IMPORTANT INFORMATION ON OPENING AND USE OF CAPITAL ACCOUNT

Dear Customers,

Thank you for your entrusting and banking with Standard Chartered Bank (Vietnam) Limited (the ‘Bank’). At the Bank, we work to ensure that Customers are kept well informed of the terms and conditions relating to products and services of their interest.

Referring to the Ordinance on Foreign Exchange Control No. 28/2005/PL-UBTVQH11 dated 13/12/2005 amended on 18/03/2013, Decree 70/ND-CP dated 17/07/2014 guiding the implementation of the Ordinance on foreign exchange and its amendment, together with Circulars and regulating texts from State Bank of Vietnam (“SBV”) provide rules and regulations related to the opening and use of Capital Account within the territory of Vietnam, this document aims at provide you with the essential information relating to the opening and use of Capital Account in accordance with current regulations.

The following information is provided for your reference only, and may be amended upon regulatory change. Such change as occurred shall be updated on the bank website.

Foreign Direct Investment enterprises and foreign party to the Business Cooperation Contract is allowed to open one Direct Investment Capital Account in foreign currency and one in Vietnam dong at an authorised credit institution for foreign direct investment. Non-resident is allowed to open 01 Indirect Investment Capital Account in Vietnam dong for indirect investment in Vietnam. If this enterprise desires to open a new capital account at another credit institution, the existing capital account must be closed and transferred all balance to the new capital account.

I. Offshore loan capital account:

All the transactions related to disbursement, repayment of short, medium and long term off-shore loan must be processed via a Direct Investment Capital Account opened in an authorized bank, and not via a current account.

These transactions must have clear remittance narration for the purpose of reconciliation and management of the Bank. The unavailable or unclear remittance narrations could lead to a delay in processing the transaction as the Bank may have to contact customer for clarification.

All medium and long term offshore loans, short term loan extended in which total loan tenor is over 01 year, short term loan without extension and having outstandings at the time of 1 year from the first disbursement date, except if the borrowers fulfill their repayment within 10 days at the time 01 year from disbursement date must be registered with the SBV within 30 days since the date of signed lending agreement or since 1 year from the date of first drawdown.

Any amendments made to the loan must be registered with SBV within 30 days since the date of amendments and before the change becomes effective.

For more information, please refer to Circular 25/2014/TT-NHNN dated 15/09/2014 providing guidelines on procedure for registration, registration on change of offshore loans not guaranteed by the Government and other relevant regulations.

II. Capital account in foreign currency for direct investment into Vietnam:

In order to process foreign direct investment in Vietnam, the Enterprises is allowed to open 01 Direct Investment Capital Account in foreign currency and 01 Direct Investment Capital Account in Vietnam dong at 01 authorised bank for the following receipt and expenditures.

All the funds transferred into the Direct Investment Capital Account in form of foreign investments capital injection should be made thru Direct Investment Capital Account and must comply with schedule stated on the Investment License. In case of any changes arising in the progress of capital contribution, enterprises must obtain approval of Amendment to the Investment License granted before.

1. Eligibility: Resident being a foreign invested enterprise and a foreign party to the business cooperation contract in Vietnam.

2. Purposes: A capital account for direct investment into Vietnam opened with an authorized credit institution, either in local or foreign currency will be used to perform the following transactions:
3. Usage of Direct Investment Capital Account

Use of foreign currency accounts of direct investment:

Receipt:

a) An amount of direct invested capital in foreign currency from foreign and Vietnamese investors contributed into FDI enterprises;

b) Direct investment withdrawals in foreign currency from domestic and overseas term loan of an FDI enterprise;

c) Payment amount for the ownership transfer of the value of invested capital and investment projects;

d) An amount of foreign currency from foreign currency demand accounts of FDI enterprises and foreign investors, opened at authorized banks;

e) Other legal receipts in foreign currency generated from the foreign direct investment activities in Vietnam.

Payment:

a) Payment of principals, interests and charges for FDI enterprises’ term loans in foreign currency;

b) Transmission of foreign currency amounts to foreign currency demand accounts of FDI enterprises and foreign investors, opened at authorized banks;

c) Sale of foreign currency amounts to authorized credit institutions which are used to deposit into Vietnamese dong demand accounts of FDI enterprises and foreign investors;

d) Payment for the ownership transfer of the value of invested capital and investment projects;

e) Payment for the transfer of profits and other legal receipts in foreign currency, generated from their foreign direct investment activities, out of Vietnam;

f) Payment for the transfer of foreign investors’ direct invested capital in foreign currency out of Vietnam in case of FDI enterprises’ dissolution or termination; transfer of the ownership of invested capital and investment projects; reduction in invested capital or completion, liquidation and termination of investment projects as stipulated by investment laws;

g) Other legal receipts paid in foreign currency regarding the foreign direct investment activities in Vietnam.

Use of Vietnamese dong accounts of direct investment

Receipt:

a) An amount of direct invested capital in Vietnamese dong from foreign and Vietnamese investors of FDI enterprises;

b) Vietnamese dong after-tax profits distributed to foreign and Vietnamese investors of FDI enterprises in order to perform their reinvestment activities in Vietnam;

c) Principal withdrawal on domestic term loans of FDI enterprises in Vietnamese dong to perform their investment activities in Vietnam;

d) Principal withdrawal on overseas Vietnamese dong loans of FDI enterprises who are entitled to receive foreign loans in Vietnamese dong according to current laws on the receipt and repayment of foreign loans of enterprises that are not pledged by the Government;
e) Payment amounts on the ownership transfer of the value of invested capital and investment projects;

e) An amount transferred from Vietnamese dong demand accounts of FDI enterprises and foreign investors, opened at authorized banks.

**Payment:**

a. An amount transferred from Vietnamese dong demand accounts of FDI enterprises and foreign investors, opened at authorized banks.

b. Vietnamese dong profits distributed to foreign and Vietnamese investors of FDI enterprises;

c. Payment of principals, interests and charges on domestic term loan of FDI enterprises in Vietnamese dong to develop their investment projects;

d. Payment of principals, interests and charges on overseas term loan of FDI enterprises in Vietnamese dong, who are eligible to be granted overseas loans in Vietnamese dong according to current laws on overseas loan receipt and repayment of enterprises that are pledged by the Government;

e. An amount paid for the monetary value received from the transfer of the ownership of invested capital and investment projects;

f. Repayment of invested capital in Vietnamese dong to foreign and Vietnamese investors of FDI enterprises in case of FDI enterprises’ dissolution or termination; transfer of their ownership of invested capital and investment projects; reduction in invested capital or completion, liquidation and termination of investment projects as stipulated by investment laws;

For more information, please refer to Circular 19/2014/TT-NHNN dated 11/08/2014 guiding the foreign exchange management for foreign Direct Investment in Vietnam and other relevant regulation.

### III. Indirect Investment Capital Account in VND

1. Eligibility: Non-resident being a foreign investor who carries indirect investment in Vietnam.

2. Purposes: foreign investor can open 01 Indirect Investment Capital Account at an authorized credit institution to perform the following transactions

**Receipts:**

a) Receipts from selling foreign currencies to licensed credit institutions;

b) Receipts from transfer of contributed capital, shares, sale of securities and other valuable papers, receipt of dividends and interests from bonds and valuable papers in Vietnam Dong from foreign indirect investment activities in Vietnam;

c) Receipts of transfer from payment accounts in Vietnam Dong of foreign investors opened at licensed banks;

d) Receipts of transfer from accounts of fund management enterprises, securities companies, credit institutions and branches of foreign banks permitted to conduct investment trust operation for foreign investor (applied in cases that foreign investors conduct indirect investment in Vietnam under the form of investment trust);

e) Other legal transactions of receipts in Vietnam Dong of foreign investors relating to foreign indirect investment activities in Vietnam.

**Payments:**

a) Payments for implementation of foreign indirect investment activities in Vietnam under forms prescribed in Article 5 of this Circular;

b) Payments for buying foreign currencies from licensed credit institutions in order to transfer capitals, interests and other lawful incomes to foreign countries;
c) Payments for legal expenses incurred in Vietnam;

d) Payments for transfer to payment accounts in Vietnam Dong of foreign investors opened at licensed banks;

e) Payments for transfer to accounts of fund management enterprises, securities companies, and organizations permitted to conduct investment trust operation for foreign investor (applied in cases that foreign investors conduct indirect investment in Vietnam under the form of investment trust);

f) Other transactions for lawful payments relating to foreign indirect investment activities in Vietnam.

For more information, please refer to Circular 05/2014/TT-NHNN dated 12/03/2014 guiding the opening and use of indirect investment capital account for implementation of foreign indirect investment activities in Vietnam and other relevant regulation.

IV. Capital account in foreign currency for overseas direct investment:

Transactions related to overseas direct investment should be routed via overseas investment capital account. The overseas investment capital account in foreign currency should be registered with and be certified by the SBV before the funds are remitted abroad.

1. Eligibility: Residents being organizations, individuals who are permitted to invest abroad in form of direct investment. After having License for abroad investment, the investor must open 01 overseas investment capital account at an authorized credit institutions and register with the State Bank of Vietnam of province.

2. Purposes: The foreign currency capital account for overseas investment capital will be used to perform the following transactions:

Receipts:

a) Receipt from foreign currency account of the investor;

b) Receipt from foreign currency bought from the licensed credit institution in compliance with current provisions of applicable laws;

c) Receipt from the borrowed foreign currency (including the domestic and offshore loans) in compliance with current provisions of applicable laws;

d) Receipt of the profits remitted from the offshore direct investment;
e) Receipt of the foreign currency investment capital remitted to Vietnam when reducing capital, liquidating or finishing the offshore investment;

f) Receipt of principal and interest of the loans made to share holders in regard of the offshore investment projects in compliance with current provisions of applicable laws;

Payments:

a) Remittance of capital overseas;

b) Loans given to shareholders in regard of the offshore investment capital in compliance with current provisions of applicable laws;

c) Transfer of foreign currency into foreign currency account of the investors;

d) Other payments related to the offshore direct investment.

For more information, please refer to Circular 36/2013/TT-NHNN dated 31/12/2013 providing for the opening and use of foreign currency account for overseas direct investment and other relevant regulation.
Please kindly be noted that you are responsible for reading and understanding thoroughly this MOST IMPORTANT INFORMATION ON THE OPENING AND USE OF CAPITAL ACCOUNT as well as the terms and conditions as agreed on your accounts at the Bank and any the Bank’s branches and/or on the Bank’s website.

I/ We have read, understand and agree to adhere to the terms and conditions above.

Date : 

Customer signature & Seal : 

Customer name :