

THE GOVERNMENT

No. 78/2010/ND-CP

SOCIALIST REPUBLIC OF VIET NAM
Independence - Freedom – Happiness

Hanoi, July 14, 2010

DECREE

ON ON-LENDING OF THE GOVERNMENT'S FOREIGN LOANS

THE GOVERNMENT

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

Pursuant to the December 16, 2002 Law on State Budget;

Pursuant to the June 17, 2009 Law on Public Debt Management;

At the proposal of the Minister of Finance,

DECREES:

Chapter 1

GENERAL PROVISIONS

Article 1. Scope of regulation and subjects of application

1. This Decree provides conditions, process, procedures and responsibilities of agencies, organizations and individuals in the on-lending of the Government's foreign loans.
2. This Decree applies to agencies, organizations and individuals involved in the on-lending of the Government's foreign loans.

Article 2. Interpretation of terms

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

1. Foreign loan agreement means a capital-borrowing agreement, contract or deal concluded on behalf of the State, the Government or by the Ministry of Finance with a foreign lender in accordance with law.
2. On-lending agreement means an on-lending contract or a loan sub-agreement signed between the Ministry of Finance or the on-lending agency and the sub-borrower regarding the on-lending of the Government's foreign loans.
3. On-lending authorization contract means an agreement signed between the Ministry of Finance and the on-lending agency (in case the Ministry of Finance is not the on-lending agency) to authorize the on-lending agency, on behalf of the Ministry of Finance, to manage the use of loans by the sub-borrower, to recover the loans (including principal, interest and charge) for repayment to the state budget.
4. Accounting exchange rate means the exchange rate announced by the Ministry of Finance for accounting of and reporting on state budget revenues and expenditures in foreign currencies.

5. Commercial interest reference rate. (CIRR) means the commercial interest reference rate announced monthly by the Organization for Economic Cooperation and Development (OECD) on its website (www.oecd.org).

6. Charge means a kind of charge a sub-borrower is required to pay in addition to the on-lending interest to the on-lending agency, the foreign lender and the servicing bank

7. Grace period means a period of time starting from the date of conclusion of a foreign loan agreement or an on-lending agreement and lasting till the date of the first payment of the principal under the foreign loan agreement or the on-lending agreement.

Chapter II

ON-LENDING PROVISIONS AND CONDITIONS

Article 3. On-lending value

1. The on-lending value stated in an on-lending agreement is determined on the basis of the value of the foreign loan agreement for each program or project. If a foreign loan agreement is signed for multiple projects but does not specify the level of allocation to each program or project, the on-lending value shall be determined under the Government's decision on allocation of the loan.

2. The actually acknowledged debt value is the value accumulated through loan withdrawals.

Article 4. On-lending currency

1. On-lending of ODA loans: The sub-borrower may select Vietnamese currency, i.e., Vietnam dong, or the original foreign loan currency as the on-lending currency, depending on its capital use requirements and debt payment capability. After concluding the on-lending agreement, the sub-borrower may not convert the on-lending currency into another currency. In case of on-lending in Vietnamese currency, the rate of exchange of a foreign currency into Vietnam dong is prescribed as follows:

a/ If the foreign loan is withdrawn in foreign currency then sold for Vietnam dong, the exchange rate is the buying rate of that foreign currency applied by the servicing bank at the time of loan withdrawal;

b/ If the foreign loan is withdrawn in foreign currency through a special account, an advance account used for a specific program or project, the exchange rate is the buying rate of that foreign currency applied by the servicing bank at the time the money is withdrawn from the account;

c/ If the foreign loan is withdrawn in foreign currency through a special account, an advance account used for multiple programs or projects, the exchange rate is the buying rate of that foreign currency applied by the servicing bank at the time the money is withdrawn from the account;

d/ If the foreign loan is withdrawn in foreign currency for direct payment to contractors and suppliers, the exchange rate is the accounting exchange rate announced by the Ministry of Finance at the time the money is withdrawn.

2. Foreign commercial and concessional loans: The sub-borrower shall acknowledge debt in the original foreign currency in which the foreign loan has been borrowed, except for special cases to be decided by the Prime Minister.

3. On-lending (of funds from any source) to People's Committees of provinces and centrally run cities (below referred to as provincial-level People's Committees): The on-lending currency is the original foreign currency in which the foreign loan has been borrowed.

Article 5. Debt recovery currency

1. With regard to ODA loans: The debt recovery currency is the currency in which the loan is on-lent. If the sub-borrower acknowledges debt in a foreign currency and pays in Vietnam dong, the on-lending agency shall apply the accounting exchange rate set by the Ministry of Finance at the time of

debt payment or the one already agreed with the sub-borrower under the on-lending agreement in order to recover the debt.

2. With regard to commercial and concessional loans: The debt recovery currency is the currency in which the loan is on-lent. If the sub-borrower acknowledges debt in a foreign currency and pays in Vietnam dong, the on-lending agency shall apply the selling rate of that foreign currency set by the servicing bank or the Bank for Foreign Trade of Vietnam, if the servicing bank's aforesaid rate is not available at the time of debt payment in order to recover the debt.

Article 6. Debt acknowledgement date

1. With regard to loan withdrawn in the form of letters of credit (L/C), direct payment or refund: the date the sub-borrower acknowledges debt with the on-lending agency is the date of loans withdrawal according to the foreign lender's notice.

2. With regard to loans withdrawn through a special account or advance payment account:

a/ If multiple projects or programs under the same foreign loan agreement use the same special account or advance payment account, the date the sub-borrower acknowledges debt with the on-lending agency is the date of loan withdrawal from that account for each program or project. The interest arising from the date of withdrawal of the foreign loan into the special account or advance payment account till the date of withdrawal of the loan from this account for each program or project shall be paid by the state budget to the foreign lender under the foreign loan agreement;

b/ If a foreign loan agreement serves only one program or project and uses one special account or advance payment account, the time the sub-borrower acknowledges debt with the on-lending agency is the time the foreign lender transfers the loan into that account.

3. Based on the lender's disbursement notice or voucher of payment from the special account or advance payment account, the Ministry of Finance shall make a notice or a circular letter on the mutual ceasing of revenues and expenditures for the on-lending agency by the value and date of disbursement for each program or project.

4. Based on the Ministry of Finance's notice or circular letter on the mutual ceasing of revenues and expenditures, the on-lending agency shall notify the sub-borrower of debt acknowledgement. If the sub-borrower disagrees with data in the Ministry of Finance's notice or circular letter, the on-lending agency shall immediately report such to the Ministry of Finance for handling.

Article 7. On-lending interest rate

1. On-lending of commercial and concessional loans: The on-lending interest rate is equal to the foreign lending interest rate.

2. On-lending of ODA loans

a/ On-lending in foreign currency

In case of on-lending in the original foreign currency, the on-lending interest rate is equal to 2/3 (two-thirds) of the commercial interest reference rate corresponding to the on-lending term at the time of determining the on-lending conditions. If 2/3 (two-thirds) of the commercial interest reference rate are lower than the foreign lending interest rate, the on-lending interest rate is equal to the foreign lending interest rate.

In case of on-lending in foreign currency without a commercial interest reference rate, the on-lending interest rate is equal to the foreign lending interest rate;

b/ On-lending in Vietnam dong

The on-lending interest rate is determined as equal to the foreign currency lending interest rate specified at Point a, Clause 2 of this Article plus the exchange rate risk ratio between the relevant foreign currency and Vietnam dong. The Ministry of Finance shall assume the prime responsibility for, and coordinate with the State Bank of Vietnam in, calculating and announcing the exchange rate risk ratio between Vietnam dong and three major foreign currencies, namely USD, EURO and JPY. In case of major fluctuations on the foreign exchange market, the Ministry of Finance may announce

another exchange rate risk ratio right in the applicable period. If the original foreign currency in the loan agreement is different from the three aforesaid foreign currencies, the exchange rate risk ratio is the one applicable to USD;

c/ A number of trades and sectors are eligible for the preferential interest rate which is equal to 30% of the corresponding foreign currency or Vietnam dong on-lending interest rate but must not be lower than the foreign lending interest rate.

A list of trades and sectors eligible for the preferential interest rate shall be provided for by the Prime Minister. The Ministry of Finance shall assume the prime responsibility for, and coordinate with the Ministry of Planning and Investment in, submitting to the Prime Minister for promulgation the list of trades and sectors eligible for the preferential interest rate.

3. On-lending to provincial-level People's Committees: the on-lending interest rate is equal to the foreign lending interest rate.

Article 8. Number of days for interest calculation

1. On-lending of commercial and preferential loans: The number of days used for calculation of on-lending and late payment interests shall be calculated under the foreign loan agreement.

2. On-lending of ODA loans: The on-lending and late payment interests shall be calculated based on the actual number of days during which the loan is used, with a year presumed to have 360 days.

Article 9. Late payment interest

If the sub-borrower fails to pay the principal, interest, on-lending charges and other payable amounts on schedule, it is liable to pay a late payment interest at an interest rate equal to 150% of the one under the on-lending agreement or under the foreign loan agreement, whichever is higher.

Article 10. Charges

Sub-borrowers shall pay the following charges:

1. On-lending charge

a/ This is a charge to be collected by the on-lending agency (including the Ministry of Finance, in case it directly on-lends the loan) from the sub-borrower in order to cover operational expenses incurred in the management and recovery of the on-lent loan. With regard to on-lending of ODA loans, the on-lending charge is equal to 0.2%/year, to be calculated based on the principal balance. With regard to on-lending of commercial and concessional loans, the on-lending charge is equal to 0.25%/year, to be calculated based on the principal balance. The charge-collecting agency and charge rates payable to agencies in specific cases are provided for in Appendix I to this Decree.

b/ The on-lending charge does not apply to on-lending to provincial-level People's Committees.

c/ The management and use of the on-lending charge comply with the financial mechanism of the agency using it. The management and use of on-lending charges by the Ministry of Finance must comply with regulations of the Prime Minister.

2. Charges and relevant costs to be collected by the foreign lender: The sub-borrower shall pay charges and relevant costs to the foreign lender under the foreign loan agreement, including management charge, commitment charge, loan withdrawal charge, insurance charge and other charges and costs. The sub-borrower shall pay these charges and costs to the on-lending agency for payment to the Ministry of Finance or, if authorized by the Ministry of Finance, pay directly to the foreign lender.

3. Service charges to be collected by the servicing bank: The sub-borrower shall pay directly to the servicing bank according to the bank's regulations.

Article 11. On-lending terms

1. The on-lending term and grace period are equal to the term and period specified in the relevant foreign loan agreement in the following cases:

- a/ On-lending of commercial and concessional loans;
 - b/ On-lending to provincial-level People's Committees;
 - c/ On-lending of ODA loans to financial, credit institutions for implementation of credit programs or credit limits.
2. On-lending of ODA capital for execution of investment programs or projects:
- a/ The time limit for payment of the principal is equal to the time limit for the recovery of capital under the investment project (feasibility study report) which has been approved by a competent agency but must not exceed the time limit under the foreign loan agreement;
 - b/ The grace period is equal to the approved construction period, which will last till the project is put into operation as mentioned in the investment project (feasibility study report), but must not exceed the grace period under the foreign loan agreement.

Article 12. Loan guarantee

1. The sub-borrower shall employ loan guarantee measures prescribed by law to secure its capability of offsetting credit risks and other possible risks, except cases exempt from loan guarantee, as prescribed in Clause 2 of this Article. Loan guarantees include assets originating from the Government's on-lent loans and/or other assets prescribed by law.
2. Loan guarantee is not required in the following cases:
 - a/ On-lending to provincial-level People's Committees;
 - b/ On-lending to financial, credit institutions;
 - c/ Cases which are permitted by the Prime Minister to apply pledge of trust or be exempt from loan guarantee.
3. Commitments on loan guarantee are stated in on-lending agreements. The on-lending agency shall request the sub-borrower to complete legal dossiers on loan guarantee in accordance with law.
4. The on-lending agency shall manage and handle mortgages and loan guarantees for the Government's on-lent loans in accordance with law.

Article 13. Pre-maturity payment

1. On-lending of ODA loans:

The sub-borrower may pay debt before maturity. In this case, the sub-borrower shall send written notice at least 45 days before paying debt to the on-lending agency and the Ministry of Finance and get acceptance from the Ministry of Finance (if the Ministry of Finance bears credit risks) or from the on-lending agency (if the on-lending agency bears credit risks), and need not pay a pre-maturity payment charge.

2. On-lending of commercial and concessional loans:

If pre-maturity payment is permitted under the foreign loan agreement, the sub-borrower may pay debt before its maturity. In this case, the sub-borrower shall send written notice at least 45 days before paying debt to the on-lending agency and the Ministry of Finance, gets acceptance from the Ministry of Finance (if the Ministry of Finance bears credit risks) or from the on-lending agency (if the on-lending agency bears credit risks), and shall pay a pre-maturity payment charge in accordance with the relevant foreign loan agreement (if the Ministry of Finance bears credit risks) or the on-lending agreement (if the on-lending agency bears credit risks).

Article 14. Order of priority for loan repayment

The sub-borrower shall pay principal, interest and charges under the on-lending agreement in an equal order of priority as applicable to any loan of the same category. In case the sub-borrower is able to pay only part of its due liabilities, the order of priority for debt reduction is as follows: late

payment interest, overdue debt interest, due debt interest, on-lending charge, overdue principal and due principal.

Article 15. Non-immunity of liabilities

All complaints and disputes related to commercial contracts shall be settled by contractual parties and do not immunize the sub-borrower from any of its liabilities under the on-lending agreement.

Article 16. Transfer

1. The sub-borrower may neither assign nor transfer its arising liabilities related to the on-lent loan, unless it is approved in writing by the Ministry of Finance (if the Ministry of Finance bears credit risks) or the on-lending agency (if the on-lending agency bears credit risks).

2. If the sub-borrower is a wholly state-owned company undergoing ownership transformation (equitization, merger, transformation into a one member limited liability company, assignment to employees or sale), the person issuing the decision on the ownership transformation of the company shall request the debt-receiving agency to sign debt acknowledgement record with the on-lending agency and pay debt under the signed on-lending agreement.

Article 17. Application of on-lending conditions

1. The Ministry of Finance shall apply on-lending conditions to each loan under this Decree.

2. In case the foreign lender requests that the on-lending is subject to conditions other than those provided in this Decree or in other special cases, the Ministry of Finance shall assume the prime responsibility for consulting relevant agencies and reporting such to the Prime Minister for consideration and decision.

3. On-lending conditions applicable to each program or project must remain unchanged throughout the on-lending term, except cases under Clause 2, Article 23 of this Decree.

Chapter III

ON-LENDING PROCESS AND PROCEDURES

Article 18. On-lending agencies and selection of on-lending agencies

1. The Ministry of Finance shall directly provide on-lending for:

a/ Financial and credit institutions for implementation of credit limits or programs which are not subject to specific conditions. Financial and credit institutions are freely to select end-borrowers, decide on lending interest rates for end-borrowers and bear credit risks;

b/ Provincial-level People's Committees;

c/ A number of special projects exempted by the Prime Minister from verification of on-lending conditions and loan guarantees.

2. The Ministry of Finance shall authorize financial and credit institutions to act as on-lending agencies in the following cases:

a/ On-lending to enterprises for execution of specific investment programs or projects. In this case, financial and credit institutions shall not bear credit risks.

b/ Implementation of credit limits or programs subject to conditions on borrowers, areas, sectors, on-lending interest rates and/or other relevant conditions. Depending on the nature of the credit limits or programs, financial and credit institutions shall or shall not bear credit risks.

3. Selection of on-lending agencies

The Ministry of Finance shall select financial and credit institutions to be on-lending agencies according to the following criteria:

- a/ Having experiences in lending investment programs and projects in the domains eligible for on-lending;
- b/ Operating in a geographical area suitable to the area of the investment program or project to be on-lent;
- c/ Observing regulations on the management and recovery of on-lent loans, on-lending charges and reporting;
- d/ Being accepted by the foreign lender to be on-lending agency (if such is required under the foreign loan agreement);
- e/ With regard to the on-lending of ODA loans, priority shall be given to the Government's policy banks. With regard to on-lending of commercial and concessional loans, other commercial banks and financial and credit institutions shall be selected, with priority given to those co-financing the on-lent loan-funded projects.

4. On-lending agencies are entitled to on-lending charges specified in Appendix I to this Decree.

Article 19. Evaluation of programs and projects funded by on-lent loans

1. On-lending of ODA loans to investment programs and projects with credit risks to be borne by on-lending agencies:

a/ The on-lending agency shall evaluate the financial plan of the program or project to be funded by the on-lent loan, and the sub-borrower's financial capacity according to regulations on evaluation by on-lending agencies;

b/ Within 30 days after receiving a complete and valid dossier for evaluation, the on-lending agency shall conduct evaluation and send an evaluation report to the Ministry of Finance for consideration and determination of on-lending conditions under this Decree. Within 15 days after receiving the on-lending agency's evaluation report, the Ministry of Finance shall issue a notice on on-lending conditions to the on-lending agency and the sub-borrower.

2. On-lending of ODA loans underinvestment programs and projects with credit risks to be borne not by on-lending agencies

a/ For determination of on-lending conditions, the sub-borrower shall submit the following documents to the Ministry of Finance:

- The Prime Minister's written permission of the use of ODA capital;
- The investment project (feasibility study report) of the approved project or program;
- Investment decision of a competent authority (if any).

b/ Within 30 days after receiving a complete and valid dossier from the sub-borrower, the Ministry of Finance shall issue a written notice on on-lending conditions to the on-lending agency and the sub-borrower.

3. On-lending to financial, credit institutions under credit programs or credit limits:

a/ For evaluation and determination of on-lending conditions, the concerned financial or credit institution shall provide the Ministry of Finance (for ODA loans) or the State Bank (for commercial and concessional loans) with the following documents:

- Financial statements of the last three years;
- Financial plan on the use and repayment of the loan, referring to the on-lending conditions prescribed in this Decree.

b/ In case of on-lending ODA loans, within 30 days after a receiving complete and valid dossier from the financial or credit institution, the Ministry of Finance shall conduct evaluation and notify evaluation results and on-lending conditions to the financial or credit institution.

In case of on-lending commercial or concessional loans, within 30 days after receiving a complete and valid dossier from the financial or credit institution, the State Bank shall conduct evaluation and notify evaluation results to the Ministry of Finance. Within 15 days after receiving the State Bank of Vietnam's evaluation notice, the Ministry of Finance shall notify on-lending conditions to the financial or credit institution and the State Bank of Vietnam.

4. On-lending commercial and concessional loans to enterprises:

a/ For evaluation of a program or project to be funded by an on-lent loan, the sub-borrower shall submit the following documents to the on-lending agency:

- The investment project (feasibility study report) of the approved project or program;
- The investment decision of a competent agency;
- Financial statements for the last three years (for operating enterprises/economic organizations); for a newly set up enterprise or enterprise which has been operating for less than 3 years, a written commitment of its ownership representative, owner or parent company on the debt payment capacity is required; this commitment is to ensure the readiness to pay debt for the sub-borrower in case the latter meets with difficulties in paying debt;
- The financial plan, referring to the on-lending conditions prescribed in this Decree.

b/ Within 30 days after receiving a complete and valid dossier for evaluation, the on-lending agency shall conduct evaluation and send an evaluation report to the Ministry of Finance for consideration and determination of on-lending conditions under this Decree. Within 15 days after receiving the on-lending agency's evaluation report, the Ministry of Finance shall issue a notice on on-lending conditions to the on-lending agency and the sub-borrower.

5. On-lending to provincial-level People's Committees:

a/ For evaluation, the provincial-level People's Committee shall provide the Ministry of Finance with the following necessary documents:

- The local budget plan of the year the foreign loan agreement is signed;
- The loan use and payment plan already approved by the provincial-level People's Committee.

b/ Within 30 days after receiving a complete and valid dossier from the provincial-level People's Committee, the Ministry of Finance shall conduct evaluation and issue a written notice on evaluation results to that provincial-level People's Committee.

Article 20. Signing of on-lending authorization contracts and on-lending agreements

1. Signing of on-lending authorization contracts

Within 30 days after determining specific on-lending conditions (or getting the Prime Minister's approval), the Ministry of Finance shall sign an on-lending authorization contract with the on-lending agency on general principles according to the form in Appendix II to this Decree (not printed herein).

2. Signing of on-lending agreements:

Within 15 days after signing an on-lending authorization contract with the Ministry of Finance, the on-lending agency shall sign an on-lending agreement with the sub-borrower according to the conditions stated in the on-lending authorization contract. After signing the on-lending agreement, the on-lending agency shall send 1 copy of such agreement to the Ministry of Finance for coordinated management and monitoring.

In case the Ministry of Finance is the on-lending agency, within 15 days after notifying on-lending conditions to the sub-borrower, the Ministry of Finance shall sign an on-lending agreement with the sub-borrower according to the notified conditions.

Article 21. Debt acknowledgement procedures

Based on the foreign lender's loan withdrawal notice or the servicing bank's notice of expenditure from the special account, the Ministry of Finance shall make entries of revenues for the state budget and expenditures for the on-lending agency so that this agency receives the loan and notify the borrower of debt acknowledgment. If the Ministry of Finance directly on-lends the loan, the sub-borrower shall acknowledge debt directly with the Ministry of Finance.

Immediately after receiving a notice of the expiration of the loan withdrawal time limit under the foreign loan agreement, the Ministry of Finance shall notify the on-lending agency or the sub-borrower of the total loan amount already acknowledged as debt by the sub-borrower.

Article 22. Recovery of on-lent loans

The sub-borrower shall fully pay debt to the on-lending agency on schedule according to the debt payment liabilities stated in the on-lending agreement.

The on-lending agency shall fully pay debt on schedule to the accumulation fund for foreign debt payment under the guidance of the Ministry of Finance and according to the debt payment liabilities stated in the on-lending authorization contract. If authorized by the Ministry of Finance to pay debt directly to the foreign lender, the on-lending agency shall only transfer to the Ministry of Finance the remaining loan amount after paying the debt.

Article 23. Handling of risks

1. For on-lending with credit risks to be borne not by the on-lending agency, if the sub-borrower meets with difficulties and cannot pay the whole or part of the debt and the on-lending agency is unable to recover debt with measures and penalties prescribed by law, the on-lending agency shall investigate and identify reasons for reporting to the Ministry of Finance and the agency evaluating the program or project together with its proposals for consideration, handling or submission to a competent agency for decision.

2. Competence to handle risks:

a/ If the sub-borrower meets with temporary difficulties, the Ministry of Finance may handle the case by rescheduling debt (freezing the debt or extending the debt payment time), to make it suitable with the sub-borrower's debt payment capability, provided that the total debt liabilities remain unchanged or the debt payment time limit does not exceed the foreign loan term;

b/ If the sub-borrower meets with severe difficulties which result in changes in the on-lending conditions (in terms of interest rate, debt payment time limit in excess of the foreign loan term) or in partial write-off of the debt (principal and interest), the Ministry of Finance shall assume the prime responsibility for, and coordinate with the program- or project-evaluation agency and other concerned agencies in, making and proposing a handling plan to the Prime Minister for decision on a case-by-case basis.

c/ If the sub-borrower is completely insolvent, the Ministry of Finance shall report such to the Prime Minister for decision on the handling of guarantees for debt recovery. If the debt still cannot be recovered after the handling of guarantees, it shall be dealt with under law.

d/ In any of the above-mentioned cases in which debts cannot be paid, if subjective causes are identified, the Ministry of Finance shall propose the Prime Minister to assign authorized agencies to handle persons with related responsibilities in accordance with law.

Article 24. Reporting mechanism

1. Quarterly, the on-lending agency shall send to the Ministry of Finance an evaluation report on the on-lending of loans to programs and projects and a plan to recover on-lent loans in the subsequent quarter.

2. Quarterly, the sub-borrower shall send to the on-lending agency and the Ministry of Finance an evaluation report on programs and projects funded by on-lent loans and a plan to recover on-lent loans in the subsequent quarter.

Chapter IV
IMPLEMENTATION PROVISIONS

Article 25. Effect

1. This Decree takes effect on August 30, 2010. On-lent loan-funded programs and projects implemented under foreign loan agreements which become effective after the effective date of this Decree must comply with this Decree. On-lending agreements and on-lending authorization contracts signed before the effective date of this Decree remain valid.

2. To annul the Prime Minister's Decision No. 181/2007/QĐ-TTg of November 26, 2007. promulgating the Regulation on on-lending of the Government's loans or aid, and previous regulations of the Government, ministries, ministerial-level agencies and government-attached agencies which are contrary to this Decree.

Article 26. Implementation responsibilities

Ministers, heads of ministerial-level agencies, heads of government-attached agencies, chairpersons of provincial-level People's Committees and relevant enterprises, organizations and individuals shall implement this Decree.

ON BEHALF OF THE GOVERNMENT
PRIME MINISTER

Nguyen Tan Dung

APPENDIX I

ON-LENDING CHARGES

(To the Government's Decree No. 78/2010/ND-CP of July 14, 2010)

On-lending categories	On-lending charge rates (%/year/ debt balance)	Charge payers	Charge-collecting agencies	Charge-receiving agencies	
				Ministry of Finance	Financial-credit institutions
I. On-lending of ODA loans					
1. Ministry of Finance provides on-lending directly	0.2	Sub-borrowers	Ministry of Finance	0.2	-
2. Ministry of Finance authorizes the on-lending					
a/ Financial-credit institutions bear credit risks, are entitled to interest rate differences	0.2	Financial-credit institutions	Ministry of Finance	0.2	-
b/ Financial-credit institutions bear no credit	0.2	Sub-borrowers	Financial-credit	0.05	0.15

risks			institutions		
II. On-lending of commercial, preferential loans					
1. Ministry of Finance provides on-lending directly	0.25	Sub-borrowers	Ministry of Finance	0.25	-
2. Ministry of Finance authorizes on-lending					
a/ Financial-credit institutions bear credit risks, are entitled to interest rate differences	0.25	Financial-credit institutions	Ministry of Finance	0.25	-
b/ Financial-credit institutions bear no credit risks	0.25	Sub-borrowers	Financial-credit institutions	0.05	0.2