

LAW

ON DEPOSIT INSURANCE

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

The National Assembly promulgates the Law on deposit insurance.

Chapter I

GENERAL PROVISIONS

Article 1. Scope of adjustment

This Law stipulates the deposit insurance activities, rights and obligations of insured persons of deposit s, deposit insurance participation organizations, deposit insurance organization and state management of deposit insurance.

Article 2. Subject of application

This Law applies to the insured persons of deposit s, deposit insurance participation organizations, other agencies, organizations and individuals related to the deposit insurance operations

Article 3. Purpose of deposit insurance

Deposit insurance is to protect the legitimate rights and interests of depositors and contributes to maintain the stability of the system of credit organizations and ensure the safe and healthy development of the banking operation.

Article 4. Explanation of terms

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

1. Deposit Insurance is a guarantee for repayment of deposits to the insured persons of deposit within the limit of premium payment when the deposit insurance participating organizations fall into the state of inability to repay deposits to the depositors or go bankrupt.

2. Insured persons of deposit is an individual having deposits insured at the deposit insurance participation organizations

3. Deposit insurance participating organizations are foreign credit organizations and banking branches established and operating under the Law on credit organizations are entitled to receive deposits of individuals.

4. Deposit insurance organizations are the state financial organizations operating not for profit, implementing the deposit insurance policies, thus contributing to maintain the stability of the system of credit organizations and ensuring the safe and healthy development of the banking operation.

5. Deposit insurance fee is an amount that the deposit insurance participating organizations must pay the deposit insurance organizations for the insurance of deposits of the insured persons of deposit at the deposit insurance participation.

Article 5. Principle of deposit insurance

1. Deposit Insurance is a type of mandatory insurance under the provisions of this Law.

2. The deposit insurance activities must be public and transparent and ensure the legitimate rights and interests of the insured persons of deposit, the deposit insurance participation organizations, and the deposit insurance organizations.

Article 6. Deposit insurance participation

1. The foreign credit organizations and banking branches are entitled to receive the deposits of individuals must participate in deposit insurance, except for the case prescribed in clause 2 of this Article.

2. The policy bank do not have to participate in deposit insurance.

Article 7. State policies on deposit insurance

1. The State has policies to protect the legitimate rights and interests of depositors

2. The State has policies to manage and use in order to preserve and grow the capital resources of the deposit insurance organization. The revenues of the deposit insurance organization are exempted from taxes.

Article 8. State management agency on deposit insurance

1. The Government has unified the management on deposit insurance

2. The State Bank of Vietnam is responsible to the Government to carry out the state management on deposit insurance

3. The Ministries, ministerial-level agencies within the duties and powers shall coordinate with the State Bank of Vietnam to carry out the state management on deposit insurance.

4. The People's Committees at all levels within the duties and powers shall coordinate with the State management agencies to carry out the state management on deposit insurance.

Article 9. State management responsibilities for the deposit insurance of the State Bank of Vietnam

1. Issuing or submitting to the competent agencies for the issuance of legal normative documents on deposit insurance

2. Presenting the Prime Minister for the approval of the development strategy of deposit insurance.

3. Examining, inspecting and handling violations and settling complaints and denunciation about deposit insurance.

4. Presenting the Prime Minister for making a decision on participating in international organizations on deposit insurance of the deposit insurance organization.

5. Signing international agreement or submitting to the competent agencies for signing and joining the international agreement on deposit insurance.

Article 10. Prohibited acts.

1. The deposit insurance participating organizations fail to pay the fee of deposit insurance.

2. The deposit insurance organizations fail to pay or insufficiently pay the premium

3. Defrauding and falsifying records, materials and papers on deposit insurance.

4. Obstructing, making it difficult and damaging the legitimate rights and interests of the deposit insurance organizations and the deposit insurance participating organizations, the insured persons of deposit and the agencies and organizations related to deposit insurance.

5. Taking advantage of position and power to act against the provisions of law on deposit insurance.

Chapter II

RIGHTS AND OBLIGATIONS OF THE INSURED PERSONS OF DEPOSIT, DEPOSIT INSURANCE PARTICIPATING ORGANIZATIONS AND DEPOSIT INSURANCE ORGANIZATIONS

Article 11. Rights and obligations of the insured persons of deposit

1. Being insured their deposits at deposit insurance participating organizations under the provisions of this Law.
2. Receiving the premium fully and in a timely manner as prescribed by this Law.
3. Requiring the deposit insurance participate organizations and deposit insurance organizations to provide complete and accurate information and regulations on deposit insurance.
4. Making complaint and denunciation and initiating a suit against the agencies, organizations and individuals related to deposit insurance as prescribed by the law.
5. Having the obligations to provide complete and honest information on the deposit on the requirement of deposit insurance participating organizations and deposit insurance organizations upon performing the procedures for the premium payment.

Article 12. Rights and obligations of the deposit insurance participating organizations

1. Submitting record to request the issuance of the Certificate of deposit insurance participation.
2. Being issued the Certificate of deposit insurance participation.
3. Paying deposit insurance fee adequately and in a timely manner
4. Requiring the deposit insurance organizations to pay the premium to the insured persons of deposit at the deposit insurance participating organizations upon the obligations of premium payment arising.
5. Making complaint and denunciation and initiating a suit against the agencies, organizations and individuals related to deposit insurance as prescribed by the law.
6. Providing information on the insured deposit to the deposit insurance organizations periodically or at the request of the deposit insurance organizations.

Article 13. Rights and obligations of the deposit insurance organizations

1. Building the development strategy of the deposit insurance for the State Bank of Vietnam to present the Prime Minister for the approval and organization of implementation.
2. Making proposal to the competent state management agencies to promulgate or amend, supplement, supersede, annul and suspend the execution of the legal normative documents related to the deposit insurance activities.
3. Being examined and inspected and supervised by the State Bank of Vietnam and the competent state agencies as prescribed by the law.

4. Issuing and revoking the Certificate of deposit insurance participation
5. Requiring the deposit insurance participating organizations to provide information on the insured deposit.
6. Calculating and collecting deposit insurance fees for the deposit insurance participating organizations as prescribed by this law.
7. Managing, using and preserving the capital resources of deposit insurance
8. Making payment of premium to the insured persons of deposit as prescribed by this law.
9. Monitoring and inspecting the compliance with the legal provisions on deposit insurance; making proposal to the State Bank of Vietnam to handle the acts of violation of provisions of the law on deposit insurance.
10. Aggregating, analyzing and processing information on the deposit insurance participating organizations in order to detect and propose the State Bank of Vietnam to promptly handle violations of safety regulations on banking operations and risks that cause the unsafety in the banking system.
11. Ensuring the confidentiality of the data of deposit related to the deposit insurance of the deposit insurance participating organizations as prescribed by law.
12. Receiving the support on the principle of reimbursement from the state budget as decided by the Prime Minister or borrowing from the other credit organizations and other organizations with the guarantee of the Government in case the capital resources of the deposit insurance organizations temporarily are not sufficient to pay the premium; receiving funding from foreign and domestic organizations and individuals to strengthen the operational capacity.
13. Participating in special control process for the deposit insurance participating organizations as prescribed by the State Bank of Vietnam; participating in the management and liquidation of assets of the deposit insurance participating organizations as prescribed by the Government.
14. Organizing to propagate the policies and laws on deposit insurance; organizing training and fostering the profession of deposit insurance, researching and applying the science and technology and management methods in accordance with the requirements of development of the deposit insurance organizations.

Chapter III

DEPOSIT INSURANCE OPERATION

Section 1. CERTIFICATE OF DEPOSIT INSURANCE PARTICIPATION

Article 14. Issuing certificate of deposit insurance participation

1. At least 15 days prior to the operation inauguration day, the deposit insurance participating organization must submit dossier to request the issuance of certificate of deposit insurance participation to the deposit insurance organization.
2. Within 05 working days after receipt of request dossier for issuing the certificate of deposit insurance participation of the deposit insurance participating organizations, the deposit insurance organization shall issue the certificate of deposit insurance participation.
3. Dossier to request the certificate of deposit insurance participation including:
 - a) Application for registration of deposit insurance;
 - b) Copy of license of establishment and the operation of the credit organization or the license of establishment of foreign banking branch.
 - c) Copy of the certificate of business registration.

Article 15. Posting certificate of deposit insurance participation

The deposit insurance participating organization must publicly post the copy of the certificate of deposit insurance participation at all points of deposit transaction.

Article 16. Revoking the certificate of deposit insurance participation

1. The deposit insurance participating organization is temporarily revoked the certificate of deposit insurance participation when the State Bank of Vietnam sends document to require the temporary suspension of deposit receiving operation as prescribed by law. During the time of temporary revocation of the certificate of deposit insurance participation, the deposit insurance participating organization must pay the deposit insurance fees for the deposit not yet paid
2. The deposit insurance participating organization is revoked the certificate of deposit insurance participation when the State Bank of Vietnam sends document to revoke the license of establishment and operation of the credit organization, the license of establishment of foreign banking branch as prescribed by law.
3. Within 05 working days from the date of revoking the certificate of deposit insurance participation, the deposit insurance organization must publicly announce revocation of the certificate of deposit insurance participation on three consecutive issues of a central newspaper, a local newspaper where located the head office and branches of the deposit insurance participating organization and on website of a Vietnamese newspaper.

Article 17. Re-issuing certificate of deposit insurance participation

1. The deposit insurance participating organization is re-issued the certificate of deposit insurance participation after the State Bank of Vietnam allows the recovery of deposit receiving operation.
2. The certificate of deposit insurance participation that is lost, torn or damaged shall be re-issued within 05 working days after receipt of request application for re-issuance of the certificate of deposit insurance participation of the deposit insurance participating organization.

Section 2. INSURED DEPOSIT

Article 18. Insured deposit

Deposit insured is the deposit in Vietnam Dong of individuals deposited at the deposit insurance participating organization in the form of term deposit, non-term deposit, saving deposit, certificates of deposit, promissory notes, bills and other forms of deposit under the provisions of the Law on credit organizations, other than the deposits regulated in Article 19 of this Law.

Article 19. Uninsured deposit

1. Money deposited at the credit organization of the individual who owns more than 5% of the charter capital of that credit organization.
2. Money deposited at the credit organization of the individual who is a member of the member Board, member of Board of Directors, member of control Board, General Director (Director), Deputy General Director (Deputy Director) of that credit; Money deposited at the foreign banking branch of the individual who is the General Director (Director), Deputy General Director (Deputy Director) of that foreign banking branch.
3. Money used to buy unknown valuable papers issued by the deposit insurance participating organization.

Section 3. OF DEPOSIT INSURANCE FEES

Article 20. Deposit insurance fees

1. The Prime Minister has regulated the fee framework of the deposit insurance at the request of the State Bank of Vietnam.
2. Based on the fee framework of the deposit insurance, the State Bank of Vietnam shall regulate the specific fee rate of the deposit insurance for the deposit insurance participating organizations on the basis of assessment and classification of these organizations
3. The deposit insurance fees are calculated on the basis of the average deposit balance of the insured deposit at the deposit insurance participating organizations.

4. The deposit insurance fees are calculated and paid quarterly in the fiscal year. The deposit insurance participating organizations have to pay the deposit insurance fees to the deposit insurance organizations on the 20th date of the first month of the succeeding quarter at the latest.

5. The deposit insurance fees are recorded into the operation expenses of the deposit insurance participating organizations.

Article 21. Fee of inadequate and late payment

1. If the deposit insurance participating organization violates the deadline to pay the deposit insurance fees as prescribed in Article 20 of this Law, in addition to fully paying the outstanding fee, it shall be fined for each day of late payment equal to 0.05% amount of the late payment.

2. Where the deposit insurance organization discovers the inaccuracy in the calculation and payment of the fee of deposit insurance, the insurance organization shall give a notice and collect the arrear of fee or reimburse for the overpaid fee within 15 days from the date of discovery.

3. After a period of 30 days from the date of payment of the deposit insurance fees that the deposit insurance participating organization fails to make payment or makes inadequate payment of deposit insurance fees and fines, the deposit insurance organization shall request in writing the State Bank of Vietnam to deduct the accounts of the deposit insurance participating organizations at the State Bank of Vietnam in order to pay the deposit insurance fees and fines. Within 30 days from the date of receipt of the written request of the deposit insurance organization, the State Bank of Vietnam shall handle the case.

4. In case the deposit insurance participating organization fails to make payment or makes inadequate payment of the deposit insurance fees, the State Bank of Vietnam shall deduct the accounts of the deposit insurance participating in order to pay the fees as prescribed in clause 3 of this Article for the second time, the deposit insurance organization shall send document to the State Bank of Vietnam to request a suspension or temporary suspension of deposit receiving operation of the deposit insurance participating organization.

Section 4. PREMIUM PAYMENT

Article 22. Arising time of obligations of premium payment

The obligations of premium payment arising from the time the State Bank of Vietnam sends document to terminate the special control or document to terminate the application or documents not to apply the measures to restore the solvency for the credit organization that is an deposit insurance participating organization still falls into bankruptcy or the State Bank of Vietnam has document to identify the foreign banking branch that is a deposit insurance participating organization losing the ability to make payment of deposits to the depositors

Article 23. Term for premium payment

Within 60 days from the arising time of the obligation to pay the premium, the deposit insurance organization is responsible for paying the premium to the insured depositors

Article 24. Limit of premium payment

1. The limit of premium payment is the maximal amount that the deposit insurance organization shall make payment for all insured deposits of a person at a deposit insurance participating organization upon the arising obligations of premium payment
2. The Prime Minister stipulates the limit of premium payment at the request of the State Bank of Vietnam.

Article 25. Paid premium

1. The premium paid to all insured deposits of a person at an deposit insurance participating organization including the principal and interest maximally equal to the limit of premium payment prescribed in Article 24 of this Law.
2. The premium paid in case many people jointly own the insured deposits is defined as follows:
 - a) The premium paid to all insured deposits of many people jointly owning at a deposit insurance participating organization the principal and interest maximally equal to the limit of premium payment paid to one person prescribed in Article 24 of this Law. The premium paid will be divided by agreement of the co-owners; in case there is no agreement or no agreement reached between the co-owners, the settlement shall apply the provisions in accordance with the law;
 - b) Where one of the co-owners has other insured deposit accounts at the same deposit insurance participating organization, the total amount paid to a co-owner shall not exceed the limit of premium payment;
3. Where the insured person has a debt at the deposit insurance participating organization, the insured deposit is the remaining amount after deducting that debt.

Article 26. Procedures for premium payment

1. Within 10 working days from the arising time of the premium payment obligation, the deposit insurance participating organization must send the dossier to request the payment of premium to the deposit insurance organization.

The dossier to request the payment of premium includes the written request of the premium payment, the list of insured persons of deposit, the deposit of each insured person and the premium to request the deposit insurance to make payment.

2. Within 05 working days after receiving complete dossiers as prescribed in Clause 1 of this Article, the deposit insurance organization shall verify the documents and books to determine the amount to be paid.
3. Within 10 working days after the end day of inspection specified in clause 2 of this Article, the deposit insurance organization must have a plan to pay a premium to the insured persons of deposit; publicly announce the location, time, mode of payment of premium on three consecutive issues of a central newspaper, a local newspaper where located the head office and the branches of the deposit insurance participating organization and on website of a Vietnamese newspaper; listing the list of insurance payees at the announced locations.
4. Upon receipt of premium, the insured persons of deposit must produce the evidencing papers of the legal ownership with respect to the insured deposits at the deposit insurance participating organization.
5. The deposit insurance organization shall directly make payment of premium to the insured persons of deposit or authorize another deposit insurance participating organization to make payment.
6. After a period of 10 years from the date the deposit insurance organization has announced the first time the payment of premium, the unclaimed premium shall be established the state ownership and added to the operating capital of the deposit insurance organization. The person who has the ownership of the insured deposit shall not have the right to request the deposit insurance organization to return that premium.

Article 27. Treating the deposit exceeding the limit of premium payment

The deposit of the insured persons of deposits including the principal and interest exceeding the limit of premium payment shall be settled in the process of assets treating of the deposit insurance participating organization as prescribed by the law.

Article 28. Recovery of premium payable from the deposit insurance participating organization

1. The deposit insurance organization shall be debtor of the deposit insurance participating organization for the premium payable to the insured persons of deposit, from the date of premium payment by announcement as prescribed in clause 3, Article 26 of this Law.
2. The deposit insurance organization is entitled to divide the property value in the order as the depositors and recover the premium payable in the process of treating assets of the deposit insurance participating organization in accordance with the law.

Chapter IV

DEPOSIT INSURANCE ORGANIZATION

Article 29. Deposit insurance organization

1. The deposit insurance organization is a financial organization established by the Government and stipulated the functions and duties.
2. The deposit insurance organization is a legal entity operating not for profit, ensuring the the capital safety and making up the costs.

Article 30. Operating capital

1. The charter capital of the deposit insurance organization funded by the state budget.
2. Revenues from the deposit insurance fees
3. Revenues from the investment operation, the temporary idle capital resources of the deposit insurance organization.
4. Other revenues as prescribed by the law

Article 31. Investment operation

The deposit insurance organization is entitled to use the temporary idle capital resources to buy government bonds and bills of the State Bank of Vietnam and deposit money at the the State Bank of Vietnam.

Article 32. Finance, accounting record and auditing regime

1. The financial regime of the deposit insurance organization shall be regulated by the Ministry of Finance in cooperation with the State Bank of Vietnam

The fiscal year of the deposit insurance organization begins on May 01 and ends on December 31 of the calendar year.

2. The deposit insurance organization shall carry out the accounting record in accordance with regulation of the law.
3. The annual financial statement of the deposit insurance organization must be audited and certified by the State Audit.

Chapter V

INFORMATION AND REPORT OPERATION

Article 33. Responsibility for reporting and information disclosure of the deposit insurance organization

1. The deposit insurance organization is responsible for making report to the State Bank of Vietnam on the following information:

a) Information on the compliance with the regulation of the law on deposit insurance of the deposit insurance participating organization every 06 months periodically or irregularly on the requirement of the State Bank of Vietnam.

b) Giving information on the payment of premium to the insured person of deposit every 06 months periodically or irregularly on the requirement of the State Bank of Vietnam

c) The result of duties implementation prescribed in clause 10, Article 13 of this Clause quarterly or irregularly on the requirement of the State Bank of Vietnam

d) The annual financial statement audited and the annual operation report;

dd) Other information on the operation of deposit insurance on the requirement of the State Bank of Vietnam;

2. The deposit insurance organization is responsible for disclosing information on the revocation of the Certificate of deposit insurance participation and the plan for premium payment to the insured persons of deposit as prescribed in clause 3, Article 16 and clause 3, Article 26 of this Law.

Article 34. Providing information of the State Bank of Vietnam

1. The deposit insurance organization is permitted to get access to the information of the State Bank of Vietnam on the deposit insurance participating organization to perform the functions and duties as prescribed by this Law.

2. The State Bank of Vietnam is responsible to let the deposit insurance organization to have access to the information data on the deposit insurance participating organization as prescribed by the Government.

Chapter VI

INSPECTION AND COMPLAINT ABOUT DEPOSIT INSURANCE

Article 35. Inspection on deposit insurance

1. The State Bank of Vietnam shall carry out its function of inspection on deposit insurance.

2. The subject inspected on the insurance deposit is the deposit insurance organization and deposit insurance participating organization.

3. The rights and duties of the subjects inspected on the insurance deposit shall comply with the provisions of the Law on the State Bank of Vietnam and the law on inspection.
4. The process and procedures for inspection on the deposit insurance for the deposit insurance organizations shall comply with the provisions of the Law on the State Bank of Vietnam and the law on inspection.
5. The process and procedures for inspection on the deposit insurance for the deposit insurance organizations shall comply with the provisions of the Law on inspection.

Article 36. Complaint about deposit insurance

1. The settlement of the complaint for the administrative decisions and acts on deposit insurance shall comply with the provisions of the Law on complaint.
2. The settlement of complaint for the decisions and acts of the deposit insurance organization is executed as follows:
 - a) The person who has the competence to settle the first complaint about deposit insurance is the deposit insurance organization. The time limit for settling complaints of the deposit insurance organization is 15 days from the date of receipt of the complaint;
 - b) Where the complainant does not agree with the decision on settlement of the first complaint, or upon the expiration of the deadline but the complaint is not resolved, the complainant may lodge complaint to the Governor of the State Bank of Vietnam;
 - c) The State Bank of Vietnam is responsible for settling the complaint within 30 days from the date of receiving the complaint. In case of disagreement with the settlement of complaint of the Governor of the State Bank of Vietnam, the complainant has the right to initiate a suit as prescribed by the law.

Chapter VII

IMPLEMENTATION PROVISION

Article 37. Provisional provision

The Certificate of deposit insurance that is issued before the date this Law takes effect shall remain valid for use.

Article 38. Effect

This Law takes effect on the first of January, 2013.

Article 39. Detailed provision and implementation guidance.

The Government stipulates in detail and makes guidance of the articles and clauses specified in the Law.

This Law is adopted by the National Assembly of the Socialist Republic of Vietnam, term XIII, 3rd session on June 18, 2012,

CHAIRMAN OF NATIONAL ASSEMBLY

Nguyen Sinh Hung