

THE PRIME MINISTER

DECISION No. 182/2003/QĐ-TTg OF SEPTEMBER 5, 2003 ON THE ISSUANCE OF GOVERNMENT BONDS FOR INVESTMENT IN SOME IMPORTANT TRAFFIC AND IRRIGATION WORKS OF THE COUNTRY

THE PRIME MINISTER

Pursuant to the Law on Organization of the Government of December 25, 2001;

Pursuant to Resolution No. 414/2003/NQ-UBTVQH11 of August 29, 2003 of the National Assembly Standing Committee on the issuance of Government bonds for the construction of a number of important traffic and irrigation works of the country;

Pursuant to the Government's Decree No. 01/2000/ND-CP of January 13, 2000 promulgating the Regulation on the issuance of Government bonds;

At the proposal of the Minister of Finance,

DECIDES:

Article 1.- To issue Government bonds aiming to mobilize investment capital in Vietnam dong and foreign currencies for investment in some important traffic and irrigation works of the country as defined in the List of works funded by the source of capital obtained through the issuance of Government bonds in the 2003-2010 period.

Article 2.-

1. The total level of Government bonds to be issued in the 2003-2010 period shall be about VND 63,000 billion; of which the annual levels of bonds issued in foreign currencies shall be assigned to the Minister of Finance for specific decision on the basis of the financial-

monetary market situation.

The investment capital for some traffic works stated at Point V of the List prescribed in Article 1 shall be added to the total issuance level of Government bonds after the feasibility projects thereon are approved.

2. The annual issuance levels and issuance time shall depend on the capital demands (including the capital demand for repayment of the Government bonds' principals according to the provisions in Article 6 of this Decision) and the implementation tempo of works.

3. The total loans from Government bonds shall be concentrated at the State Treasury for use for works and disbursement according to their implementation tempo. The source of capital obtained through the issuance of Government bonds must not be used to repay the State budget capital already allocated to the works till the end of 2003.

4. The foreign-currency amounts obtained through the issuance of foreign-currency bonds, after deducting direct spending items in foreign currencies, shall be sold to the State Bank in order to increase the State's foreign exchange reserves; the Vietnam dong amounts paid by the State Bank shall be transferred to the State Treasury.

Article 3.- Buyers of Government bonds include Vietnamese organizations and citizens; overseas Vietnamese; foreigners working and residing in Vietnam; and foreign organizations operating in the Vietnamese territory.

Vietnamese organizations must not purchase Government bonds with the State budget sources.

Article 4.- The Government bond owners shall have the following rights and enjoy the following privileges:

1. To be guaranteed by the Government on the full and timely repayment of the bonds' principals and interests in the currencies in which such bonds are purchased.

2. To transfer, donate, bequeath or pledge their

bonds in credit relations; the Vietnam dong bonds may be listed and traded in the securities market.

3. Bond owners being individuals, apart from the rights defined in Clauses 1 and 2 above, shall be exempt from personal income tax on the income amounts earned from Government bonds and may custody their bonds at the State Treasury system free-of-charge.

4. Bond owners being credit institutions, apart from the rights defined in Clauses 1 and 2 above, may trade in Government bonds in the monetary market as well as discount and re-discount Government bonds according to the State Bank's regulations.

Article 5.-

1. Bonds shall be issued by the Ministry of Finance with the term of 05 years or 10 years. In case of necessity, the Minister of Finance shall decide on the additional issuance of bonds with shorter or longer terms.

2. Bonds shall be issued in the form of book-entries or certificates; registered or bearer.

3. Par value of Government bonds are prescribed as follows:

a/ For bonds issued and repaid in Vietnam dong, the minimum par value shall be VND 100,000; other par values shall be the multiples of VND 100,000, to be specified by the Minister of Finance;

b/ For bonds issued and repaid in foreign currencies, the Minister of Finance shall provide specific regulations for each issuance drive.

4. Vietnam dong bonds shall be issued in the forms of retail via the State Treasury system, bidding via the concentrated securities trading market, issuance agents or issuance underwriters, and be listed and traded in the Securities Trading Center.

5. Foreign-currency bonds shall be issued in the form of retail via the State Treasury system or bidding via the banking system.

6. The interest rates of bonds issued in the form of

bidding shall be the interest rates formed through the bidding results. The interest rates of bonds issued in the forms of retail via the State Treasury system, issuance agents or issuance underwriters shall be decided by the Minister of Finance on the basis of consulting with the State Bank and referring the market interest rates.

The interest rates of Government bonds must be attractive, but must not cause difficulties and obstacles to the mobilization of capital of commercial banks.

Article 6.-

1. The Government bonds' principals shall be repaid in lump-sum upon their maturity while the interests shall be repaid annually via the State Treasury system or authorized repayment agents.

2. The sources for repayment of the Government bonds' interests as well as payment of expenses for the issuance and repayment thereof shall be apportioned within the annual State budget estimates. The sources for repayment of the mature bonds' principals shall be partly allocated from the source obtained through the next issuance of Government bonds or apportioned partly in the annual State budget estimates according to the Prime Minister's decisions.

Article 7.- Responsibilities of the concerned ministries and agencies shall be prescribed as follows:

1. The Ministry of Finance:

- To decide on the issuance modes and forms, the terms, the issuance levels and issuance time and organize the issuance of Government bonds in accordance with plans and implementation tempo of works already approved by the Prime Minister;

- To effect the accounting and settlement of the capital sources mobilized from Government bonds as well as the use thereof; to organize the management, allocation, payment and settlement of investment capital of works in strict accordance with law provisions;

- To allocate the State budget source for the repayment of the Government bonds' principals and interests

according to the provisions in Article 6 of this Decision.

- Annually, to report to the Prime Minister on the mobilization, allocation and payment of investment capital to works;

- To assume the prime responsibility and coordinate with the Ministry of Planning and Investment, the State Bank and concerned agencies in submitting to the Prime Minister for handling problems arising in the course of implementation.

2. The State Bank:

- To coordinate with the Ministry of Finance in organizing the bidding of Government bonds via the banking system;

- To coordinate with the Ministry of Finance in calculating the interest rates and macro-balances regarding currencies and exchange rates;

- To direct credit institutions to participate in the purchase of foreign currency bonds;

- To re-purchase the foreign currency amounts obtained through the issuance of foreign currency bonds to increase the State's foreign exchange reserves and sell foreign currencies to the Ministry of Finance for repayment of the principals and interests of foreign currency bonds upon their maturity.

3. The Ministry of Planning and Investment:

- To coordinate with the Ministry of Finance in apportioning investment capital according to implementation tempo of works so as to determine the annual issuance demand; to calculate and synthesize macro balances in order to ensure the national financial safety;

- To coordinate with the Ministry of Finance in apportioning and allocating the State budget sources for repayment of the Government bonds' principals and interests as well as expenses for the issuance thereof according to the provisions in Article 6 of this Decision.

- To report regularly or irregularly to the Prime Minister on situation of investment in works;

- To coordinate with the Ministry of Finance and

concerned agencies in submitting to Prime Minister for handling problems arising in the course of implementation.

4. The State Securities Commission shall coordinate with the Ministry of Finance in organizing the bidding of Government bonds via the concentrated securities market.

5. The Ministry of Culture and Information shall coordinate with the Ministry of Finance, concerned ministries and branches, and the provincial/municipal People's Committees in organizing the propagation of the purposes and significance of the Government bond issuance for people of all strata to know and actively participate therein.

6. The ministries, the ministerial-level agencies, the agencies attached to the Government and the People's Committees at various levels shall, within the scope of their tasks and powers, have to coordinate with Vietnam Fatherland Front of various levels in organizing, propagating and mobilizing people of all strata to take part in the purchase of Government bonds.

7. The ministries and branches tasked to make investments in the country's important traffic and irrigation works with the sources of the Government bond capital shall have to concentrate efforts on directing and organizing the implementation thereof in an urgent and definite manner, ensuring quality and strict compliance with the prescribed regimes, thus putting the works into efficient use soon; absolutely not to let loss, wastefulness and negative phenomena occur.

Article 8.- This Decision takes effect 15 days after its publication in the Official Gazette.

The ministers, the heads of the ministerial-level agencies, the heads of the agencies attached to the Government and the presidents of the provincial/municipal People's Committees shall have to implement this Decision.

Prime Minister
PHAN VAN KHAI