

Treasury,

DECIDES:

DECISION No. 156/2003/QĐ-BTC OF SEPTEMBER 24, 2003 ON THE FIRST-DRIVE ISSUANCE OF GOVERNMENT BONDS FOR INVESTMENT IN A NUMBER OF IMPORTANT TRAFFIC AND IRRIGATION WORKS OF THE COUNTRY

THE MINISTER OF FINANCE

Pursuant to the Government's Decree No. 77/2003/ND-CP of July 1, 2003 defining the functions, tasks, powers and organizational structure of the Ministry of Finance;

Pursuant to the Government's Decree No. 25/CP of April 5, 1995 defining the tasks, powers and organizational structure of the State Treasury under the Ministry of Finance;

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

Pursuant to the Prime Minister's Decision No. 182/2003/QĐ-TTg of September 5, 2003 on the issuance of Government bonds for investment in a number of important traffic and irrigation works of the country;

At the proposal of the general director of the State

Article 1.- To issue Government bonds in the first drive with a value of VND 3,000 billion for investment in a number of important traffic and irrigation works of the country.

Article 2.- Government bonds shall be issued and paid in Vietnam dong, and in form of certificates or book entries.

Bond certificates include registered and bearer ones; pre-printed with different denominations of VND 100,000, VND 200,000, VND 500,000, VND 1,000,000, VND 2,000,000, VND 5,000,000, VND 10,000,000, VND 20,000,000, VND 50,000,000 and VND 100,000,000.

Article 3.- The modes of issuance of Government bonds

1. Issuance through the system of State Treasuries nationwide.

1.1. The bond buyers shall include Vietnamese organizations and citizens; overseas Vietnamese; foreigners working and residing in Vietnam; and foreign organizations operating in the Vietnamese territory, except for those being members of the market for bidding for and underwriting of Government bonds.

Vietnamese organizations must not use funding allocated from the State budget to purchase Government bonds.

1.2. Bond term: 5 years.

1.3. Bond interest rate: 8.5%/year, fixed for the whole term of 5 years and paid at the end of each year.

1.4. Issuance duration: Beginning from October 15, 2003 and ending before December 31, 2003.

2. Bidding through the Securities Trading Centers:

2.1. Subjects eligible to participate in the bidding for the Government bonds are members of the market for bidding for Government bonds through Securities Trading Centers. Organizations and individuals wishing to purchase Government bonds through bidding shall register with the organizations licensed to trade at securities market.

2.2. Bond term: 5 years and 10 years.

2.3. Interest rates shall be formed through the bidding results.

2.4. Issuance time: From October 10, 2003.

3. Issuance underwriting:

3.1. Subjects eligible to participate in issuance underwriting of Government bonds are organizations *permitted to underwrite Government bonds according to the current regulations.*

3.2. Bond term: 5 years and 10 years.

3.3. Bond interest rates shall be formed through agreements between underwriting organizations and the Central State Treasury.

3.4. Issuance time: From October 10, 2003.

Article 4.- Principles for payment of principals and interests of Government bonds:

4.1. Bond principals shall be paid in lump sum upon their maturity.

4.2. Bond interests shall be paid once a year.

If upon the bond maturity for payment of principals

or interests, the bond owners do not come to get the payment, such principals or interests shall be reserved for refund to the bond owners when they need to get the payment; interest shall not be calculated for the principalized amounts and for the over-mature period.

Article 5.- Government bond owners shall enjoy the following rights and preferences:

5.1. To be entitled to transfer, donate, bequeath or use in pledges in credit relations.

5.2. To be entitled to purchase, sell and trade in bonds listed at the Securities Trading Centers through the Securities Trading Centers.

5.3. Bond owners being credit institutions shall be entitled to trade in bonds on the monetary market, discount and rediscount bonds according to the State Bank's regulations.

5.4. Bond owners being individuals shall be exempt from personal income tax for their incomes from bond interests and enjoy free-of-charge bond custody at the system of State Treasuries.

Article 6.- The general director of the State Treasury shall have to:

6.1. Organize the issuance of Government bonds by the modes prescribed in Article 3 of this Decision.

6.2. Take initiative in administering the volume, term and interest rate of Government bonds issued by the modes prescribed at Points 2 and 3, Article 3 of this Decision within the volume limit and interest rate bracket approved by the Finance Minister.

6.3. Report on, account and settle Government bond revenues and payments according to the prescribed regimes.

Article 7.- This Decision takes effect as from the effective date of the Prime Minister's Decision No. 182/2003/QĐ-TTg of September 5, 2003.

The general director of the State Treasury, the heads of the concerned units under and attached to the Finance Ministry, and the directors of the State Treasury offices in Hanoi and Ho Chi Minh city shall have to implement this Decision.

Minister of Finance
NGUYEN SINH HUNG