and operating of the microfinance program. The head of management board or the person holding an equivalent position shall be

responsible for the microfinance program executed within his/her area and assigning members of the management board to manage and operate the microfinance program;

(ii) A risk management department that manages risks of microfinance activities and consists of a head of department or a person holding an equivalent position and at least 01 employee. The number of employees depends on the number of microfinance clients and scope of the microfinance program;

(iii) A lending department that is responsible for grant of loans and consists of the head of department or the person holding an equivalent position and at least 01 employee. The number of employees depends on the number of microfinance clients and scope of the microfinance program;

(iv) A finance and accounting department that shall include a treasurer and be equipped with cabinets, safes or equipment used for safe management of cash, documents and invoices;

(v) A controlling department that inspects and controls the microfinance program and consists of a head of department or a person holding an equivalent position and at least 01 full-time employee. The number of employees depends on the number of microfinance clients and scope of the microfinance program. The head of the controlling department shall work full-time and not hold any other position. The full-time controller shall not hold any other position.

b) The organizational structure of a microfinance program having its capital of under 3 billion dong consists of:

(i) A head of management board or a person holding an equivalent position shall be responsible for the microfinance program executed within his/her area;

(ii) A management department that includes at least 01 employee who is in charge of risk management, 01 employee who is in charge of lending, 01 employee who is in charge of finance and accounting and 01 full-time controller. The full-time controller shall not hold any other position.

2. A microfinance program that is executed within 02 provinces or more shall have the following organizational structure:

a) The organizational structure of a microfinance program having its capital of 3 billion dong or more consists of:

(i) A management board prescribed in Point a (i), Clause 1 of this Article, a risk management department prescribed in Point a (ii), Clause 1 of this Clause and a controlling department prescribed in Point a (v), Clause 1 of this Article for all areas where the microfinance program is executed;

(ii) A lending department prescribed in Point (iii) Clause 1 of this Article and a finance and accounting department prescribed in Point (iv) Clause 1 of this Article for each province.

b) The organizational structure of a microfinance program having its capital of under 3 billion dong consists of:

(i) A director or a person holding an equivalent position prescribed in Point b (i) Clause 1 of this Article, at least 01 employee who is in charge of risk management and at least 01 full-time controller for all areas where the microfinance program is executed. The full-time controller shall not hold any other position;

(ii) At least 01 employee who is in charge of lending, 01 employee who is in charge of finance and accounting for each province.

3. The organizational structure, functions and tasks of the management board, the director, departments and employees prescribed in Clauses 1 and 2 of this Article shall be defined in writing by the political institution, socio-political organization or non-governmental organization.

4. The Director, the head of the management board or the person holding an equivalent position, the heads of departments and the employee who is in charge of risk management, lending or finance and accounting or full-time controller prescribed in Clauses 1 and 2 of this Article shall hold a bachelor degree in economics, banking, finance, accounting or business administration or have at least 01 year experience in banking or microfinance activities.

#### **Article 11. Internal regulations**

1. Domestic political institutions, socio-political organizations and non-governmental organizations; the Directors, the heads of the management boards of programs executed by foreign non-governmental organizations shall issue internal regulations as prescribed in Clause 2 of this Article.

Annually, the internal regulations shall be reviewed and amended to ensure the effectiveness of the microfinance program.

2. Internal regulations of a microfinance program include:

a) Internal regulations on the organizational structure and operation of the management board that specify functions, tasks and powers of the head of the management board or the person holding an equivalent position and each member of the management board; tasks and powers of the Director, the assignment and authorization related to management and operation of the microfinance program;

b) Internal regulations on the organizational structure and operation of the the risk management department that specify tasks and powers of the head or the person holding an equivalent position and members of this department, the assignment and authorization related to the management of risks of microfinance activities.

If such a risk management department is not available, the tasks and powers of the employees responsible for risk management of the microfinance program shall be specified.

c) Internal regulations on organizational structure and operation of the lending department that specify tasks and powers of the head or the person holding an equivalent position and members of the department, the assignment and authorization related to the assessment and approval for lending, loan guarantee, inspection of loan use, debt classification and debt collection, storage of documents and invoices related to lending and debt collection.

If such a lending department is not available, the tasks and powers of the employees responsible for grant of loans shall be specified.

d) Internal regulations on organizational structure and operation of the finance and accounting department that specify tasks and powers of the head or the person holding an equivalent position and members of the department, the assignment and authorization related to financial accounting, storage of documents and invoices related to finance and accounting.

If such a finance and accounting department is not available, the tasks and powers of the employees responsible for finance and accounting shall be specified;

dd) Internal regulations on organizational structure and operation of the controlling department that specify tasks and powers of the head or the person holding an equivalent position and members of this department, the assignment and authorization related to control of the microfinance program.

If such a controlling department is not available, the tasks and powers of the full-time controllers responsible for the control of the microfinance program shall be specified;

e) Internal regulations on lending and loan management, compulsory saving deposits, microfinance clients and other internal regulations on professional operation, inspection, supervision, assignment and authorization related to the operation of the microfinance program.

3. Within 60 days from the day on which the internal regulations are signed or amended, the political institution, socio-political organization or non-governmental organization shall send those to the Central Banking Inspection and Supervision Authority if the microfinance program is the one mentioned in Clause 1, Article 6 of this Decision or the branch of the State Bank if the microfinance program is the one mentioned in Clause 2, Article 6 of this Decision.

### **Chapter III**

#### **MICROFINANCE PROGRAMS**

##### **Article 12. Coverage and duration of microfinance programs**

1. The political institution, socio-political organization or non-governmental organization may execute a microfinance program within its area and decide the duration of the microfinance program.

2. Coverage and duration of microfinance programs shall be registered and specified in the registration certificate issued to the microfinance program.

### **Article 13. Contents of a microfinance program**

1. Methods of raising capital for the microfinance program:

a) Receipt of refundable or non-refundable aids from the Government, domestic and foreign organizations and individuals;

b) Receipt of compulsory and voluntary saving deposits of microfinance clients. The total voluntary saving deposits shall not exceed 30% of the total capital provided for the microfinance program;

c) Loans from credit institutions, financial institutions and domestic and foreign organizations in accordance with regulations of law.

2. Lending by a microfinance program:

a) Loans shall be granted to microfinance clients according to the following rules:

(i) The microfinance program has autonomy over its grant of loans and takes responsibility for its decision;

(ii) The loans are granted according to the agreement between the microfinance program and the microfinance client and ensure safety in accordance with regulations of law. Contents of the abovementioned agreement shall be made in writing, containing at least rights and responsibilities of the lender and borrower, loan purposes, loan term, loan amount, time limit for repayment of the principal and its interest, interest rates and forms of loan guarantee;

(iii) The interest rate shall be set in a manner that it is conformable to regulations of law and specific conditions of the microfinance program, the microfinance plan and is able to cover the operating expenses and growth of the program without profitable aims.

b) Conditions to take a loan:

(i) The microfinance client has legal personality and legal capacity in accordance with regulations of the law on civil;

(ii) The loan granted to a microfinance client must be secured by his/her saving deposit and/or guaranteed by a group of microfinance clients;

(iii) Loan purposes are legal.

c) The maximum loan granted to a microfinance client must not exceed 50 million Vietnam dong.

3. Other contents of a microfinance program:

a) Receiving entrusted loan from organizations and individuals, microfinance programs of political institutions, socio-political organizations and non-governmental organizations in order to grant loans to microfinance clients without profitable aims.

b) Opening deposit accounts at commercial banks;

c) Providing insurance products for microfinance clients in accordance with regulations of law;

d) Providing microfinance clients with advice, assistance and training in how to use the loan, business operation, daily life, society, environment and other issues in order to improve effectiveness of business operation and material and spiritual lives of microfinance clients.

#### **Article 14. Finance, accounting and reporting**

1. Political institutions, socio-political organizations and non-governmental organizations shall comply with regulations on finance, accounting and financial statement of microfinance programs in accordance with regulations of the Ministry of Finance and relevant regulations of law.

2. Activities of a microfinance program shall be accounted for separately from other activities of the political institution, socio-political organization or non-governmental organization.

3. The political institution, socio-political organization or non-governmental organization shall submit program execution reports made using the Form No. 03 enclosed herewith every 06 months and before January 31 and before July 31. To be specific:

a) The reports on execution of the program prescribed in Clause 1, Article 6 of this Decision shall be submitted to the Central Banking Inspection and Supervision Authority; the Ministry of Finance; the Ministry of Foreign Affairs if the microfinance program is executed by a foreign non-governmental organization or the Ministry of Home Affairs if the microfinance program is executed by a domestic non-governmental organization and the People's Committee of the province where the microfinance program is executed;

b) The reports on execution of the program prescribed in Clause 2, Article 6 of this Decision shall be submitted to the branch of State Bank of Vietnam; the competent People's Committee, Department of Finance of the province where the microfinance program is executed.

#### **Chapter IV**

## **CONVERSION OF MICROFINANCE PROGRAMS INTO MICROFINANCE INSTITUTIONS**

### **Article 15. Cases in which a microfinance program is converted into a microfinance institution**

1. A domestic political institution, socio-political organization or non-governmental organization shall convert its microfinance program into a microfinance institution in one of the following cases:

- a) The domestic political institution, socio-political organization or non-governmental organization voluntarily converts its microfinance program into a microfinance institution.
- b) Total value of property of the microfinance program is at least 75 billion dong;
- c) The total loans which microfinance clients have not repaid to the microfinance program are at least 50 billion dong.

2. Conditions, applications and procedures for the conversion of a microfinance program into a microfinance institution shall be compliant with regulations of the State Bank of Vietnam on issuance of license, organizational structure and operation of microfinance institutions.

### **Article 16. Time limit for conversion**

1. Time limit for the conversion of microfinance programs prescribed in Points b and c, Clause 1, Article 15 of this Decision:

- a) A microfinance program that is commenced before the effective date of this Decision shall be converted into a microfinance institution within 24 months from effective date of this Decision;
- b) A microfinance program that is commenced after the effective date of this Decision shall be converted into a microfinance institution within 24 months from the day on which the program execution reports prescribed in Clause 3, Article 14 of this Decision are submitted.

2. Within 12 months after expiry of the time limit prescribed in Clause 1 of this Article, the political institution, socio-political organization or non-governmental organization that fails to convert its microfinance program into a microfinance institution shall terminate or reduce the scope of the program to avoid the situations mentioned in Points b and c, Clause 1 Article 15 of this Decision.

3. A political institution, socio-political organization and non-governmental organization shall ensure that its microfinance program is converted in accordance with regulations of this Decision and relevant regulations of law.

## **Chapter V**

## **STATE MANAGEMENT OF MICROFINANCE PROGRAMS**

### **Article 17. Tasks, powers and responsibilities of the State Bank of Vietnam**

1. Carry out inspections and take actions against violations committed by microfinance programs aiming to ensure their safe operation and their compliance with regulations. To be specific:

a) The Central Banking Inspection and Supervision Authority shall inspect the microfinance program mentioned in Clause 1, Article 6 of this Decision;

b) The branches of State Bank, the Office for banking supervision, Hanoi city and the Office for banking supervision, Ho Chi Minh City shall inspect the microfinance program mentioned in Clause 2, Article 6 of this Decision. Before February 15, the branch of the State Bank shall submit an annual consolidated report on the registration and execution of the microfinance programs prescribed in Clause 2 Article 6 of this Decision according to the Form No. 04 enclosed herewith.

2. Provide for foreign exchange administration in respect of the foreign capital of microfinance programs.

### **Article 18. Tasks, powers and responsibilities of the Ministry of Finance**

1. The Ministry of Finance shall manage microfinance programs within its competence in accordance with regulations of law, including promulgation of guiding documents on finance, accounting and financial statements of the microfinance program prescribed in Clause 1, Article 14 of this Decision.

2. The Ministry of Finance shall take charge and cooperate with the State Bank of Vietnam and relevant authorities and organizations in the formulation of policies on tax and financial assistance applied to microfinance programs.

### **Article 19. Tasks, powers and responsibilities of the Ministry of Foreign Affairs, Ministry of Home Affairs, Ministry of Planning and Investment and People's Committees of provinces**

1. The Ministry of Foreign Affairs and Ministry of Home Affairs, at the request of the State Bank of Vietnam, shall cooperate with the State Bank of Vietnam in inspecting, supervising and taking actions against violations committed by non-governmental organizations licensed by Ministry of Foreign Affairs and Ministry of Home Affairs during the execution of their microfinance programs.

2. The Ministry of Planning and Investment, at the request of the State Bank of Vietnam, shall cooperate with the State Bank of Vietnam in inspecting, supervising and taking actions against violations of management and use of foreign non - governmental capital sources, official development assistance (ODA) and concessional loans during the execution of microfinance programs.

3. The People's Committee of the province , at the request of the State Bank of Vietnam, shall cooperate with the State Bank of Vietnam and the branch of People's Committee in inspecting, supervising and taking actions against violations committed by microfinance programs executed within the province.

#### **Article 20. Responsibilities of political institutions, socio-political organizations and non-governmental organizations executing microfinance programs**

1. The political institution, socio-political organization or non-governmental organization shall fulfill financial obligations related to its microfinance program and ensures that the microfinance program is in compliance with regulations of this Decision.

2. The political institution, socio-political organization or non-governmental organization shall not share or use profits generated from its microfinance program for activities that are not microfinance activities in any method.

3. The political institution, socio-political organization or non-governmental organization shall direct and supervise its microfinance program, publish information about interest rates, regulations on compulsory saving deposits, loans, microfinance clients and other information related to microfinance activities in accordance with regulations on protection of customers' rights.

### **Chapter VI**

#### **IMPLEMENTATION CLAUSE**

##### **Article 21. Transition clause**

1. In the cases where a microfinance program is commenced before effective date of this Decision, within 150 days from the effective date of this Decision, the political institution, socio-political organization or non-governmental organization shall send the following documents to the Central Banking Inspection and Supervision Authority if the program is the one mentioned in Clause 1, Article 6 of this Decision or to the branch of State Bank of Vietnam if the program is the one mentioned in Clause 2, Article 6 of this Decision:

a) An application form for registration of the microfinance program made using the Form No. 01 enclosed herewith;

b) A microfinance program execution report made using the Form No. 03 enclosed herewith.

2. Within 10 working days from the day on which the valid application prescribed in Clause 1 of this Article is received, the Central Banking Inspection and Supervision Authority shall consider issuing the registration certificate to the microfinance program mentioned in Clause 1, Article 6 of this Decision and the branch of State Bank of Vietnam shall consider issuing the registration certificate to the microfinance program mentioned in Clause 2, Article 6 of this Decision.

3. A loan agreement between a microfinance program of a political institution, socio-political organization, domestic or foreign non-governmental organization and a microfinance client that is signed before the effective date of this Decision continues to be executed until the expiry of this agreement. The loan agreement shall be only adjusted if the adjustments are compliant with regulations of this Decision.

4. Within 180 days from the effective date of this Decision, if the microfinance program does not have a Director, a management board and other departments as prescribed in Clauses 1 and 2, Article 10 of this Decision, the political institution, socio-political organization or non-governmental organization executing this program shall prepare a remedial plan and send it to the Central Banking Inspection and Supervision Authority if the program is the one mentioned in Clause 1, Article 6 of this Decision or the branch of State Bank of Vietnam if the program is the one mentioned in Clause 2 Article 6 of this Decision.

A remedial plan shall contain at least:

a) Explanation for the situation;

b) A plan for ensuring that the Director, the management board and all departments prescribed in Clauses 1 and 2, Article 10 of this Decision are available within 18 months from the effective date of this Decision.

5. Within 360 days from the effective date of this Decision, if the microfinance program has a manager who fails to satisfy the criteria prescribed in Point c, Clause 2, Article 4 of this Decision, a remedial plan shall be prepared, implemented and submitted to the Central Banking Inspection and Supervision Authority if the program is the one mentioned in Clause 1, Article 6 of this Decision or the branch of State Bank of Vietnam if the program is the one mentioned in Clause 2 Article 6 of this Decision.

A remedial plan shall contain at least:

a) Explanation for the situation;

b) A plan for ensuring that a manager who satisfies all criteria prescribed in Point c, Clause 2, Article 4 of this Decision is available within 18 months from the effective date of this Decision.

6. Within 360 days from the effective date of this Decision, if internal regulations are yet to be available or internal regulations are not in compliance with Article 11 of this Decision, the political institution, socio-political organization or non-governmental organization executing this program shall issue or amend these internal regulations and send them to the State Bank of Vietnam, the branch of State Bank of Vietnam and the competent authority in accordance with regulations of Clause 3, Article 11 of this Decision.

7. Regarding a microfinance program of a political institution, socio-political organization or non-governmental organization that is commenced before the effective date of this Decision and receives voluntary saving deposits from clients that are not microfinance clients or receives

voluntary saving deposits from microfinance clients beyond the limits prescribed in Point b, Clause 1, Article 13 of this Decision shall be handled as follows:

- a) The microfinance program shall stop receiving voluntary saving deposits;
- b) Within 180 days from the effective date of this Decision, the political institution, socio-political organization or non-governmental organization executing the microfinance program shall prepare and implement a remedial plan and send it to the Central Banking Inspection and Supervision Authority if the program is the one mentioned in Clause 1, Article 6 of this Decision or the branch of State Bank of Vietnam if the program is the one mentioned in Clause 2, Article 6 of this Decision.

A remedial plan shall contain at least:

- (i) Total number of microfinance clients; total number of clients that are not microfinance clients having voluntary saving deposits;
- (ii) The remaining terms of the voluntary saving deposits having the shortest term and the voluntary saving deposits having the longest term;
- (iii) Total amount of voluntary saving deposits of microfinance clients and total amount of voluntary saving deposits of clients that are not microfinance clients;
- (iv) Plans and solutions for ensuring that within the remaining term of the voluntary saving deposits having the longest term, the prescribed rates are complied with.

#### **Article 22. Effect**

This Decision comes into force from August 01, 2017.

#### **Article 23. Implementation**

Ministers, heads of ministerial agencies, heads of Governmental agencies, Presidents of the People's Committees of provinces and heads of relevant organizations are responsible for the implementation of this Decision./.

**PRIME MINISTER**

**Nguyen Xuan Phuc**

## APPENDIX

*Enclosed with the Decision No. 20/2017/QĐ-TTg dated June 12, 2017 of the Prime Minister*

Form No. 01	Application form for registration of a microfinance program/project
Form No. 02	Certificate of registration of a microfinance program/project
Form No. 03	Report on execution of a microfinance program/project (name of the microfinance program/project)
Form No. 04	Report on execution of a microfinance program/project within an area

Form No. 01

**(NAME OF THE  
APPLICANT FOR  
REGISTRATION OF THE  
MICROFINANCE  
PROGRAM/PROJECT)**

**THE SOCIALIST REPUBLIC OF VIETNAM  
Independence - Freedom - Happiness**

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No. ....

...(Province),... date...

**APPLICATION FORM FOR REGISTRATION OF A MICROFINANCE  
PROGRAM/PROJECT**

To:                    The                    State                    Bank                    of                    Vietnam  
(or the branch of the State Bank of ... province)

- (Name of the applicant)

- Building office address: .....

- Telephone: ..... Fax: .....

- Website (if any): .....

Apply for registration of the microfinance program/project and coverage of the microfinance program/project as follows:

1. Name of the microfinance program/project: .....

- Name in Vietnamese: .....

- Name in foreign languages (if any): .....

- Abbreviation (if any): .....

2. Address of the microfinance program/project's building office:  
.....

- House number ..., ...street/hamlet ...commune, ... district (of ... province) ... province

- Telephone: ..... Fax: .....

- Email:..... Website: .....

3. Coverage of the microfinance program/project is executed: (specify the province where the microfinance program/project is approved and allowed to be executed by the competent People's Committee)

4. Provided capital:

a) Provided capital: ... (VND);

b) Provided by: .... (specify the provider).

5. Contents of the microfinance program/project:

- Expected contents of the microfinance program/project.

- Microfinance clients.

- Grant of loans to microfinance clients.

6. Duration of the microfinance program/project: .... (year)

....(name of the applicant).... is committed to the truthfulness of information and is responsible to law for such information./.

**REPRESENTATIVE OF THE APPLICANT**

*(Signature, full name and seal)*

Form No. 02

THE STATE BANK OF  
VIETNAM  
(THE BRANCH OF THE  
STATE BANK OF ...  
PROVINCE)

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THE SOCIALIST REPUBLIC OF VIETNAM  
Independence - Freedom - Happiness

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No. ....../CNDK-TCVM

...(Province),... date...

**CERTIFICATE OF REGISTRATION OF A MICROFINANCE PROGRAM/PROJECT**

1. Name of the microfinance program/project: .....

- Name in Vietnamese: .....

- Name in foreign languages (if any): .....

- Abbreviation (if any): .....

2. Address of the microfinance program/project's building office:  
.....

- House number ..., ...street/hamlet ...commune, ... district (of ... province) ... province

- Telephone: ..... Fax: .....

- Email:..... Website: .....

3. Capital for microfinance:

a) Amount: (VND);

b) Provided by: .... (specify the provider).

4. Name of the manager:

Full name (written in all capital letters): .....Gender: .....

Date of birth:..... Ethnic group:.....Nationality: .....

Personal identification documents: .....

Personal identification document number:.....Date of issue:..... Place of issue: .....

Permanent residence: .....

Current address: .....

5. Coverage of the microfinance program/project: (specify the province where the microfinance program/project is executed according to the application form for registration of the microfinance program/project)

6. Duration of the microfinance program/project: .... (year)

7. Contents of the microfinance program/project:

- Expected contents of the microfinance program/project.
- Microfinance clients.
- Grant of loans to microfinance clients.

**DIRECTOR**

*(Signature, full name and seal)*

Form No. 03

(NAME OF THE  
MICROFINANCE  
PROGRAM/PROJECT)

THE SOCIALIST REPUBLIC OF VIETNAM  
Independence - Freedom - Happiness

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No. ....

...(Province),... date...

**REPORT ON EXECUTION OF THE MICROFINANCE PROGRAM/PROJECT (NAME  
OF THE MICROFINANCE PROGRAM/PROJECT)**

**(From....to....)**

To: The State Bank of Vietnam (or the branch of the State Bank of ... province)

1. Financial conditions

*Unit: thousand dong*

No.	Items	Guidance
1	Provided capital	
2	Raised capital	= 2.1+2.2+2.3+2.4+2.5
2.1	Refundable or non-refundable aids from the Government, domestic and foreign organizations and individuals	
2.2	Compulsory saving deposits	
2.3	Voluntary saving deposits	
2.4	Loans from credit institutions, financial institutions and domestic and foreign organizations	
2.5	Loans from indirect lenders	
3	Grant of loans	=3.1+3.2+3.3
3.1	Individual loans	
3.2	Micro-enterprise loans	
3.3	Entrusted loans	
4	Overdue debt	
5	Deposits at commercial banks	
6	Expenses	=6.1+6.2
6.1	Expenditure on interest payment	
6.2	Operating expenses	
7	Income	=7.1+7.2
7.1	Income from interest collection	
7.2	Other income	
8	Self-sufficiency factor (%)	

2. Execution:

a) Coverage of the microfinance program/project:.....

b) Interest rate: .....

- Lending interest rate (mean value): .....

- Deposit interest rate (mean value):.....

c) Loan term (mean value):.....

d) Average loan per microfinance client (thousand dong per client): .....

dd) Number of microfinance clients by the reporting time: .....

e) Provision of non-finance, livelihood and consulting services and training for microfinance clients: .....

g) Acting as an agent providing insurance products for microfinance clients (if any)

h) Other information (if any): .....

3. Organizational structure:

a) Number of officials: .....

b) Number of collaborators: .....

c) Number of groups: .....

4. Suggestions: .....

**REPRESENTATIVE OF THE  
MICROFINANCE  
PROGRAM/PROJECT**  
*(Signature, full name and seal)*

Form No. 04

THE STATE BANK OF  
VIETNAM  
(THE BRANCH OF THE  
STATE BANK OF ...  
PROVINCE)

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No. ....

THE SOCIALIST REPUBLIC OF VIETNAM  
Independence - Freedom - Happiness

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...(Province),... date...

**REPORT ON EXECUTION OF MICROFINANCE PROGRAMS/PROJECTS WITHIN  
AN AREA  
(Year...)**

To: The State Bank of Vietnam

1. Execution:

a) Regarding the microfinance programs/projects:

- Number of microfinance programs/projects executed within the area by the reporting time:  
.....

- Number of new microfinance programs/projects during the year: .....

- Number of the microfinance programs/projects whose registration certificate is revoked during  
the year: .....

- The number of microfinance programs/projects including a transition plan prescribed in the  
Prime Minister's Decision on microfinance programs and projects of political institutions, socio-  
economic organizations and non-governmental organizations by the reporting time:  
.....

- Number of microfinance programs/projects that are being converted into microfinance  
institutions by the reporting time: .....

b) Regarding execution:

- Interest rate:

+ Lending interest rate (mean value):.....

+ Deposit interest rate (mean value):.....

- Loan term (mean value):.....

- Average loan per microfinance client (thousand dong per client): .....

- Provision of non-finance, livelihood and consulting services and training for microfinance clients: .....

2. Financial conditions:

*Unit: thousand dong*

Name of the microfinance program/project....	Financial items							
	Provided capital	Raised capital	Loans	Overdue debt	Deposits at commercial banks	Expenses	Income	Self-sufficiency factor (%)

3. Suggestions: .....

**DIRECTOR**

*(Signature, full name and seal)*