

PROMULGATES:

**The Law on the National Reserve,**

which was passed on November 20, 2012,  
by the XIII<sup>th</sup> National Assembly of the Socialist  
Republic of Vietnam at its 4<sup>th</sup> session.

*President of  
the Socialist Republic of Vietnam*

TRUONG TAN SANG

**Order No. 24/2012/L-CTN of  
December 3, 2012, on the  
promulgation of law**

THE PRESIDENT OF THE SOCIALIST  
REPUBLIC OF VIETNAM

*Pursuant to Articles 103 and 106 of the  
1992 Constitution of the Socialist Republic  
of Vietnam, which was amended and  
supplemented under Resolution No. 51/2001/  
QH10 of December 25, 2001, of the 10<sup>th</sup>  
National Assembly, the 10<sup>th</sup> session;*

*Pursuant to Article 91 of the Law on  
Organization of the National Assembly;*

*Pursuant to Article 57 of the Law on  
Promulgation of Legal Documents,*

**Law on the National Reserve**

(No. 22/2012/QH13)

*Pursuant to the 1992 Constitution of the  
Socialist Republic of Vietnam, which was  
amended and supplemented under Resolution  
No. 51/2001/QH10;*

*The National Assembly promulgates the  
Law on the National Reserve.*

Chapter I

GENERAL PROVISIONS

**Article 1.** Scope of regulation

This Law prescribes the formation,  
management, administration and use of the  
national reserve; and the rights and obligations  
of agencies, organizations and individuals in  
national-reserve activities.

**Article 2.** Subjects of application

This Law applies to agencies, organizations and individuals involved in the formation, management, administration and use of the national reserve.

### Article 3. Objectives of the national reserve

The State forms and uses the national reserve to proactively meet unexpected and urgent requirements in the prevention, combat and remedy of consequences of natural disasters, catastrophes, fires and epidemics and to serve national defense and security.

### Article 4. Interpretation of terms

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

1. *National reserve* means the reserve of supplies, equipment and commodities managed and stored by the State.

2. *National reserve activities* means the formulation and implementation of strategies, master plans, plans and budget estimates on the national reserve; the building of the system of physical-technical foundations; and the management, administration and use of the national reserve.

3. *National reserve commodities* means supplies, equipment and commodities on the list of national reserve commodities managed and stored by the State for use for the national-reserve objectives.

4. *List of national reserve commodities* means the names of commodity groups, the names of supplies and the names of equipment

used for the national reserve.

5. *Administration of the national reserve* means activities of management, warehousing, delivery, purchase, sale, preservation and protection of national reserve commodities.

6. *National reserve commodities-managing ministry or sector* means a ministry, ministerial-level agency or government-attached agency directly managing national reserve activities under the Government's assignment.

7. *National reserve unit* means an organization of a national reserve commodities-managing ministry or sector which is assigned to directly manage, warehouse, deliver, purchase, sell, preserve and protect national reserve commodities.

8. *Unexpected and urgent circumstance* means natural disaster, fire or epidemic, which is in danger of breaking out on a vast scale: a defense, security or social order and safety task which must be immediately dealt with.

9. *Total national reserve volume* means the total national reserve value.

10. *Level of allocation for the national reserve* means the money amount arranged for the national reserve in annual state budget estimates.

11. *National-reserve commodity storage duration* means the maximum duration from the time of warehousing to the time of delivering national reserve commodities.

12. *Delivery for free supply of national reserve commodities* means the delivery of

national reserve commodities for free-of-charge supply to organizations and individuals.

**Article 5.** State policies on the national reserve

1. The State adopts national-reserve development strategies, master plans and plans in conformity with the national socio-economic development strategy, master plan and plan in each period.

2. The State builds a strong and rationally structured national reserve to ensure achievement of the national-reserve objectives and suit the state budget balancing capacity.

3. The State adopts investment policies for national reserve-related scientific and technical development and application of preservation technology and information technology in order to modernize national-reserve activities.

4. The State adopts policies to mobilize resources and encourage and create conditions for organizations and individuals to participate in national-reserve activities.

5. The Government shall detail this Article.

**Article 6.** Sources for formation of the national reserve

The national reserve is formed from the following sources:

1. The state budget;

2. Lawful resources other than the state budget, which are put into the national reserve, include resources acquired from voluntary

investment to construct physical foundations, the supply of information technology for the management and preservation of national reserve commodities, direct preservation of national reserve commodities; commodities and supplies mobilized from organizations and individuals in unexpected and urgent circumstances in accordance with law.

**Article 7.** Principles of management and use of national reserve commodities

1. National reserve commodities must be strictly, safely and secretly managed in accordance with law, and must proactively and promptly meet the national-reserve requirements and objectives. Delivered national reserve commodities must be adequately and promptly made up for.

2. National reserve commodities must be used for proper purposes and in accordance with law, and may not be used for commercial purposes.

**Article 8.** National-reserve organizations

1. National-reserve organizations must be concentrated and unified under the administration of the Government and the Prime Minister. The Government shall assign ministries and sectors to manage national reserve commodities in accordance with law.

2. The system of national-reserve organizations shall be arranged at the central level and in strategic regions and areas nationwide in order to promptly meet the national-reserve requirements and objectives, which comprises:

a/ The specialized national reserve management agency under the Ministry of Finance, which is organized in a hierarchical system, comprising the central agency and local units in different regions;

b/ Units of the Ministry of National Defense and the Ministry of Public Security and sections performing part-time national-reserve work in ministries and sectors managing national reserve commodities.

**Article 9.** Regimes and policies applicable to national-reserve personnel

1. National-reserve personnel includes:

a/ Civil servants and public employees working at the specialized national-reserve management agency;

b/ National-reserve personnel being army men and public security officers;

c/ Civil servants and public employees performing national reserve work in ministries and sectors.

2. The national-reserve personnel defined at Points a and b, Clause 1 of this Article are entitled to seniority allowances and occupational-preference allowances depending on the fields and nature of their work.

The Government shall detail this Clause.

**Article 10.** Contents of state management of the national reserve

1. To promulgate, and organize the implementation of, legal documents on the national reserve.

2. To decide on national-reserve development strategies, master plans, plans and policies.

3. To specify the list of national reserve commodities; to allocate state budget for the national reserve; to decide on delivery, warehousing, purchase and sale of national reserve commodities.

4. To organize research into and application of scientific and technical advances and preservation technologies to national reserve commodities.

5. To propagate, disseminate and educate about the law on the national reserve.

6. To organize national-reserve operation training and retraining.

7. To inspect, examine, settle complaints and denunciations and handle violations of the law on the national reserve.

8. To carry out international cooperation on the national reserve.

**Article 11.** Specialized national-reserve inspection

1. Agencies performing the state management tasks in the field of the national reserve shall perform the specialized national reserve inspection in accordance with the inspection law.

2. Specialized national-reserve inspection means the inspection of the observance of the law on the national reserve in accordance with this Law and relevant laws.

3. The powers and responsibilities of the

specialized national-reserve inspectorate; the rights and obligations of inspected organizations and persons and related organizations and persons comply with the inspection law.

**Article 12.** Tasks and powers of the National Assembly and the National Assembly Standing Committee

1. The National Assembly has the following tasks and powers:

a/ To decide on national-reserve development policies and national-reserve resource orientations, to approve five-year national-reserve plans;

b/ To decide on the level of annual central budget allocation for the national reserve.

2. The National Assembly Standing Committee has the following tasks and powers:

a/ To decide on annual additional central budget allocations for the national reserve (if any);

b/ To decide on central budget-financed purchases to make up for the delivered national reserve commodities;

c/ To adjust the list of national reserve commodities.

**Article 13.** Tasks and powers of the Government and the Prime Minister

1. The Government shall perform the unified state management of the national reserve, having the following tasks and powers:

a/ To submit to the National Assembly for

decision national-reserve development policies, national-reserve resource orientations and five-year national-reserve plans;

b/ To submit to the National Assembly for decision the level of annual central budget allocation for the national reserve;

c/ To submit to the National Assembly Standing Committee for decision annual additional central budget allocations for the national reserve (if any);

d/ To submit to the National Assembly Standing Committee for decision central budget-financed purchases to make up for the delivered national reserve commodities;

e/ To submit to the National Assembly Standing Committee adjustments to the list of national reserve commodities;

f/ To assign ministries and sectors to manage national reserve commodities.

2. The Prime Minister has the following tasks and powers:

a/ To approve the national-reserve strategies, annual national-reserve plans and the master plan on the system of national-reserve warehouses;

b/ To assign state budget plans and estimates for the national reserve within the state budget estimates approved by the National Assembly;

c/ To decide on the warehousing and delivery of national reserve commodities in accordance with this Law and relevant laws.

**Article 14.** Tasks and powers of the Ministry of Finance

The Ministry of Finance shall assist the Government in performing the state management of the national reserve, having the following tasks and powers:

1. To assume the prime responsibility for, and coordinate with the Ministry of Planning and Investment in, advising the Government on national-reserve development policies, national-reserve resource orientations and five-year national-reserve plans for submission to the National Assembly;

2. To assume the prime responsibility for, and coordinate with the Ministry of Planning and Investment in, preparing state budget estimates and central budget allocation plans for the Government to submit to the National Assembly for decision annual plans on central budget allocation for the national reserve to national reserve commodities-managing ministries and sectors;

To assume the prime responsibility for, and coordinate with the Ministry of Planning and Investment in, reporting to the Government on annual additional central budget additions for the national reserve (if any), for submission to the National Assembly Standing Committee for decision;

3. To assume the prime responsibility for, and coordinate with the Ministry of Planning and Investment and national reserve commodities-managing ministries and sectors in, formulating the national-reserve strategies, annual national-reserve plans, master plan on the system of national-reserve warehouses, scientific research and application of national-reserve commodity

preservation technologies for submission to the Prime Minister for approval;

4. To assume the prime responsibility for, and coordinate with the national reserve commodities-managing ministries and sectors in, formulating and promulgating national technical standards and techno-economic norms of national reserve commodities;

5. To organize the administration of national-reserve activities, to examine and inspect the implementation of annual plans and the Prime Minister's decisions on the national reserve; to settle complaints and denunciations and handle violations of the law on the national reserve according to its competence;

6. Based on annual state budget estimates, national-reserve plans and techno-economic norms of national reserve commodities, to ensure financial sources for the national reserve for national reserve commodities-managing ministries and sectors; to appraise and summarize the settlement of state budget expenditures for the national reserve;

7. To promulgate according to its competence documents on regimes of financial and budgetary management, decide on maximum purchase prices, minimum sale prices, prices of damage compensation for national reserve commodities and expenses for the warehousing, delivery, purchase, sale, preservation and insurance of national reserve commodities; to guide, monitor and check the quantity, quality and value of national reserve commodities; to organize the implementation of regulations on management, preservation, purchase, sale, warehousing,

delivery and rotary exchange of national reserve commodities.

**Article 15.** Tasks and powers of the Ministry of Planning and Investment

1. To assume the prime responsibility for, and coordinate with the Ministry of Finance in, arranging and allocating capital construction investment funds for the national reserve.

2. To coordinate with the Ministry of Finance in formulating national-reserve strategies, master plans, five-year and annual plans for submission to the Prime Minister.

3. To coordinate with the Ministry of Finance in advising the Government on annual plans on central budget allocation for the national reserve to be submitted to the National Assembly for decision; to coordinate with the Ministry of Finance in reporting to the Government on the level of annual central budget addition for the national reserve (if any) for submission to the National Assembly Standing Committee for decision.

**Article 16.** Tasks and powers of national reserve commodities-managing ministries and sectors

1. To participate in formulating national-reserve strategies, master plans, plans and lists, technical standards of national reserve commodities, techno-economic norms of national reserve commodities and reserve level of each kind of national reserve commodity;

2. To direct their attached national reserve units in implementing national-reserve plans; to

sign and perform contracts for hired preservation of national reserve commodities in accordance with law;

3. To send reports on the management and use of national reserve commodities to the Ministry of Finance for summarization and reporting to the Prime Minister.

**Article 17.** Tasks and powers of the specialized national reserve agency

1. To advise the Ministry of Finance on performing the state management of the national reserve; to directly manage national reserve commodities in accordance with this Law and other relevant laws.

2. To advise the Ministry of Finance on assuming the prime responsibility for, and coordinating with the national reserve commodities-managing ministries and sectors in, summarizing the situation of management and use of national reserve commodities for reporting to the Prime Minister.

3. To examine the warehousing, delivery, purchase, sale, preservation and use of national reserve commodities in accordance with this Law.

4. To assist the Ministry of Finance in assuming the prime responsibility for, and coordinating with the related ministries and sectors in, formulating national technical standards and techno-economic norms for national reserve commodities; to send summarization reports on national-reserve activities to the Ministry of Finance for submission to the Prime Minister.

5. To submit to the Ministry of Finance for decision management and preservation funds of national reserve commodities-preserving units.

**Article 18.** Tasks and powers of national-reserve units

1. To directly preserve and protect national reserve commodities, ensuring their adequate quantity, proper quality and types and in designated locations as required by competent agencies.

2. To promptly meet the requirements of mobilization and use of national reserve commodities in all circumstances.

3. To warehouse, deliver, purchase and sell national reserve commodities under decisions of competent agencies.

4. To supervise the warehousing, delivery, purchase, sale and rotary exchange of national reserve commodities in accordance with law.

**Article 19.** Tasks and powers of organizations and enterprises performing hired-preservation contracts

1. To directly preserve national reserve commodities, ensuring their adequate quantity, proper quality and types and in designated locations according to the signed contracts.

2. To promptly warehouse, deliver, purchase and sell national reserve commodities under decisions of competent agencies.

3. To rotate and exchange old national reserve commodities for new ones of same

types, quantities and quality in accordance with law.

4. To report on the warehousing, delivery and in-stock quantities of national reserve commodities to the specialized national reserve agency and preservation-hiring ministries and sectors.

**Article 20.** Tasks and powers of provincial-level People's Committees

1. To propagate, disseminate and implement policies and law on the national reserve.

2. To direct functional agencies to coordinate with agencies and units directly managing the national reserve in their localities in warehousing, delivering, purchasing, selling, preserving and transporting national reserve commodities, ensuring safe and secret national-reserve activities in the localities.

3. To arrange land for the construction of national-reserve warehouses in line with the approved master plan on the system of national-reserve warehouses.

**Article 21.** Assignment of management of national reserve commodities

1. The Ministry of Finance shall directly organize the management and preservation of national reserve commodities to meet the requirements of production, daily life, rescue, salvage, relief, prevention, combat and remedy of consequences of natural disasters, catastrophes and fires.

2. The Ministry of National Defense and the Ministry of Public Security shall directly organize

the management and preservation of national reserve commodities to serve defense and security requirements and tasks.

3. The Government shall assign ministries and sectors to directly organize the management and preservation of national reserve commodities other than those specified in Clauses 1 and 2 of this Article.

**Article 22. Prohibited acts**

1. Disclosing state secrets on the national reserve.

2. Abusing the warehousing, delivery, purchase, sale, preservation or transportation of national reserve commodities, altering purchase or sale prices of national reserve commodities without permission for self-seeking purposes.

3. Irresponsibly or deliberately acting against the regulations on management of the national reserve, thus causing damage, loss or waste of national reserve assets.

4. Infringing upon or destroying national reserve physical-technical foundations and commodities.

5. Obstructing national-reserve activities.

6. Using national reserve commodities for improper purposes.

7. Warehousing, delivering, purchasing and selling national reserve commodities ultra vires, or not of proper types, quantities or quality and in designated locations.

8. Illegally intervening in national-reserve activities.

9. Improperly implementing the laws on accounting and statistics in national-reserve activities.

10. Hiring unqualified organizations or enterprises to preserve national reserve commodities.

Chapter II

NATIONAL-RESERVE STRATEGIES AND PLANS

**Article 23. National-reserve strategies**

1. Principles of formulation of national-reserve strategies:

a/ Conformity with strategies and plans for socio-economic development, defense and security maintenance, and with sectoral and regional master plans in each period;

b/ Suitability to the state budget-balancing capacity;

c/ Being based on forecasts about the world, regional and domestic situations and possible unexpected and urgent circumstances.

2. Contents of a national reserve strategy:

a/ National reserve objectives, ensuring sustainable development requirements and conformity with the process of international economic integration;

b/ National reserve resources; plans on national reserve arrangement for different strategic regions and areas; assurance of efficient and proper management and use; readiness to respond to unexpected and urgent circumstances;

c/ National reserve development orientations;  
d/ Major tasks and solutions to the implementation of the national reserve strategy.

3. National reserve strategies must be formulated for every 10-year period with a 20-year vision and in line with socio-economic development strategies.

**Article 24.** National reserve plans

1. National reserve plans must be formulated every five years and annually and included in socio-economic development plans.

2. Grounds for formulation of national-reserve plans:

a/ National-reserve development strategy;

b/ National-reserve objectives;

c/ The state budget-balancing capacity;

d/ Forecasts of domestic and international socio-economic situations.

3. Contents of a national-reserve plan:

a/ The period-end national-reserve level;

b/ Plan for increase and reduction of the national reserve, rotary exchange of commodities;

c/ Investment in the development of physical and technical foundations;

d/ Scientific and technological research and application;

e/ Plans for balancing financial sources for national-reserve activities.

**Article 25.** Total national-reserve volume

The total national-reserve volume is guaranteed for the attainment of national-reserve objectives.

**Article 26.** National-reserve modes

The national reserve is reserved in supplies, equipment and commodities.

**Article 27.** Lists of national reserve commodities

1. Commodities on the list of national reserve commodities must satisfy the national-reserve objectives specified in Article 3 of this Law and one of the following criteria:

a/ Being strategic and essential, having a high use frequency or an effect of timely response in unexpected and urgent circumstances;

b/ Being of special types, which cannot be replaced;

c/ Being supplies, equipment and commodities assuring defense and security but their domestic production has not yet met the quantity, quality and type requirements.

2. The list of national reserve commodities covers the following commodity groups:

a/ Food;

b/ Rescue and salvage supplies and equipment;

c/ Supplies of common use for industrial mobilization;

d/ White salt;

- e/ Fuel;
- f/ Industrial explosives;
- g/ Plant seeds;
- h/ Plant protection drugs;
- i/ Germicide chemicals used for environment cleaning, treatment of water for daily-life use and aquaculture;
- j/ Medicines used for human diseases and epidemics;
- k/ Drugs used for cattle, poultry, plant and aquatic diseases and epidemics;
- l/ Supplies, equipment and commodities to serve defense and security.

3. When necessary to adjust the list of national reserve commodities, the Government shall report it to the National Assembly Standing Committee for consideration and decision.

4. The Government shall detail Clause 2 of this Article.

### Chapter III

#### STATE BUDGET EXPENDITURES FOR THE NATIONAL RESERVE

**Article 28.** State budget expenditures for the national reserve

1. State budget expenditures for the national reserve comply with the Law on the State Budget and are included in annual state budget estimates.

2. The Ministry of Finance shall manage and allocate funds for the purchase of national reserve commodities, purchase of national

reserve commodities to make up for those delivered in the plan year after they are approved by competent authorities.

**Article 29.** State budget expenditures for purchase of national reserve commodities

1. Based on national-reserve plans and assigned expenditure estimates for the national reserve, the Ministry of Finance shall allocate funds for the national reserve commodities-managing ministries and sectors to purchase national reserve commodities according to regulations.

2. In case of purchase to make up for the delivered national reserve commodities, the national reserve commodities-managing ministries and sectors shall send the additional budget estimates to the Ministry of Finance for submission to the Prime Minister.

3. For the state budget estimates assigned to ministries and sectors for purchase to increase or to make up for the national reserve commodities in the plan year which have not yet been used up due to inadequate purchase of national reserve commodities; supplies, equipment and commodities with a manufacture or production cycle longer than the budget year or a seasonable cycle; special commodities to serve defense and security, the Minister of Finance shall consider and decide to transfer them to the subsequent year at the proposal of the heads of these ministries or sectors.

**Article 30.** State budget expenditures for capital construction investment in the national reserve

1. State budget expenditures for capital construction investment in the national reserve are included in annual development investment plans of the national reserve commodities-managing ministries and sectors.

2. The national reserve commodities-managing ministries and sectors shall manage and use capital construction investment funds in accordance with law.

**Article 31.** State budget expenditures for national-reserve management activities

1. State budget expenditures for national-reserve management activities cover expenditure for operations of the management apparatus; expenditure for warehousing, delivery, purchase, sale, preservation, protection and insurance of national reserve commodities; expenditures for scientific research and application of preservation technologies; expenditures for training and training of cadres, civil servants and public employees performing national-reserve work and other expenditures prescribed by law.

2. State budget expenditures for national-reserve management activities of ministries, sectors and national-reserve units comply with plans, estimates, norms and contracts for hired preservation of national reserve commodities and with the current financial and budgetary management regimes.

3. Expenditures for warehousing, delivery and preservation of national reserve commodities comply with the package funding regime.

4. Expenditures for warehousing and delivery for free supply of national reserve commodities

under the Prime Minister's decisions must be allocated by the Ministry of Finance according to the approved estimates.

The national reserve commodities-managing ministries and sectors shall base themselves on techno-economic norms and national reserve commodity preservation contracts to prepare budget estimates for the warehousing, delivery and preservation of national reserve commodities and report them to the Ministry of Finance for approval before implementation; pending such approval, the Minister of Finance may decide to pay advances for national reserve agencies and units to deploy the implementation.

**Article 32.** Financial mechanism, accounting and audit regimes, statistical and reporting regimes applicable to the national reserve

1. The financial mechanism applicable to the national reserve complies with the Law on the State Budget and relevant laws.

The national reserve commodities-managing ministries and sectors shall estimate state budget expenditures for national-reserve activities and send them to the Ministry of Finance for examination, appraisal, summarization and reporting to the Government for submission to the National Assembly for approval.

After the above state budget expenditure estimates are approved by the National Assembly, the Prime Minister shall decide on the assignment of these estimates and the Ministry of Finance shall distribute them to the national reserve commodities-managing ministries and sectors.

2. The national reserve commodities-managing ministries and sectors and national reserve units and national reserve commodities-preserving organizations and enterprises shall abide by the laws on financial and budgetary management, accounting, statistical, audit and the reporting regime applicable to the national reserve.

3. The national reserve commodities-managing ministries and sectors shall examine and approve the settlement of state budget funds already allocated to national reserve commodities-preserving units and take responsibility for the approved settlement; summarize the settlement and report it to the Ministry of Finance, which shall appraise and summarize the national-reserve settlement for reporting to the Government.

National-reserve state budget settlement reports must be audited in accordance with law.

#### Chapter IV

### MANAGEMENT AND ADMINISTRATION OF THE NATIONAL RESERVE

#### Section 1

### WAREHOUSING AND DELIVERY OF NATIONAL RESERVE COMMODITIES

**Article 33.** Principles of warehousing and delivery of national reserve commodities

The warehousing and delivery of national reserve commodities must ensure the following principles:

1. Conformity with plan and competence;
2. Assurance of proper types, quantity,

quality, prices, locations, timeliness and safety; compliance with warehousing and delivery procedures prescribed by law.

**Article 34.** Cases of warehousing and delivery of national reserve commodities

1. Warehousing and delivery of national reserve commodities under the Prime Minister's decisions as provided in Article 35 of this Law.

2. Warehousing and delivery of national reserve commodities in unexpected and urgent circumstances as provided in Article 36 of this Law.

3. Warehousing, delivery and rotary exchange of national reserve commodities under assigned plan targets as provided in Article 37 of this Law.

4. Warehousing and delivery of national reserve commodities in other cases as provided in Article 39 of this Law.

**Article 35.** Warehousing and delivery of national reserve commodities under the Prime Minister's decisions

1. The Prime Minister shall decide on the warehousing and delivery of national reserve commodities in the following circumstances:

a/ When chairpersons of People's Committees of provinces or centrally run cities (below collectively referred to as provincial-level People's Committees) announce the occurrence of an epidemic in their localities;

b/ Preventing and fighting, and overcoming consequences of, natural disasters, catastrophes, epidemics or fires, or famine relief;

c/ When market prices rise or fall abnormally;  
d/ Meeting the defense or security requirements.

2. The process of delivering national reserve commodities

a/ For cases of delivery of national reserve commodities specified at Points a and b, Clause 1 of this Article, chairpersons of provincial-level People's Committees and heads of line ministries or sectors shall send reports thereon to the Prime Minister for consideration and decision. The Ministry of Finance shall appraise them before submission to the Prime Minister.

b/ For cases of delivery of national reserve commodities when the market prices rise or fall abnormally, the Minister of Finance shall propose the Prime Minister to decide thereon.

c/ For cases of delivery of national reserve commodities to meet the defense or security requirements, the Ministry of National Defense or the Ministry of Public Security shall send a written request to the Ministry of Finance for appraisal and submission to the Prime Minister for decision.

**Article 36.** Warehousing and delivery of national reserve commodities in unexpected and urgent circumstances

In the unexpected and urgent circumstances specified in Clause 8, Article 4 of this Law, the competence to decide on warehousing or delivery of national commodities is exercised as follows:

1. The Prime Minister shall urgently decide on the warehousing or delivery of national reserve commodities.

2. The Minister of Finance, the Minister of National Defense, the Minister of Public Security and the Minister of Agriculture and Rural Development shall decide on the warehousing and delivery of national reserve commodities according to the following provisions:

a/ To temporarily deliver national reserve supplies and equipment to timely serve arising tasks; after the tasks are fulfilled, to immediately recover them for maintenance, re-warehousing and preservation according to regulations or to report thereon to the Prime Minister for decision.

b/ To immediately warehouse or deliver for free supply national reserve commodities with a value within the Minister of Finance's budget expenditure-deciding competence defined in the Law on the State Budget for timely serving every task that may arise.

3. Persons competent to decide on the warehousing or delivery of national reserve commodities under Clause 2 of this Article shall manage and use the commodities for proper purposes and subjects; report thereon to the Prime Minister and notify such to the Ministry of Finance within 3 working days after making such decisions and take responsibility for their decisions.

4. The Ministry of Finance shall inspect the warehousing and delivery of national reserve commodities prescribed in this Article, report violations to the Prime Minister for timely handling and take responsibility for inspection results.

**Article 37.** Warehousing and delivery of national reserve commodities under plans and rotary exchange of national reserve commodities

1. The warehousing and delivery of national reserve commodities under plans and rotary exchange of national reserve commodities must be carried out annually. The national reserve commodities-managing ministries and sectors shall draw up plans on warehousing, rotary exchange and delivery of national reserve commodities and send them to the Ministry of Finance for summarization and reporting to the Prime Minister for decision.

2. Heads of the national reserve commodities-managing ministries or sectors shall organize the implementation of the plans for warehousing, delivery and rotary exchange of national reserve commodities; if the plans are not completed in the plan year, they shall report to the Ministry of Finance for submission to the Prime Minister for consideration and decision.

3. If money amounts earned from the sale of commodities for rotation are not enough for the purchase of commodities with adequate quantities under the approved plans due to price change, the national reserve commodities-managing ministries or sectors shall purchase commodities with quantities corresponding to money amounts earned.

4. In case of purchase of national reserve commodities of seasonal nature, for rotation purpose, if new commodities must be purchased before the old commodities are sold, the Minister of Finance shall consider and decide on the advance of state budget funds for such purchase; the national reserve commodities-managing ministries or sectors shall reimburse the advanced money amounts within the plan year.

**Article 38.** Internal transfer of national reserve commodities

1. Heads of the national reserve commodities-managing ministries or sectors shall decide on the internal transfer of national reserve commodities in the following cases:

a/ According to plan to ensure **safety and** suitability to the conditions of national reserve commodity warehouses and preservation;

b/ The national reserve commodities are available in regions struck by national disasters or fires or in unsafe areas;

c/ National reserve commodities are transferred to necessary places for **performing** tasks that may arise;

d/ It is necessary for inventory, handover, inspection or investigation activities.

2. Heads of the national reserve commodities-managing ministries or sectors shall notify the Minister of Finance of the **internal** transfer of national reserve commodities within three working days after deciding on **the** transfer.

**Article 39.** Warehousing and delivery of national reserve commodities in other cases:

1. Heads of the national reserve commodities-managing ministries or sectors shall **decide on the** warehousing and delivery of national reserve commodities in other cases, including:

a/ Delivery of national reserve commodities for liquidation and destruction;

b/ Warehousing of national reserve commodities for excessive commodity quantities

upon actual inventory compared to those stated in the accounting books.

2. The Government shall detail this Article.

## Section 2

### PURCHASE AND SALE OF NATIONAL RESERVE COMMODITIES

**Article 40.** Methods of purchasing national reserve commodities

National reserve commodities may be purchased by the following methods:

1. Purchase in accordance with the bidding law;
2. Public purchase directly from all subjects.

**Article 41.** Purchase of national reserve commodities in accordance with the bidding law

1. The purchase of national reserve commodities in accordance with the bidding law is carried out in the following forms:

- a/ Public bidding;
- b/ Direct procurement;
- c/ Competitive offer;
- d/ Designation of contractors.

2. The designation of contractors complies with the bidding law and applies to the following cases:

a/ Confidentiality must be assured in accordance with the law on protection of state secrets, for bidding packages to purchase national reserve commodities for defense and security tasks.

b/ Neither public bidding nor competitive offer can apply due to the emergency, urgency, seasonal and temporal requirements with regard to bidding packages to purchase national reserve commodities being anti-epidemic drugs, germicide chemicals, plant protection drugs and plant seeds.

**Article 42.** Conditions on designation of contractors

1. Cases of designation of contractors specified in Clause 2, Article 41 of this Law must satisfy the following conditions:

a/ It is included in the assigned national-reserve commodity purchase plans;

b/ The plan on designation of contractors is approved;

c/ The budget estimate is approved according to regulations;

d/ The period of contract performance does not exceed 12 months.

2. The designation of contractors must be carried out within 30 days at the latest after the requirement dossiers are approved: for complicated large-scale bidding packages, such time limit is 60 days.

3. The competence for, and process of, contractor designation comply with the bidding law.

**Article 43.** Public direct purchase from all subjects

1. The public direct purchase from all subjects applies to cases of purchase of national reserve paddy.

2. The public direct purchase from all subjects is carried out as follows:

a/ The unit tasked to purchase national reserve commodities draws up a plan for public direct purchase from all subjects and submit it to the head of the specialized national-reserve management agency for approval;

b/ Determining the quantity, quality and types of paddy to be purchased, purchase locations, purchase time and purchase prices;

c/ Based on the approved plan, the unit tasked to purchase national reserve commodities publishes the purchase plan on a newspaper for three consecutive issues or notify on television for three consecutive times in three days and posts it up at the paddy-purchasing locations; and organizes the purchase strictly according to the plan and at the quoted price.

**Article 44.** Methods of selling national reserve commodities

National reserve commodities may be sold by the following methods:

1. Auction;
2. Designated sale;
3. Public direct sale to all subjects.

**Article 45.** Auction of national reserve commodities

1. The auction of national reserve commodities complies with the law on auction.

2. In case of unsuccessful auction, units tasked to sell national reserve commodities shall

report thereon to the heads of the national reserve commodities-managing ministries or sectors for decision on public direct sale to all subjects.

**Article 46.** Designated sale or public direct sale to all subjects

1. National reserve commodities to serve defense and security can be put on designated sale only for defense and security purposes.

2. National reserve commodities put on public direct sale to all subjects include:

a/ Paddy, vaccines, germicide chemicals, plant protection drugs, plant seeds and white salt;

b/ National reserve commodities other than those specified in Clause 1 and at Point a of this Clause, which must be auctioned but cannot be sold after two unsuccessful auctions. The price for public direct sale to all subjects must not be lower than the reserve price of the auctions.

3. The designated sale and public direct sale to all subjects are carried out in the following process:

a/ The unit tasked to sell national reserve commodities draws up a plan for designated sale or public direct sale to all subjects and submits it to the head of the national reserve commodities-managing ministry or sector for approval;

b/ Determining the name, quantity and quality of to-be-sold national reserve commodities; sale locations, sale time and sale price;

c/ Based on the approved plan, the unit tasked to sell national reserve commodities publishes the sale plan on a newspaper for three

consecutive issues or on television for three consecutive times in three days and posts it up at the sale locations; organize the sale strictly according to the plan and at the quoted price.

For national reserve commodities specified in Clause 1 of this Article, notification in the mass media is not required; the sale price must be the price approved by the Minister of National Defense or the Minister of Public Security.

**Article 47.** Liquidation of national reserve commodities

1. National reserve commodities which fail to meet the criteria for serving the national reserve objectives must be liquidated in accordance with law. Heads of the national reserve commodities-managing ministries or sectors shall decide on the liquidation of national reserve commodities.

2. Money earned from the liquidation of national reserve commodities must be remitted into the state budget after paying reasonable expenses.

3. Unusable national reserve commodities must be destroyed. The Prime Minister shall decide on the destruction of national reserve commodities.

**Article 48.** Competence to decide on methods of purchasing and selling national reserve commodities

Heads of the national reserve commodities-managing ministries or sectors shall base themselves on the provisions of this Law to

decide on the methods of purchasing and selling national reserve commodities and take responsibility for their decisions.

### Section 3

#### PURCHASE PRICES, SALE PRICES, WAREHOUSING EXPENSES, DELIVERY EXPENSES AND PRESERVATION EXPENSES OF NATIONAL RESERVE COMMODITIES

**Article 49.** Purchase prices and sale prices of national reserve commodities

1. The purchase prices of national reserve commodities through bidding and the sale prices of national reserve commodities through auction comply with the law on bidding or auction and the law on pricing.

2. The purchase and sale prices of national reserve commodities through public direct purchase or sale to all subjects are prescribed as follows:

a/ The Minister of Finance shall decide on the maximum purchase prices and the minimum sale prices for national reserve commodities at the proposal of the heads of the national reserve commodities-managing ministries or sectors;

b/ Heads of the national reserve commodities-managing ministries or sectors, excluding the Minister of National Defense and the Minister of Public Security, shall decide on specific prices, based on the market prices at the time and places of purchasing or selling the national reserve commodities under their management, which, however, must not be

higher than the maximum purchase prices and lower than the minimum sale prices decided by the Minister of Finance;

c/ When purchasing or selling national reserve commodities, if the fluctuating market prices are higher than the maximum purchase prices or lower than the minimum sale prices, the Minister of Finance shall examine and adjust the maximum purchase prices and the minimum sale prices at the proposal of the heads of the national reserve commodities-managing ministries or sectors.

3. The Minister of National Defense and the Minister of Public Security shall decide on the purchase prices and sale prices of defense- or security-related national reserve commodities after reaching agreement with the Minister of Finance on the pricing principles.

**Article 50.** Expense levels for warehousing, delivery and preservation of national reserve commodities

1. The prescription of expenses for warehousing, delivery and preservation of national reserve commodities must be based on the techno-economic norms for national reserve commodities and the national technical standards of national reserve commodities.

2. The Minister of Finance shall prescribe expense levels for warehousing and delivery at the doors of national-reserve warehouses and the maximum delivery expenses outside the warehouses' doors and preservation expenses at the proposal of the national reserve commodities-managing ministries or sectors.

#### Section 4

### PRESERVATION OF NATIONAL RESERVE COMMODITIES

**Article 51.** Principles of preservation of national reserve commodities

1. National reserve commodities must be kept separately, at prescribed locations and preserved under the national technical standards and econo-technical norms of national reserve commodities and the contracts for hired preservation of national reserve commodities, ensuring their quantity, quality and safety.

2. If loss is caused during the preservation of national reserve commodities beyond the law-prescribed level for subjective reasons, the preserving units and persons shall compensate for such lost quantity; if the loss is below the prescribed level, organizations and persons will be rewarded according to the Government's regulations.

3. National reserve commodities which are damaged or degenerated in quality during preservation must be rehabilitated or delivered for timely sale to limit the damage. If national reserve commodities are damaged or degenerated in quality for objective reasons, the preserving units or persons are not required to compensate; if it is due to subjective causes, they shall compensate and be handled in accordance with law.

**Article 52.** Responsibility for preservation of national reserve commodities

1. The national reserve commodities-managing ministries and sectors shall observe

the national technical standards and techno-economic norms of national reserve commodities and the law on protection of state secrets.

2. Heads of the national reserve commodities-managing ministries and sectors shall direct and inspect the preservation of national reserve commodities; promptly stop and handle acts of violation of the law on preservation of national reserve commodities.

3. Heads of units directly managing national reserve commodities and persons directly managing and preserving national reserve commodities are responsible for the quantity and quality of the assigned national reserve commodities.

4. For national reserve commodities with special technical, storage and preservation requirements, the national reserve commodities-managing ministries and sectors shall select organizations or enterprises satisfying the conditions specified in Article 53 of this Law to sign contracts for hired preservation thereof.

5. The specialized national reserve agency shall inspect and check the preservation of national reserve commodities by the national reserve commodities-managing ministries and sectors as well as national reserve commodities-preserving organizations and enterprises.

**Article 53.** Conditions for being hired to preserve national reserve commodities

Organizations or enterprises selected by the national reserve commodities-managing ministries or sectors for hired preservation of national reserve commodities must satisfy the

following conditions:

1. Having the legal entity status;
2. Producing and trading in commodities relevant to the commodities put up for hired preservation;
3. Warehouses and equipment for warehousing, delivery and preservation must satisfy the technical requirements of national reserve commodities;
4. Technical staff possess appropriate managerial and professional experience to meet the requirements of national reserve commodity preservation.
5. Having full financial capability for the performance of national reserve commodity preservation contracts.

**Article 54.** Application of national technical standards and techno-economic norms of national reserve commodities

1. Agencies managing and organizations and enterprises preserving national reserve commodities shall apply the national technical standards of national reserve commodities. The Ministry of Finance shall assume the prime responsibility for, and coordinate with related ministries and sectors in, inspecting the application; review, revise and promptly add national technical standards of national reserve commodities suitable to national reserve commodities in accordance with the law on technical standards and regulations.

2. The national reserve commodities-managing ministries and sectors and the

specialized national reserve agency shall base themselves on the techno-economic norms of national reserve commodities to formulate plans and budget estimates for hired preservation of national reserve commodities. The Ministry of Finance shall assume the prime responsibility for, and coordinate with the national reserve commodities-managing ministries and sectors in, studying, reviewing, revising and adding the techno-economic norms of national reserve commodities to suit reality and meet management requirements.

#### Section 5

### USE OF NATIONAL RESERVE COMMODITIES

**Article 55.** Principles of use of national reserve commodities

1. National reserve commodities must be used for proper purposes and subjects and in accordance with the financial, state asset management and statistical regimes prescribed by law.

2. Agencies and organizations using national reserve commodities are subject to supervision, examination and inspection by competent agencies; report on the results of using national reserve commodities to the specialized national reserve agency.

3. Heads of the national reserve commodities-managing ministries and sectors, and chairpersons of provincial-level People's Committees shall propose the supply and use of national reserve commodities.

**Article 56.** Responsibility for delivery for free supply, and receipt of national reserve commodities

1. Agencies, organizations and units tasked to deliver for free supply national reserve commodities shall strictly implement the procedures for delivery, transportation and handover of commodities at prescribed locations in a timely and safe manner with correct quantity, quality and types.

2. Ministries, sectors and provincial-level People's Committees which are tasked to receive national reserve commodities shall promptly receive and distribute them strictly according to prescribed regimes and policies and to proper subjects; strictly comply with the financial, state asset management and statistical regimes and are subject to supervision and examination by competent agencies.

**Article 57.** Management and use of national reserve commodities

After receiving national reserve commodities, ministries, sectors, provincial-level People's Committees, agencies and organizations shall:

1. Manage and use national reserve commodities for proper purposes and subjects and according to the norms prescribed by law, ensuring neither loss nor waste;

2. Compile dossiers for monitoring, accounting and reporting on the management and use of supplied national reserve commodities in accordance with the laws on accounting and statistics. Particularly for national reserve commodities which can be used for many times,

books must be opened for detailed monitoring as prescribed by law.

#### Chapter V

### NATIONAL-RESERVE WAREHOUSES, SCIENTIFIC RESEARCH AND APPLICATION OF PRESERVATION TECHNOLOGY TO NATIONAL RESERVE COMMODITIES

**Article 58.** Master plan on the system of national reserve warehouses

1. Principles of planning the system of national reserve warehouses:

a/ Conformity with socio-economic, defense, security and regional development strategies;

b/ Conformity with the national reserve strategies and land use master plan;

c/ Synchronism and suitability to places of commodity sources, population density and safety.

2. Contents of the master plan on the system of national reserve warehouses must meet the following requirements:

a/ Conformity with the national reserve objectives and requirements;

b/ Connectivity of the system of national reserve warehouses according to territorial lines and regions;

c/ Development toward modernization;

d/ Suitability to investment capital capacity;

e/ Clear identification of implementation solutions and roadmaps.

3. The Ministry of Finance shall assume the prime responsibility for, and coordinate with the Ministry of Planning and Investment as well as the national reserve commodities-managing ministries and sectors in, formulating the master plan on the system of national-reserve warehouses for submission to the Prime Minister for approval.

**Article 59.** Detailed planning of the network of national reserve warehouses

1. Principles of detailed planning of the network of national reserve warehouses:

a/ Being based on the master plan on the system of national reserve warehouses and local land use master plans;

b/ Convenience for commodity protection, fire and explosion prevention and fighting, transport, communications, warehousing and delivery; assurance of no flooding; synchronism, large scale, advanced preservation technology and mechanization in the warehousing and delivery of national reserve commodities.

2. Contents of a detailed plan on the network of national reserve warehouses must satisfy the following requirements:

a/ Ensuring connectivity between major economic centers and different regions nationwide, convenience in the warehousing and delivery of national reserve commodities;

b/ Ensuring high use efficiency;

c/ Ensuring development toward modernization of preservation technology and warehousing and delivery processes;

d/ Being suitable to investment capital capacity;

e/ Clearly identifying implementation solutions and roadmaps.

3. Heads of the national reserve commodities-managing ministries and sectors shall formulate and approve detailed plans on the network of national reserve warehouses under their respective management after reaching agreement with the Ministry of Finance and the Ministry of Planning and Investment.

**Article 60.** Planning of land funds used for construction of national reserve warehouses

1. The national reserve commodities-managing ministries and sectors shall base themselves on the detailed plans on the network of national reserve warehouses to draw up plans on the use of land for the construction of national reserve warehouses in conformity with local land use master plans.

2. State agencies competent in the formulation of land use master plans and plans, land allocation and land lease shall arrange land funds for the construction of national reserve warehouses according to planning and perform the state management of land used for the construction of national reserve warehouses.

**Article 61.** Requirements on national reserve warehouses

1. National reserve warehouses must be built according to the approved master plan; step by step meet the requirements of modernization with advanced preservation technology, adequate

technical equipment and facilities necessary for mechanization and automation of the warehousing and delivery of national reserve commodities.

2. National reserve warehouse premises must be strictly protected, safe and secret as prescribed by law; be furnished with adequate technical equipment necessary for the observation, supervision, prevention and fighting of natural disasters, fires, damage, loss and other factors which may cause damage to national reserve commodities.

3. Based on the approved master plan on national reserve warehouses, the national reserve commodities-managing ministries and sectors shall mobilize organizations, enterprises and individuals to invest in the construction of national reserve warehouses according to the warehouse standards specified in Article 62 of this Law for rent by national reserve units or for the performance of contracts for hired preservation of national reserve commodities.

**Article 62.** National-reserve warehouse standards

1. The national-reserve warehouse standards must conform to the preservation technology requirements and the specific characteristics of each type of national reserve commodities.

2. The Minister of Finance shall decide on the national-reserve warehouse standards after reaching agreement with the Minister of Planning and Investment and heads of the national reserve commodities-managing ministries and sectors. For national reserve warehouses in the field of

defense and security, the Minister of National Defense or the Minister of Public Security shall decide on their standards after reaching agreement with the Minister of Finance and the Minister of Planning and Investment.

**Article 63.** Modernization of national reserve activities

Investment must be made in research into and application of preservation sciences, techniques and technologies and in the development of information technology and other facilities to ensure the modernization of national reserve activities.

**Article 64.** Scientific research into and application of national-reserve commodity preservation technologies

1. Scientific research into and application of national-reserve commodity preservation technologies must satisfy the following requirements:

a/ Prolonging the storage and preservation duration, ensuring quality and reducing the loss of national reserve commodities; restricting environmental pollution;

b/ Being suitable to reality; selectively accepting and transferring advanced preservation technologies of foreign countries.

2. Contents of scientific research into and application of national-reserve commodity preservation technologies include:

a/ Research into new preservation technologies for replacement of obsolete and

polluting national reserve commodity preservation technologies and substitution for imported technologies;

b/ Expansion of international cooperation in the transfer and application of advanced national-reserve commodity preservation technologies;

c/ Training and retraining of highly qualified human resources.

3. The Ministry of Finance shall assume the prime responsibility for, and coordinate with the national reserve commodities-managing ministries and sectors in, formulating plans for research and application of sciences and technologies to national-reserve commodity preservation.

## Chapter VI

### IMPLEMENTATION PROVISIONS

**Article 65.** Effect

This Law takes effect on July 1, 2013.

**Article 66.** Implementation detailing and guidance

The Government and competent agencies shall detail and guide the implementation of articles and clauses as assigned in the Law.

This Law was passed on November 20, 2012, by the XIII<sup>th</sup> National Assembly of the Socialist Republic of Vietnam at its 4<sup>th</sup> session.-

*Chairman of the National Assembly*  
NGUYEN SINH HUNG