

LAW

ON STATE BUDGET

Pursuant to Constitution of Socialist Republic of Vietnam;

The National Assembly promulgates the Law on State budget.

Chapter I

GENERAL PROVISIONS

Article 1. Scope

This Law deals with the planning, implementation, audit, statement, and supervision of state budget; responsibilities and entitlements of agencies, organizations, units, and individuals relevant to state budget.

Article 2. Regulated entities

1. Regulatory agencies, political organizations, and socio-political organizations.
2. Socio-political-professional organizations, social organizations, socio-professional organizations supported by state budget under the tasks given by the State.
3. Public service agencies.
4. Other organizations and individuals relevant to state budget.

Article 3. Application of law

1. The planning, implementation, audit, statement, and supervision of state budget must comply with this Law and relevant regulations of law.
2. In case regulations of an international agreement to which the Socialist Republic of Vietnam is a signatory is contrary to this Law, regulations of such international agreement shall apply.

Article 4. Interpretation of terms

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

1. *The State budget deficit* includes deficit of the central government budget and deficit of provincial budgets. Central government budget deficit is the positive difference between total central government budget expenditure (not including principal repayment) and total central government budget revenue. Provincial budget deficit is total deficit of budget of each central-affiliated city or province, which is the positive difference between total budget expenditure (not including principal repayment) and total budget revenue of every province.
2. *Commitment to give state budget estimate* means the acceptance by a competent authority to give budget estimate of particular program, project, or task in the next year(s).
3. *Expenditure on national reserve* means an obligatory expenditure of state budget on purchase of goods for reserve as prescribed by regulations of law on national reserve.
4. *Expenditure on development investment* means an obligatory expenditure of state budget which includes expenditure on investment in fundamental construction and other investments as prescribed by law.
5. *Expenditure on investment in fundamental construction* means an obligatory expenditure of state budget on execution of socio-economic infrastructure programs/projects and programs/projects serving socio-economic development.
6. *Recurrent expenditures* are obligatory expenditures of the state budget on maintenance of operation of the State apparatus, political organizations, socio-political organizations, support for operation of other organizations, and performance of regular tasks of the State in terms of socio-economic development and assurance of national defense and security.
7. *Expenditure on debt repayment* means an obligatory expenditure on repayment of due debts including principal, interest, fees and other costs of the loaning process.
8. *State budget reserve* means an entry of the unallocated budget expenditure estimate which is decided by corresponding agencies in charge of the budget.
9. *Budget estimate unit level I* means a unit that is given budget estimate by the Prime Minister or the People's Committee according to budget estimates.
10. *Budget estimate unit* means an organization or unit that is given budget estimate by a competent authority according to budget estimates.
11. *Budget-using unit* means a budget estimate unit that is assigned to directly manage and use the budget.
12. *Budget surplus* means the positive difference between the total budget revenue and total budget expenditure at the end of the budget year.
13. *Local government budget* means state budget revenues that a local government may use, additional funding from central government budget to the local government budget, and state budget expenditures within the liabilities of the local government.

14. *State budget* means all the expenditures and revenues of foreign that are estimated and realized over a certain period of time decided by competent authorities in order to perform the functions and tasks of the State.

15. *Central government budget* means state budget revenues that are given to the central regulatory agencies and state budget expenditures within the liabilities of central regulatory agencies.

16. *Budget management decentralization* means determination of scope, responsibility, and entitlements of various levels of authorities and budget estimate units to state budget management that suit socio-economic management decentralization.

17. *Financial reserve fund* means a fund of the State derived from state budget and other financial sources prescribed by Law.

18. *State budget fund* means the entire amount of money of the State, including loans on the account of various levels of state budget at a particular point of time.

19. *Off-budget financial fund* means a fund established by a competent authority and independent from state budget; its revenues and obligatory expenditures are meant to fulfill certain tasks prescribed by law.

20. *Additional funding for balancing budget* means the additional funding provided by the budget of a superior agency to budget of an inferior agency in order for it to balance its budget and fulfill its tasks.

21. *Dedicated additional funding* means the additional funding provided for budget of an inferior agency to support execution of a particular program/project, or fulfillment of certain tasks.

22. *Checked estimate of state budget revenue and expenditure* means the amount of state budget expenditure and revenue notified by competent authorities to various levels of state budget, agencies, organizations and units as the basis for making annual state budget estimates and 3-year state budget – finance plans.

23. *Local government budget stability period* means the period over which the ratio (%) of revenues between various levels of state budget to additional funding for budget balance from superior budgets to inferior budgets is stable for 05 years, which coincide with the 5-year socio-economic development plan, or under a decision of the National Assembly.

24. *Ratio (%) of revenue distribution between various levels of state budget* means the ratio (%) of state budget revenue given to a budget may retain to the total revenues distributed among various levels of state budget.

Article 5. Scope of state budget

1. State budget revenues include:

a) All revenues from taxes and fees;

b) All revenues from fees for services provided by regulatory agencies; fees for service provided by public service agencies and state-owned enterprises that are transferred to state budget as prescribed by law;

c) Grant aid provided by governments of other countries, overseas organizations and individuals for Vietnam's government and local governments of Vietnam;

dd) Other revenues prescribed by law.

2. State budget expenditures include:

a) Expenditure on development investment;

b) Expenditure on national reserve;

c) Recurrent expenditures;

d) Payment of loan interest;

dd) Provision of aid;

e) Other expenditures prescribed by law.

3. The State budget deficit.

4. Total loan of state budget, including loans to cover deficit and repayment of debt principal of state budget.

Article 6. State budget system

1. State budget consists of central government budget and local government budgets.

2. A local government budget consists of budgets of local authorities at various levels.

Article 7. Rules for state budget balancing

1. Revenues from taxes, fees, charges, and other revenues must be transferred to state budget balance without association with any particular obligatory expenditure. If revenue must be associated with a particular obligatory expenditure, such expenditure shall be covered by the corresponding revenue in the budget estimate. The establishment of policies on collection of budget revenues must ensure midterm and long-term balance of budget as well as adherence to international integration agreements.

2. State budget is considered balanced if total revenue from taxes, fees, and charges is higher than total recurrent expenditure and the saving for development investment is increasing; If budget deficit still exist, the amount of deficit must be smaller than the expenditure on development investment in order to aim for balanced budget. The government shall propose special cases to the National Assembly for consideration. Budget surplus, if any, shall be used to repay principal and interest of loans taken by the state.

3. Loans for covering the State budget deficit may only be used for development investment, not recurrent expenditures.

4. Central government budget deficit shall be covered by the following sources:

a) Domestic loans from issuance of Government bonds and other domestic loans prescribed by law;

b) Foreign loans granted by governments of other countries, international organizations, issuance of Government bonds to international market, not including on-lend loans.

5. Local government budget deficit:

a) Deficit of provincial budgets is permitted; only local government budget deficit because of investment in projects under midterm public investment plans decided by the People's Council of the province is permitted;

b) Local government budget deficit shall be covered by domestic loans from issuance of Government bonds, on-lending loans from the government, and other domestic loans prescribed by law;

c) Local government budget deficit shall be aggregated with the State budget deficit and decided by the National Assembly. The government shall set out conditions for local government budget deficit in order to ensure solvency of local governments and suit the total state budget deficit.

6. Loan balance of local government budgets

a) Loan balance of budgets of Hanoi and Ho Chi Minh City must not exceed 60% of the local government budget revenue they may retain;

b) In the administrative divisions permitted to retain an amount of revenue higher than recurrent expenditure of the local government budgets, loan balance must not exceed 30% of the amount retained;

c) In the administrative divisions permitted to retain an amount of revenue not exceeding recurrent expenditure of the local government budgets, loan balance must not exceed 20% of the amount retained.

Article 8. Rules for state budget management

1. State budget shall be managed in a uniform, democratic, efficient, prudent, transparent, and fair manner with decentralization of management, associated with entitlements and responsibilities of regulatory agencies at various levels.

2. All budget expenditures and revenues must be estimated and aggregated with state budget.

3. Budget revenues must comply with regulations of law on taxes and tax collection.

4. Budget expenditures may only be realized after the budget estimate is approved by a competent authority; the standard, and expenditure limits imposed by competent authorities must be complied with. State budgets at various levels, budget estimate units, budget-using units must not execute obligatory expenditures before having financial sources and budget estimate, which will lead to debts on fundamental construction and funding for recurrent expenditures.

5. Priority shall be given to expenditures on implementation of policies of Communist Party and the State to serve economic development, poverty reduction; ethnic policies; gender equality objectives; development of agriculture and rural areas, education, healthcare, science and technology, and other important policies.

6. State budget shall be allocated to fulfill socio-economic development tasks; assurance of national defense and security, international relation, and cover operating cost of the state apparatus.

7. State budget shall cover operating costs of political organizations and socio-political organizations.

8. Socio-political-professional organizations, social organizations, socio-professional organizations shall cover their own operating costs. State budget only support performance of tasks given by the State as prescribed by the government.

9. Payment of due loan interest being obligatory expenditures of state budget.

10. The decision on investment and expenditures on investment in programs/projects funded by state budget must conform to the Law on Public investment and relevant regulations of law.

11. State budget does not cover operating costs of off-budget financial funds. An organization only has its charter capital supported by state budget within the capacity of state budget and only when the conditions are satisfied: the organization is established and operating in accordance with law, financially independent, and sources of revenue and obligatory expenditures do not coincide with those of state budget.

Article 9. Rules for management of sources of revenue, obligatory expenditures, and relation between various levels of state budget

1. Central government budget and local government budget at each level has their own sources of revenue and obligatory expenditures.

2. Central government budget plays a pivotal role in ensuring execution obligatory expenditures of the country, support local governments in balancing their budgets in accordance with Clause 3 Article 40 of this Law.

3. Local government budgets having sources of revenue shall initiatively make obligatory expenditures as assigned. The People's Councils of provinces shall decide distribution of sources of revenue and obligatory expenditures between various levels of local government budget in a way that is conformable with decentralization of socio-economic management, national defense and security, and managerial capacity of each level.

4. Each local government budget shall ensure the execution of their own obligatory expenditures; the promulgation and implementation of new policies that increase budget revenue must ensure the financial sources and suit the ability to balance budget at each level; the decision on investment in programs/projects funded by state budget must not exceed the scope of budget at that level.

5. The superior regulatory agency that authorizes an inferior regulatory agency to make obligatory expenditures on its behalf must give a budget estimate to such inferior agency. The agency that receives the funding must submit a statement of the use of such funding to the authorizing agency.

6. Budget revenues and additional funding provided by superior budgets to inferior ones shall be distributed by ratio (%) in a way that ensure equality and balanced development among geographical areas.

7. During budget stability period:

a) The ratio of budget revenue distribution between various levels of state budget remains unchanged;

b) Every year, in consideration of the capacity of the superior budget, the competent authority may decide increase in additional funding for balancing budget from the superior budget to inferior budgets compared to the first year of the stability period;

c) The dedicated additional funding provided by the superior budget to inferior budgets is determined according to the rules, criteria, and limits of funding provision, standards, limits on budget expenditures; capacity of the superior budget, and ability to balance budget of each inferior local government;

d) Local governments may use the annual increase in revenue which they may retain to increase expenditure on performance of socio-economic development tasks and assurance of national defense and security. Revenue increase compared to budget estimate shall comply with Clause 2 Article 59 of this Law.

In case there is a new source of revenue from a new project which is put into operation during the budget stability period, which results in a considerable increase in the local government budget revenue, the revenue increase must be transferred to the superior budget. The government shall request the National Assembly; the People's Committee of the province shall request the People's Council of the same provide to decide the collection of the aforementioned revenue increase and provide dedicated additional funding for inferior budgets as prescribed in Point d Clause 3 Article 40 of this Law in order to support investment in local infrastructure under projects approved by competent authorities;

dd) If the local government budget revenue is smaller than the budget estimate because of some objective reason, Clause 3 Article 59 of this Law shall apply.

8. After each budget stability period, local governments must improve their ability to balance and develop their budgets themselves, reduce the ratio of funding from the superior budget to total local government budget expenditure, or increase the ratio of amount transferred to the superior budget with regard to the revenues distributed among various level of state

budget in order to support the superior budget in making national obligatory expenditures and facilitate comprehensive development among geographical areas.

9. Do not use state budget at one level to pay for performance of tasks of another, and do not use the budget of one local government to pay for performance of tasks of another, except for the following cases:

a) The inferior budget has to support superior units in the same area to mobilize of emergency forces upon in the event of a disaster, epidemic, and other emergency situations in order to maintain socio-economic stability, security, and social order in the area;

b) While performing their tasks, superior units shall cooperate with inferior units in performance of some tasks of the inferior units;

c) Local government budget reserve shall be used to support other areas in disaster recovery.

10. In case implementation of an international agreement results in a decrease in central government budget revenue, the government shall request the National Assembly to consider adjusting distribution of revenue between central government budget and local government budgets in order to maintain the leading role of central government budget.

Article 10. State budget reserve

1. The reserve is 2% - 4% of total budget expenditure at each level.

2. State budget reserve is used for:

a) Unplanned expenditures on prevention and recovery of natural disasters, response to epidemics, and famine relief; performance of crucial national defense and security objectives, and other objectives that are their liabilities;

b) Provision of support for inferior budgets to perform the tasks mentioned in Point a of this Clause if the inferior budgets are still not able to complete such tasks after their reserve is used up;

c) Provision of support for other local governments as prescribed in Point c Clause 9 Article 9 of this Law.

3. The power to decide the use of state budget reserve:

a) The government shall provide for the power to decide the use of central government budget reserve, submit periodic reports on the use of central government budget reserve to Standing Committee of the National Assembly and to the National Assembly at the nearest meeting;

b) The People's Committees shall decide the use of their budget reserve; submit periodic reports to Standing Committee of the People's Council and to the People's Council at the nearest meeting.

Article 11. Financial reserve funds

1. The government, the People's Committees of provinces shall establish financial reserve funds from sources of revenue, budget surplus; include them in annual budget expenditure estimate and other financial sources. The balance of the financial reserve fund at each level must not exceed 25% the annual budget expenditure estimate that the same level.

2. Financial reserve funds are used in the following cases:

a) Advance funding to cover necessary expenditures according to the budget expenditure estimate before aggregating enough revenue. Such amount must be returned within the budget year;

b) In case state budget revenues or loans taken to cover budget deficit fail to reach the estimate decided by the National Assembly or the People's Council, budget reserve is used up but still not sufficient for disaster recovery, response to widespread and serious epidemics, performance of tasks related to national defense and security, and other urgent tasks that are unplanned, the financial reserve fund may be used. However, the amount used in the year must not exceed 70% of the opening balance of the fund.

3. The government shall decide the power to use financial reserve funds.

Article 12. Conditions for the State budget revenues and expenditures

1. State budget revenues must comply with this Law, tax laws, and regulations of law on collection of state budget revenues.

2. State budget expenditures are only permitted if they are included in a given budget estimate except for the case in Article 51 of this Law, have been decided by the head of the budget-using unit, investor, or an authorized person, and satisfy all conditions in each of the following cases:

a) Expenditure on investment in fundamental construction must satisfy conditions prescribed by regulations of law on public investment and construction;

b) Recurrent expenditures must comply with the standards, limits on budget expenditures imposed by competent authorities; in case an organization or unit is permitted by a competent authority to exercise financial autonomy, it shall comply with its regulations on spending which conform to its budget estimate.

c) Expenditure on national reserve must satisfy conditions prescribed by regulations of national reserve;

d) With regard to procurements of consulting services, goods, construction works under programs/projects that need bidding to select contractors providing, bidding must be organized in accordance with regulations of law on bidding;

dd) Expenditures on tasks given or ordered by the State must comply with regulations of law on prices or fees and charges promulgated by competent authorities.

Article 13. Accounting and statement of state budget revenue and expenditure

1. State budget revenues and expenditures shall be expressed as Vietnam dong (VND). State budget revenues and expenditures in foreign currencies must be converted into VND at the rate prescribed by a competent authority at that time.
2. State budget revenues and expenditures must be sufficiently, promptly, and properly accounted for.
3. Accounting and statements of state budget must be uniform under state accounting regulations, list of state budget entries, and this Law.
4. Documents about state budget revenues and expenditures must be issued, used, and managed in accordance with law.

Article 14. Budget year

A budget year begins on January 01 and ends on December 31 of the solar calendar year.

Article 15. Publishing of state budget

1. State budget estimates that have been submitted to the National Assembly and the People's Councils; State budget estimates that have been approved by competent authorities; reports on state budget enactment; state budget statements approved by the National Assembly and the People's Councils; estimates, enactment reports, statements of budgets of budget estimate units, organizations funded by state budget, fundamental construction programs/projects funded by state budget must be published in accordance with regulations below:

- a) Contents to be published include: data and description of state budget estimates been submitted to the National Assembly and the People's Councils; state budget estimates made by competent authorities; use of state budget, and state budget statements; implementation of proposals of State Audit Office of Vietnam; except for detailed data and description related to national defense, security, and national reserve;
- b) State budget shall be published in one or some of the following manners: announcement at meetings; posting at offices; issued in publications; written notifications to relevant organizations and individuals; posting on websites; announcement through the media;
- c) Every state budget estimate must be published within 05 working days from the day on which it is sent by the government to members of the National Assembly or by the People's Committee to the People's Council.

Reports on state budget estimates approved by competent authorities, state budget statements approved by competent authorities, result of state budget audit, result of implementation proposals of State Audit Office of Vietnam must be published within 30 days from the day on which they are issued.

Quarterly and biannual reports on state budget enactment must be published within 15 days from the ending day of the quarter or half-year period.

The annual report on state budget enactment must be published when it is submitted by the government to the National Assembly at the mid-year meeting of the next year.

2. Publishing of state budget procedures:

- a) Collecting authorities, financial authorities, and State Treasuries shall publish state budget procedures;
- b) Contents to be published: regulations on procedures for declaration, collection, payment, exemption, reduction, deferral, refund of payments; advanced payment, amounts allocated and paid to state budget;
- c) The publishing may be carried out by posting at transaction places and on websites of the aforementioned agencies.

3. The contents published must have sufficient criteria and forms prescribed by the Ministry of Finance.

4. Responsible agencies mentioned in Clause 1 and Clause 2 of this Article shall be dealt with as prescribed by law if failing to publish the aforementioned contents.

5. The government shall provide specific regulations on publishing of state budget.

Article 16. Supervision of state budget by the public

1. State budget shall be supervised by the public. Vietnamese Fatherland Front and other agencies at various levels shall organize supervision of state budget by the public. Contents of supervision of state budget by the public:

- a) Adherence to regulations of law on management and use of state budget;
- b) Enactment of annual state budget estimates;
- c) Publishing of state budget as prescribed in Article 15 of this Law.

2. The government shall provide specific regulations on supervision of state budget by the public.

Article 17. 5-year financial plan

1. A 5-year financial plan is a financial plan for 05 years made together with a 5-year socio-economic development plan. The 5-year financial plan must have overall and specific targets of state budget and state finance, major orientations for state budget and state finance; amount and structure of domestic revenues, revenue from crude oil, revenue from export and import; amount and structure of expenditure on development investment, debt repayment; orientation of budget deficit; limit of national foreign debts, public debts, government debts; solutions for implementation of the plan.

2. 5-year financial plan is meant to:

a) Achieve socio-economic development targets of the country, each sector, field, and area; balance and efficiently use public financial resources and state budget in the midterm; encourage publishing and transparency of state budget;

b) Form a basis for competent authorities to consider deciding midterm investment plan from state budget;

c) Orient the making of annual state budget estimates and 3-year state budget-finance plans.

3. 5-year financial plans include national 5-year financial plan and provincial 5-year financial plans.

4. The Ministry of Finance shall formulate the national 5-year financial plan and submit it to the Prime Minister for reporting to the National Assembly; Every provincial Department of Finance shall formulate provincial 5-year financial plans and submit them to the People's Committee of the province and the People's Council for consideration together with the budget estimate of the first year of the plan.

5. The government shall provide specific regulations on making of 5-year financial plans.

Article 18. Prohibited acts

1. Misusing position or power to appropriate state budget; irresponsibility that causes losses to state budget.

2. Collecting revenues against regulations of tax laws and other regulations of law on collection of revenues; incorrectly distributing sources of revenue between various levels of state budget; improperly retaining state budget revenues; collecting revenues against the law.

3. Spending without budget estimates except for the case in Article 51 of this Law; Spending against given budget estimates; spending against regulations, standards, and limits on expenditure, or on improper purposes; making expenditures against the law.

4. Deciding investment in programs/projects funded by state budget ultra vires or without determined capital sources.

5. Taking loans against the law; taking loans beyond the state budget capacity.

6. Using state budget to grant loans, make advanced payment, or contribute capital against the law.

7. Delaying enactment of budget expenditures while all conditions prescribed by law have been satisfied.

8. Doing accounting against accounting regulations and list of state budget entries.

9. Making, submitting state budget estimates or statements behind schedule.

10. Approving state budget statements against the law.

11. Using the state budget fund at a State Treasury beyond the budget estimate approved by a competent authority, except for the case of temporary funding or advance funding from next year's budget prescribed in Article 51 and Article 57 of this Law.

12. Other prohibited acts related to state budget in relevant laws.

Chapter II

DUTIES, ENTITLEMENTS OF REGULATORY AGENCIES; RESPONSIBILITY AND OBLIGATIONS OF ORGANIZATIONS AND INDIVIDUALS TO STATE BUDGET

Article 19. Duties and entitlements of the National Assembly

1. Make laws and amend laws on state budget – finance.
2. Decide basic policies on state budget – finance; impose, change, or abolish taxes; decide safety limits on national debts, public debts and government debts.
3. Decide 5-year financial plans.
4. Decide state budget estimates:
 - a) Total state budget revenue, including domestic revenue, revenue from crude oil, revenue from export and import, and receipt of grant aid;
 - b) Total state budget expenditure, including central government budget expenditure, local government budget expenditure, expenditure on development investment, national reserve, recurrent expenditures, payment of loan interest, provision of aid, provision of additional funding for financial reserve fund, budget reserve. Expenditure on development investment and recurrent expenditure include specific expenditures on education, vocational training, science and technology;
 - c) The State budget deficit includes deficit of central government budget and deficit of each local government budget; sources for covering state budget deficit;
 - dd) Total loan of state budget, including loans for covering state budget deficit and loans for repayment of principal of state budget.
5. Decide allocation of central government budget:
 - a) Total amount of central government budget allocated; expenditure on development investment by each field; recurrent expenditure by each field; expenditure on national reserve; payment of loan interest, provision of additional funding for financial reserve fund; budget reserve;
 - b) Estimate of expenditure on development investment, recurrent expenditure, expenditure on national reserve, provision of aid by each Ministry, ministerial agency, Governmental agency, and other central regulatory agencies by each field;

- c) Amount of additional funding from central government budget for each local government budget, including funding for budget balancing and dedicated additional funding.
6. Decide the ratio (%) of distribution between central government budget and each local government budget with regard to the revenues prescribed in Clause 2 Article 35 of this Law.
 7. Decide policies on investment in National target programs and projects of national importance funded by state budget.
 8. Decide adjustments to state budget estimates where necessary.
 9. Approve state budget statements.
 10. Supervise the enactment of state budget, basic policies of state budget – finance, and the National Assembly’s Resolutions on state budget.
 11. Annul documents issued by the President, Standing Committee of the National Assembly, the government, the Prime Minister, the People’s Supreme Court, the People’s Supreme Procuracy on state budget – finance that contravene the Constitution, Laws, and the National Assembly’s Resolutions.

Article 20. Duties and entitlements of Standing Committee of the National Assembly

1. Promulgate Ordinances and Resolutions on state budget – finance as prescribed by law.
2. Offer opinions on law projects, reports, and other projects pertaining to organizations and individuals submitted to the National Assembly by the government.
3. Promulgate a Regulation on making, inspecting, and deciding state budget estimate, plan for allocation of central government budget and approving state budget statements.
4. Offer opinions on regulations on important and extensive policies on budget expenditures related to achievement of socio-economic objectives of Vietnam proposed by the government.
5. Decide:
 - a) Rules, criteria, and norms for allocation of state budget;
 - b) Inclusion of increase in state budget revenue in the estimate; allocation and use of revenue increase, expenditure decrease of central government budget, reports submitted to the National Assembly at the nearest meeting.
6. Supervise the implementation of Laws and the National Assembly’s Resolution; Ordinances and Resolutions of Standing Committee of the National Assembly on state budget – finance.
7. Suspend the implementation of legislative documents promulgated by the government, the Prime Minister on state budget – finance that contravene the Constitution, Laws, and the

National Assembly's Resolutions; propose the annulment of such documents at the nearest meeting of the National Assembly.

8. Annul legislative documents promulgated by the government and the Prime Minister on state budget – finance that contravene Resolutions of Standing Committee of the National Assembly.

9. Annul Resolutions on state budget – finance promulgated by the People's Councils of provinces that contravene the Constitution, Laws, Resolutions of the National, Ordinances and Resolutions of Standing Committee of the National Assembly.

Article 21. Duties and entitlements of Budget – Finance Committee of the National Assembly

1. Assess law projects, ordinance projects, other projects and reports on state budget – finance assigned by the National Assembly and Standing Committee of the National Assembly.

2. Take charge of assessment of state budget estimate, plan for allocation of central government budget, plan for adjusting state budget estimate, reports on enactment of state budget, and state budget statement; rules, criteria, and norm for budget allocation and plan for use of revenue increase, expenditure decrease of central government budget proposed by the government to the National Assembly and Standing Committee of the National Assembly.

3. Assess important and extensive policies on budget expenditures related to achievement of socio-economic objectives of Vietnam proposed by the government to Standing Committee of the National Assembly.

4. Supervise the implementation of Laws, Resolutions of the National Assembly, Resolutions of Standing Committee of the National Assembly on state budget – finance; supervise the enactment of state budget and state budget – finance policies.

5. Supervise the implementation of legislative documents promulgated by the government, the Prime Minister, Ministers, Heads of ministerial agencies, and joint documents on state budget – finance issued by central regulatory agencies.

6. Put forward issues pertaining to state budget – finance.

Article 22. Duties and entitlements of Nationalities Council and other Committees of the National Assembly

1. Cooperate with Budget – Finance Committee of the National Assembly and relevant agencies of the government in assessment of law projects, ordinance projects, state budget estimate, plan for allocation of central government budget, reports on enactment of state budget, state budget statement, other projects and reports on state budget – finance submitted by the government to the National Assembly or Standing Committee of the National Assembly within the area of its competence.

2. Supervise the implementation of Laws, Resolutions of the National Assembly, Resolutions of Standing Committee of the National Assembly on state budget – finance; supervise the enactment of state budget and state budget – finance policies within its competence.

3. Put forward issues pertaining to state budget – finance within its competence.

Article 23. Duties and entitlements of State Audit Office of Vietnam

1. Carry out state budget audit and report the audit result to the National Assembly and Standing Committee of the National Assembly; send the audit result to the President, the government, the Prime Minister, Nationalities Council, Committees of the National Assembly, and relevant agencies prescribed by the Law on State Audit Office of Vietnam.

2. Submit reports on state budget statement audit to the National Assembly for consideration and approval.

3. Cooperate with Budget – Finance Committee and other agencies of the National Assembly and the government in examining reports on state budget estimate, plans for allocation of central government budget, and plans for adjusting state budget estimate.

Article 24. Duties and entitlements of the President

1. Announce Laws and Ordinances on state budget – finance.

2. Perform the duties and entitlements prescribed by the Constitution and law pertaining to negotiation, conclusion, approval of international agreements of state budget – finance, or propose them to the National Assembly for approval.

3. Request the government to hold meetings on state budget – finance activities where necessary.

Article 25. Duties and entitlements of the government

1. Submit law projects, ordinance projects, other projects and reports on state budget – finance to the National Assembly and Standing Committee of the National Assembly; promulgate legislative documents on state budget – finance within its competence.

2. Make and submit 5-year financial plans and 3-year state budget-finance plans to the National Assembly.

3. Make and submit annual state budget estimates, plans allocation of central government budget, and adjustments to state budget estimate (where necessary) to the National Assembly.

4. Pursuant to the National Assembly's Resolution on state budget estimate and allocation of central government budget, assign state budget revenue and obligatory expenditures to each Ministry, ministerial agency, Governmental agency, other central regulatory agencies in accordance with Point b Clause 5 Article 19 of this Law; revenue, expenditure, deficit targets, and ratio (%) of distribution between central government budget and each local

government budget with regard to the distributable revenues and additional funding from central government budget for each province according to Points a, b, c, and d Clause 4, Point c Clause 5, and Clause 6 Article 19 of this Law.

5. Unify management of state budget; ensure tight cooperation between sector management agencies and local governments in enactment of state budget.

6. Decide solutions and organize the enactment of state budget as decided by the National Assembly; inspect the enactment of state budget; submit reports to the National Assembly and Standing Committee of the National Assembly on enactment of state budget, National target programs, projects of national importance decided by the National Assembly.

7. Submit state budget – finance reports to the National Assembly and Standing Committee of the National Assembly on request.

8. Establish procedures for making estimates, collecting revenues, controlling budget expenditures, and making budget statements; advance funding of next year's budget; use of budget reserve; use of financial reserve fund and other financial funds of the State prescribed in this Law and relevant regulations of law.

9. Decide important and extensive policies on budget expenditures related to achievement of socio-economic objectives of Vietnam after receiving opinions from Standing Committee of the National Assembly.

10. Decide uniform policies, standards, and limits on expenditures that apply nationwide; impose brackets of some policies, standards, and limits on expenditures to suit local conditions for the People's Councils of provinces to decide specifically.

11. Establish principles, criteria, and limits on budget allocation; submit them to Standing Committee of the National Assembly as the basis for making estimates and allocating budget among Ministries, ministerial agencies, Governmental agencies, other central and local agencies.

12. Provide instructions and supervise the People's Council implementing documents of superior agencies; inspect the legitimacy of Resolutions of the People's Councils.

13. Make and submit state budget statements, financial statements of programs/projects of national importance decided by the National Assembly.

14. Issue a Regulation on consideration and decision of estimate and allocation of local government budgets; consider approving local government budgets.

15. Issue regulations on budget management according to task performance result.

Article 26. Duties and entitlements of the Ministry of Finance

1. Prepare for law projects, ordinance projects, 5-year financial plans, 3-year state budget – finance plans, other state budget – finance projects and submit them to the government; promulgate legislative documents on state budget – finance within its competence.

2. Establish principles, criteria, and limits on allocation of recurrent expenditures of state budget; policies, standards, and limits on budget expenditures, mechanism for state budget – finance management, accounting, payment, statement of state budget, and list of state budget entries; regulations on reporting and financial transparency; submit them to the government for promulgation in order to be uniformly applied nationwide.
3. Decide the policies, standards, limits on budget expenditures on various fields and sectors after reaching a consensus with corresponding Ministries; if a consensus is not achieved, the Ministry of Finance shall request the Prime Minister to consider and offer opinions.
4. Make state budget estimates, plans for allocation of central government budget, adjustments to state budget estimate where necessary and submit them to the government. Organize the enactment of state budget; unify the management and collection of taxes, fees, charges, loans, and other receivables, international aid; organize enactment of state budget expenditure in accordance with given budget estimates. Make and submit state budget statements to the government.
5. Decide the targets, orientation for raising, using loans, and management of public debt in each 5-year period; midterm debt management program; system of criteria for monitoring government debt, public debt, national foreign debts; annual plans for loans and repayment of the government; then submit them to competent authorities for approval.
6. Examine state budget – finance regulations promulgated by Ministries, ministerial agencies, the People’s Councils, the People’s Committees of provinces and President of the People’s Committees of provinces. If any of them contravenes the Constitution, Laws, Resolutions of the National Assembly, Ordinances and Resolutions of Standing Committee of the National Assembly, and other documents issued by superior agencies, the Ministry of Finance is entitled to:
 - a) Request the Minister or Heads of ministerial agency to suspend or annul the illegitimate documents they issued;
 - b) Request the Prime Minister to suspend illegitimate Resolutions promulgated by the People’s Councils of provinces;
 - c) request the Prime Minister to annul illegitimate regulations promulgated by the People’s Committees and the Presidents of the People’s Committees of provinces.
7. Carry out state budget – finance inspections; take actions (or request competent authorities to take actions) against violations against the laws on state budget – finance management of Ministries, ministerial agencies, Governmental agencies, other central regulatory agencies, local governments, business organizations, administrative units, and other entities obliged to make contributions to state budget and use state budget;
8. Manage state budget funds, state reserve funds, and other funds of the State as prescribed by law.
9. Assess efficiency of state budget expenditures.
10. Publish state budget in accordance with Article 15 of this Law.

Article 27. Duties and entitlements of the Ministry of Planning and Investment

1. Establish and propose principles, criteria, and limits on allocation of capital for investment in development of state budget to the government; plan the allocation of expenditures on development investment of central government budget.
2. Cooperate with the Ministry of Finance, relevant Ministries and agencies in making 5-year financial plans, annual state budget estimates, and 3-year state budget – finance plans.

Article 28. Duties and entitlements of the State bank of Vietnam

1. Cooperate with the Ministry of Finance in formulating and implementing loaning plans for covering state budget deficit.
2. Give advances to state budget to cover temporary deficit of state budget funds under decisions of the Prime Minister.

Article 29. Duties and entitlements of other Ministries, ministerial agencies, Governmental agencies, and other central regulatory agencies

1. Make their own annual budget estimates and 3-year state budget – finance plans.
2. Cooperate with the Ministry of Finance, other Ministries and relevant agencies in aggregating the annual state budget estimate, plan allocation of central government, 5-year financial plans, 3-year state budget – finance plans, and annual budget statements of their fields or sectors.
3. Inspect and monitor the enactment of budget of their fields or sectors.
4. Report the result and efficiency of budget of their fields or sectors.
5. Impose technical – economic limits as the basis for budget management according to achievement of objectives of their fields or sectors.
6. Cooperate with the Ministry of Finance in establishing policies, standards, and limits on budget expenditures of their fields or sectors
7. Manage, organize enactment of budget; make and publish budget statements; ensure efficient use of state budget.
8. Ministers, Heads of ministerial agencies, Governmental agencies, and other central regulatory agencies shall adhere to their duties and entitlements to state budget – finance and take responsibility for misconducts within their competence.

Article 30. Duties and entitlements of the People's Councils

1. According to the budget revenue and obligatory expenditures set by superior agencies and practical conditions, decide:

a) Estimate of the local revenues of state budget, including domestic revenue, revenue from crude oil, revenue from export and import, and receipt of grant aid, ensuring the actual revenue is not lower than the revenue estimated by superior agencies;

b) Estimate of revenues of local government budget, including the revenues wholly and partly retained in the local government budget, and additional funding provided by the superior budget;

c) Estimate of expenditures of local government budget, including expenditures of their own budget and those of inferior budgets, sorted by expenditure on development investment, recurrent expenditures, payment of loan interest, provision of additional funding for financial reserve fund, and budget reserve. Expenditure on development investment and recurrent expenditures include specific expenditures on education, vocational training, science and technology;

d) Total loan of local government budget, including loans for covering deficit of local government budget and loans for repayment of principal of local government budget.

2. Decide allocation of their own budget estimates:

a) Total amount; expenditure on development investment and recurrent expenditures by each field; provision of additional funding for local financial reserve funds; budget reserve;

b) Estimate of expenditure on development investment and recurrent expenditures of each affiliated agency and unit by field;

c) Additional funding for each inferior budget, including additional funding for budget balancing and dedicated additional funding.

3. Approve statements of local government budgets.

4. Decide policies and measures for enactment of local government budgets.

5. Decide adjustments to local government budget estimates where necessary.

6. Supervise the enactment of budget decided by the People's Council.

7. Annul legislative documents on state budget – finance promulgated by the People's Committee or the President of the People's Committee of the same province and the People's Councils at inferior level if they contravene the Constitution, Laws, Resolutions of the National, Ordinances and Resolutions of Standing Committee of the National Assembly, and other documents issued by superior agencies.

8. Compile the list of programs/projects to be invested by their budgets of the People's Councils in the midterm; decide local important programs/projects to be invested by state budget.

9. Apart from the duties and entitlements prescribed in Clauses 1, 2, 3, 4, 5, 6, 7, 8 of this Article, the People's Councils of provinces also have the following duties and entitlements:

- a) Decide 5-year financial plans with the following contents: overall targets, specific targets, estimated revenue of local government budgets; revenues and expenditures of local government budgets, deficit of local government budget, and limits on loans of local government budgets; solutions for implementation of the plans;
- b) Decide deficit of local government budgets and sources for covering such deficit every year;
- c) Decide the distribution of sources of revenues and obligatory expenditures of each level of local government budgets according to Clause 3 Article 9 of this Article;
- d) Decide the ratio of distribution between various levels of local government budgets with regard to the revenues to be retained by local government budgets prescribed in Clause 2 Article 37 of this Law and revenues distributed between various levels of local government budgets;
- dd) Decide collection of fees, charges, and the people's contribution as prescribed by law;
- e) Decide the principles, criteria, and limits on local budget allocation;
- g) Decide policies, standards, and limits on budget expenditures according to framework regulations of the government;
- h) Decide policies on special obligatory expenditures of their areas apart from the policies, standards, and limits imposed by the government and the Minister of Finance in order to achieve socio-economic development objectives, ensure social safety and order locally in a way that suits capacity of local government budgets.

The government shall elaborate this regulation.

Article 31. Duties and entitlements of the People's Committees

1. Make estimates of local government budgets and plans for budget allocation according to Clause 1 and Clause 2 Article 30 of this Law; make adjust estimates of local government budgets where necessary, submit them to the People's Council at the same level for decision and reporting to superior administrative agencies and finance authorities.
2. Make and submit local government budget statements to the People's Council at the same level for approval and reporting to superior administrative agencies and finance authorities.
3. Inspect Resolutions on state budget – finance issued by the People's Councils at inferior levels.
4. Decide budget revenue and obligatory expenditures of each affiliated agency and unit, additional revenue and obligatory expenditures of inferior budgets, and ratio of distribution between various levels of local government budgets with regard to distributable revenues.
5. Decide solutions and organize enactment of local government budget estimates decided by the People's Councils; carry out inspection and make reports on enactment of local government budgets.

6. Cooperate with superior regulatory agency in management of local government budgets.
7. Report and publish state budget as prescribed by law.
8. Manage the budget according to achievement of objectives as prescribed by the government.
9. Apart from the duties and entitlements prescribed in Clauses 1, 2, 3, 4, 5, 6, 7, 8 of this Article, the People's Committees of provinces also have the following duties and entitlements:
 - a) Make and submit the documents mentioned in Clause 9 Article 30 of this Law to the People's Council of the same province for approval;
 - b) Make 3-year state budget – finance plans as prescribed in Article 43 of this Law;
 - c) Decide the use of financial reserve fund and other financial funds of the State in accordance with this Law and relevant regulations of law.
10. Direct local finance authorities to take charge and cooperate with relevant agencies in assisting the People's Committees in performing their duties prescribed in Clauses 1, 2, 3, 4, 5, 6, 7, 8 and 9 of this Article.
11. Presidents of the People's Committees shall adhere to their duties and entitlements to state budget – finance and take responsibility for misconducts within their competence.

Article 32. Duties and entitlements of budget estimate units

1. Make annual estimates of budget expenditure and revenue; allocate budget estimates given by competent authorities for affiliated units; adjust budget estimate allocation ratio within their competence; make 3-year state budget – finance plans within their competence as prescribed in Article 43 of this Law.
2. Organize enactment of budget revenue and expenditure estimates; transfers revenues to state budget in full and on schedule; spend properly in terms of policies, purposes, subjects, thriftiness, and efficiency.
3. Provide instructions and inspect the enactment of budget revenue and expenditure by affiliated units.
4. Adhere to regulations of law on accounting and statistics; make reports, budget statements, and publish budget in accordance with law; consider approving budget statements of inferior budget estimate units.
5. Apart from the duties and entitlements prescribed in Clauses 1, 2, 3, 4 of this Article, public service agencies may initiatively use the collected fees and other legitimate revenues to develop themselves and improve the quality, efficiency of their operation as prescribed by the government.

6. Public service agencies and regulatory agencies that exercise financial autonomy must issue their own spending regulations appropriate for their budgets.

7. Heads of budget estimate units shall adhere to their duties and entitlements to state budget – finance and take responsibility for misconducts within their competence.

Article 33. Duties and entitlements of investors

1. Execute projects of investment through the phases: investment preparation, project preparation, project execution, acceptance, transfer in accordance with regulations of law on state budget management, public investment, construction, and relevant regulations of law.

2. Adhere to regulations of law on contracting, accounting, statistics, reporting, financial statements, publishing and retention of project documents.

Article 34. Rights and obligations of agencies, organizations, units, and individuals related to state budget

1. Sufficiently and punctually pay the taxes, fees, charges, and other payables to state budget as prescribed by law.

2. In case aid, capital, or funding is provided by the State according to given budget estimates, such amounts must be used properly in terms of purposes, regulations, thriftiness, efficiency, and financial statements must be submitted to finance authorities.

3. Adhere to regulations of law on accounting, statistics, and publishing of government budget.

4. Be provided with information, participate in supervision of state budget – finance by the public as prescribed by law.

Chapter III

SOURCES OF REVENUE AND OBLIGATORY EXPENDITURES

Article 35. Sources of revenue of central government budget

1. The following revenues are wholly retained by central government budget:

a) VAT on imported goods;

b) Export and import duties;

c) Special excise tax on imported goods;

d) Environmental protection tax on imported goods;

dd) Severance tax, corporate income tax, profits distributed to home country and other revenues from petroleum exploration and extraction;

e) Grant aid provided by the government of other countries, international organizations, other overseas organizations and individuals for Vietnam's government;

g) Collected charges for services provided by central regulatory agencies. Collected charges for services provided by central public service agencies and state-owned enterprises under management of central regulatory agencies may be partly or wholly retained; the remaining amount shall be transferred to state budget as prescribed by regulations of law on fees, charges, and relevant regulations of law.

h) Fees collected by regulatory agencies, except for registration fee prescribed in Point h Clause 1 Article 37 of this Law;

i) Fines for administrative violations and other fines, confiscations collected by central regulatory agencies;

k) Revenues from selling state-owned property, including collected levies on land associated to property under the management of central organizations and units;

l) Revenues from property under the State ownership under the management of central organizations and units;

m) Recovery of investment by central government budget in business organizations; revenues from distributed dividends and profits of joint-stock companies, multi-member limited liability companies that have state capital and ownership of which is represented by a Ministry, ministerial agency, Governmental agency, or another central regulatory agency; revenues from post-tax profit that remains after making contributions to various funds of state-owned enterprises whose ownership is represented by a Ministry, ministerial agency, Governmental agency, or another central regulatory agency; positive difference between revenue and expenditure of the State bank of Vietnam;

n) revenues from central financial reserve fund;

o) Revenues from surplus of central government budget;

p) Revenues carried over from last year's budget of central government budget;

q) Other revenues prescribed by law.

2. Revenues distributed between central government budget and local government budgets:

a) VAT, except for that mentioned in Point a Clause 1 of this Article;

b) Corporate income tax, except for that mentioned in Point dd Clause 1 of this Article;

c) Personal income tax;

d) Special excise tax, except for that mentioned in Point c Clause 1 of this Article;

dd) Environmental protection tax, except for that mentioned in Point d Clause 1 of this Article.

3. The government shall elaborate this regulation.

Article 36. Obligatory expenditures of central government budget

1. Expenditure on development investment:

a) Investment in various projects, including inter-regional projects of other Ministries, ministerial agencies, Governmental agencies, and other central regulatory agencies of the fields prescribed in Clause 3 of this Article;

b) Investment in and support of capital for enterprises providing public services and products ordered by the State; business organizations and financial institutions under management of central regulatory agencies; investment of state capital in enterprises prescribed by law;

c) Other expenditures on development investment prescribed by law.

2. Expenditure on national reserve.

3. Recurrent expenditures of Ministries, ministerial agencies, Governmental agencies, and other central regulatory agencies are classified into the following fields:

a) Defense;

b) Social safety, security, and order;

c) Education and vocational training;

d) Science and technology;

dd) Healthcare, population, and families;

e) Culture and information;

g) Radio, television, and the press;

h) Sports;

i) Environmental protection;

k) Economic activities;

l) Operation of regulatory agencies, political organizations, and socio-political organizations; support for operation of socio-political-professional organizations, social organizations, socio-professional organizations as prescribed by law;

m) Expenditures on social security, including expenditures on support for implementation of social policies as prescribed by law;

n) Other expenditures prescribed by law.

4. Payment of interests on the loans taken by the government.
5. Provision of aid.
6. Grant of loans prescribed by law.
7. Provision of additional funding for central financial reserve fund.
8. Expenditures of central government budget carried over to next year's budget.
9. Provision of additional funding for budget balancing, provision of dedicated additional funding for local government budgets.

Article 37. Sources of revenue of local government budgets

1. The following revenues are wholly retained by local government budgets:
 - a) Severance tax, except for that on petroleum exploration and extraction;
 - b) License tax;
 - c) Levies on agricultural land;
 - d) Levies on non-agricultural land;
 - dd) Land levies, except for land levies mentioned in Point k Clause 1 Article 35 of this Law;
 - e) Rent for lease of land, water surface;
 - g) Revenue from lease and sale of state-owned housing;
 - h) Registration fee;
 - i) Revenues from lottery;
 - k) Recovery of investment by local government budgets in business organizations; revenues from distributed dividends and profits of joint-stock companies, multi-member limited liability companies that have state capital and ownership of which is represented by the People's Committee of the province; revenues from post-tax profit that remains after making contributions to various funds of state-owned enterprises whose ownership is represented by the People's Committee of the province;
 - l) Revenues from local financial reserve funds;
 - m) Revenues from selling state-owned property, including collected levies on land associated to property under the management of local organizations and units;
 - n) Grant aid provided by international organizations, other organizations, overseas individuals to local governments;

o) Collected charges for services provided by local regulatory agencies. Collected charges for services provided by central public service agencies and state-owned enterprises whose ownership is represented by the People's Committee of the province may be partly or wholly retained; the remaining amount shall be transferred to state budget as prescribed by regulations of law on fees, charges, and relevant regulations of law;

p) Fees collected by local regulatory agencies;

q) Fines for administrative violations and other fines, confiscations collected by local regulatory agencies;

r) Revenues from property under the State ownership under the management of local regulatory agencies;

s) Revenue from public land and other public benefits;

t) Contributions by other organizations and individuals as prescribed by law;

u) Surplus of local government budgets;

v) Other revenues prescribed by law.

2. Revenues distributed between central government budget and local government budgets are specified in Clause 2 Article 35 of this Law.

3. Provision of additional funding for budget balancing, provision of dedicated additional funding by central government budget.

4. Revenues carried over from last year's budgets local governments.

Article 38. Obligatory expenditures of local government budget

1. Expenditure on development investment:

a) Investment in projects under the management of local governments of the fields mentioned in Clause 2 of this Article;

b) Investment in and support of capital for enterprises providing public services and products ordered by the State; local business organizations and financial institutions prescribed by law;

c) Other expenditures prescribed by law.

2. Recurrent expenditures of local organizations and units are classified into the following fields:

a) Education and vocational training;

b) Science and technology;

- c) Social safety, security, and order under the management of local governments;
 - d) Healthcare, population, and families;
 - dd) Culture and information;
 - e) Radio, television, and the press;
 - g) Sports;
 - h) Environmental protection;
 - i) Economic activities;
 - k) Operation of regulatory agencies, political organizations, and socio-political organizations; support for operation of socio-political-professional organizations, social organizations, socio-professional organizations as prescribed by law;
 - l) Expenditures on social security, including expenditures on support for implementation of social policies as prescribed by law;
 - m) Other expenditures prescribed by law.
3. Payment of interests on the loans taken by local governments.
 4. Provision of additional funding for local financial reserve funds.
 5. Amounts carried over to next year's budget of the local government.
 6. Provision of additional funding for budget balancing, provision of dedicated additional funding for inferior budgets.
 7. Provision of support for performance of some tasks prescribed in Points a, b, c Clause 9 Article 9 of this Law.

Article 39. Rules for classifying sources of revenues and obligatory expenditures between various levels of local government budgets

1. In consideration of the sources of revenue and obligatory expenditures of local government budget prescribed in Article 37 and Article 38 of this Law, the People's Council of the province shall decide specific distribution of sources of revenue and obligatory expenditures between various levels of local government budgets as follows:
 - a) The distribution must suit the socio-economic and national defense of objectives with regard to each field, economic, geographical characteristics, population, and managerial capacity of each area;
 - b) Budgets of communes are funded from levies on non-agricultural land; license tax paid by business households and individuals; levies on agriculture land paid by households; registration fees on land and housing;

c) Expenditures on science research and technology are not obligations of budgets of districts and communes;

d) Obligatory expenditures of budgets of towns and cities of province must include investment in public schools, lighting electricity, water supply and drainage, urban transport, urban hygiene, and other public facilities.

2. Depending on the ratio of revenues distributed by the government and revenues wholly retained by local government budgets, the People's Council of the province shall decide the ratio of revenues distributed between various levels of local government budgets.

Article 40. Determination of additional funding for balancing budget, dedicated additional funding, and ratio of distribution of revenues between various levels of government budgets.

1. Local governments may use the revenues wholly retained, distributed revenues, and additional funding from superior budget to balance their budgets, assure achievement of socio-economic, national defense and security objectives.

2. Ratio of distribution of revenues and additional funding are determined according to:

a) Calculation of revenue sources and obligatory expenditures prescribed in Articles 35, 37, and 38 of this Law according to regulations on collection of budget revenues, principles, criteria, norms of budget allocation, policies, standards, limits on budget expenditures, population, natural conditions, socio-economic conditions of each areas, especially remote areas, areas having military bases, areas of ethnic minorities, disadvantaged areas and extremely disadvantaged areas; areas with large-scale paddy production; areas of protection forests, specialized forests; key economic areas;

b) The revenues retained by local government budgets mentioned in Point dd and Point i Clause 1 Article 37 of this Law are not be used for determination of ratio of revenue distribution between central government budget and local government budgets or determination of additional funding from central government budget for local government budgets.

3. Dedicated additional funding from a superior budget to an inferior budget is determined according to the principles, criteria, norm of budget allocation, and policies, standards, limits of budget expenditure; capacity of the superior budget and ability to balance budget of each inferior local government and will be provided for inferior budgets in the following cases:

a) Implementation of new policies established by superior agencies that is included in the budget estimate of the beginning year of the budget stability period;

b) Execution of National target programs and parts of programs/projects assigned to the superior government;

c) Provision of support for recovery from expansive epidemics and disasters beyond the capacity of the inferior budget;

d) Provision of support for execution of some major and particularly important programs/projects that have tremendous impact of local socio-economic development. The level of support varies according to each program/project. The total level of supportive capital for annual investment in development from central government budget to local government budgets mentioned in this must not exceed 30% of total expenditure on investment in fundamental construction of the central government budget.

Chapter IV

MAKING OF STATE BUDGET ESTIMATES

Article 41. Basis for making annual state budget estimates

1. Socio-economic development, national defense, security, diplomatic objectives, and gender equality.
2. Specific objectives of Ministries, ministerial agencies, Governmental agencies, other central regulatory agencies, local agencies, organizations and units.
3. Regulations of law on taxes, fees, charges, and regulations on collection of state budget revenues; norms of budget allocation; policies, standards, limits on state budget expenditure.
4. Distribution of revenue sources and obligatory expenditures; ratio of revenue distribution and level of additional funding for budget balancing from superior budget to inferior budget.
5. Legislative documents promulgated by competent authorities on guidelines for formulation of socio-economic development plans and making of next year's state budget estimate.
6. 5-year financial plans, -year state budget – finance plans, and plans for midterm investment of state budget.
7. Last year's enactment of state budget.
8. Checked estimate of budget revenue and expenditure notified to relevant agencies, organizations, and individuals.

Article 42. Requirements applied to annual state budget estimates

1. State budget estimate must be sorted by revenue, expenditure, ratio of expenditure on development investment, recurrent expenditure, expenditure on national reserve, repayment of loans and aid, additional contribution to financial reserve funds, and budget reserve.
2. Budget estimates of budget estimate units at various levels must contain all revenues and expenditures in accordance with the form and schedule prescribed by competent authorities. The budget estimate contains:
 - a) Budget revenue estimate based on forecast about macroeconomic indicators and relevant criteria, regulations of law on taxes, fees, charges, and collection of budget revenues;

- b) Estimate of expenditure on development investment based on planning, plans, programs/projects approved by competent authorities; 5-year financial plans, plans for midterm investment of state budget, ability to balance resources in the budget year, regulations of law on public investment, construction, and relevant regulations of law;
- c) Estimate of recurrent expenditures based on given tasks and objectives approved by competent authorities, policies, standards, and limits on expenditures imposed by competent authorities. Regulations of the government shall apply to budget estimates made by regulatory agencies exercising financial autonomy; public service agencies exercising autonomy in terms of task performance, organizational structure, personnel, and finance;
- d) Estimate of budget expenditure on education, vocational training, science and technology at the ratio prescribed by relevant regulations of law.
- dd) Estimate of expenditures on execution of National target programs based on the list of programs and total expenditure in each period decided by the National Assembly; targets, contents, objectives, and details of component projects of each National target program;
- e) Estimate of expenditure on repayment of debts that are due in the budget year;
- g) Estimate of loans for covering state budget deficit based on state budget balance, capacity of each source, solvency, and safety limits under the National Assembly's Resolution.

Article 43. 3-year state budget – finance plans

1. 3-year state budget – finance plan is a state budget – finance plan that is formulated annually for a period of 03 years (including the year in which the budget estimate is made and the next 02 years) based on the 5-year financial plan. This plan is made at the same time as the annual state budget estimate in order to orient the making of the annual state budget estimate, order of priority for distribution of resources for each field and objective, activity, policy in the midterm.
2. 3-year state budget – finance plans include national 3-year state budget – finance plans and 3-year state budget – finance plans of provinces. The plan contents: forecast about macroeconomic indicators, important budget polices; forecast about revenue, expenditure and their ratios; forecast about budget deficit; rules for balancing state budget and order of priority for distribution of budget resources; maximum expenditure on each field; expenditure on investment in development, debt repayment, recurrent expenditures; forecast about contingent debt liability and solutions for implementing the plan over the 3-year period.
3. Ministries, ministerial agencies, Governmental agencies, other central regulatory agencies, provincial agencies and unit shall make 3-year state budget – finance plans which contain: their primary policies, targets, objectives; forecast about financial resources including forecast about the revenue under their management, required expenditures; rules and method for determination of order of priority of objectives, activities, policies, and intended budget allocation within the maximum limit on expenditure imposed by competent authorities; primary solutions for balancing the demand for expenditure and maximum expenditure over the 3-year period.

4. The Ministry of Finance shall take charge and cooperate with the Ministry of Planning and Investment in aggregating national 3-year state budget – finance plans and submit a report to the government and the National Assembly; Provincial Departments of Finance shall take charge and cooperate with Provincial Departments of Planning and Investment in aggregating 3-year state budget – finance plans of provinces and submit reports to the People’s Committees and the People’s Councils of provinces for discussion in order to consider ratifying budget estimates and annual plans for state budget allocation.

5. The government shall provide specific regulations on making 3-year state budget – finance plans.

Article 44. Time for providing instructions on making, aggregating, deciding, and giving state budget estimates

1. Before May 15, the Prime Minister shall promulgate regulations on making socio-economic development plans and state budget estimates of the next year.

2. Before September 20, the government shall submit the reports mentioned in Clause 1 Article 47 of this Law to Standing Committee of the National Assembly for opinions.

3. The government’s reports shall be sent to members of the National Assembly at least 20 days before the beginning date of the National Assembly Meeting at the end of the year.

4. Before November 15, the National Assembly shall decide state budget estimate and plan for allocation of central government budget of the next year.

5. Before November 20, the Prime Minister shall give estimates of budget revenue and expenditure to each of the Ministries, ministerial agencies, Governmental agencies, other central regulatory agencies, and provincial governments.

6. Before December 10, the People’s Councils of provinces shall decide their budget estimates and allocation of provincial budget of the next year. The People’s Councils at inferior levels shall decide their local government budget estimates and budget allocation of the next year within 10 days from the day on which the People’s Council at the superior level decides the estimate and budget allocation.

7. Within 05 working days from the day on which the People’s Council decides budget estimate, the People’s Committee at the same level shall give the budget estimate of the next year to each of its affiliated agencies and units; send a report to the People’s Committee and finance authority that the superior level. The People’s Committees of provinces shall send reports on budget estimates decided by the People’s Councils of provinces to the Ministry of Finance.

8. Before December 31, Ministries, ministerial agencies, Governmental agencies, other central regulatory agencies, and the People’s Committees must finish giving budget estimates to their affiliated agencies, units and the People’s Committees at inferior levels.

Article 45. Responsibilities of agencies, organizations and units for making annual budget estimates

1. Local collecting authorities shall make estimates of local state budget revenues and send them to the superior collecting authority and the finance authority at the same level. Central collecting authorities shall make estimates of state budget revenues of their fields and send them to the Ministry of Finance for aggregation and making of the state budget estimate.

2. Agencies, organizations, units, and investors shall make estimates of their budget revenue and expenditure within the area of their obligations, and send reports to superior regulatory agencies for aggregation and reporting to the finance authority at the same level.

3. Local finance authorities shall examine budget estimates of agencies, organizations and units at the same level; take charge and cooperate with relevant agencies in aggregating, estimating, and allocating their budgets in accordance with Clause 1 and Clause 2 Article 30 of this Law, then submit a report to the People's Committee at the same level.

4. The People's Committees shall consolidate, make local government budget estimates, and submit a report to Standing Committee of the People's Council at the same level for opinions. The People's Committees of provinces shall send the Ministry of Finance, the Ministry of Planning and Investment, and relevant agencies their budget estimates in order to make the state budget estimate to be submitted to the government and Members of the National Assembly for monitoring.

5. Central and local specialized regulatory agencies shall cooperate with finance authorities, planning and investment authorities at the same level in making state budget estimates of their fields.

6. The Ministry of Finance shall examine budget estimates of Ministries, ministerial agencies, Governmental agencies, other central and local regulatory agencies; take charge and cooperate with the Ministry of Planning and Investment, relevant Ministries and agencies in aggregating, estimating state budget and planning allocation of central government budget, then submit a report to the government in accordance with Clause 1 Article 47 of this Law.

Article 46. Discussing, deciding state budget estimates and annual budget allocation plans

1. Ministries, ministerial agencies, Governmental agencies, other central agencies, local agencies, organizations and units shall hold discussions with their affiliated agencies and units.

2. Finance authorities at various levels are in charge of organizing:

a) Discussion about annual budget estimates with other agencies and units at the same level;

b) Discussion about budget estimates in the first year of the budget stability period with People's Committees at inferior levels to determine the ratio of revenue distribution between superior budgets and inferior ones, amount of additional funding from superior budgets to inferior ones as the basis for making next years' budget estimates;

c) In the next years of the budget stability period, finance authorities shall discuss with the People's Committees at inferior levels at their request.

3. During the discussion about budget estimates and budget allocation plans, if there are revenues and/or expenditures that are not conformable with law or suitable for the budget capacity and socio-economic development orientation, finance authorities shall request adjustment. If there are contrary opinions between finance authorities, other agencies and units at the same level, and the People's Committees at inferior levels, each local finance authority shall submit a report to the People's Committee at the same level for decision; the Ministry of Finance shall submit a report to the Prime Minister for decision.

4. Assessment and proposal of state budget estimate and central government budget allocation plan to the National Assembly for decision:

a) The government shall discuss and offer opinions in the draft reports of the government, which are submitted by the Ministry of Finance, before submitting them to Standing Committee of the National Assembly;

b) Budget – Finance Committee of the National Assembly is in charge of assessment of reports submitted by the government to Standing Committee of the National Assembly and the National Assembly;

c) According to opinions of Budget – Finance Committee, the National Assembly, and Standing Committee of the National Assembly, the government shall complete the reports and submit them to the National Assembly;

d) The National Assembly shall discuss and decide the next year's state budget estimate and plan for allocation of central government budget. During the process of discussing and deciding the state budget estimate and plan for allocation of central government budget, if changes are made to budget revenue and expenditure, the National Assembly shall decide solutions to ensure balanced budget.

5. Procedures for agencies of the National Assembly to assess state budget estimate and plan for allocation of central government budget are provided for by Standing Committee of the National Assembly.

6. Estimates and plans for allocation of local government budgets shall be considered and decided in accordance with regulations of the government.

Article 47. Documents about state budget estimate and budget allocation plan

1. Documents about state budget estimate and budget allocation plan submitted by the government to the National Assembly include:

a) Assessment of enactment of current year's state budget; the basis for making state budget and allocation of central government budget; basic contents and solutions for enactment of state budget estimate;

b) Estimate of state budget revenues and solutions for raising sources of revenues for state budget;

c) Estimate of state budget expenditure, important targets and programs of the economy, major policies of Communist Party and the State related to state budget;

- d) State budget deficit and covering sources; Ratio of deficit to GDP;
 - dd) 5-year financial plan for the first year of the period;
 - e) 3-year state budget – finance plan;
 - g) Report on public debt according to the Law on Public debt management, specifying the due debt, overdue debt, interest payable in the year, additional debt derived from loans taken to cover state budget deficit; solvency of the year and total debt by year’s end;
 - h) Report on implementation the financial plan, formulate next year’s financial plans of off-budget financial fund under the management of central agencies;
 - i) Specific polices and solutions for stabilizing state budget and finance;
 - k) List, progress, and investment estimate of programs/projects of national importance funded by state budget in the planned year as decided by the National Assembly;
 - l) Expenditure estimate of each of the Ministries, ministerial agencies, Governmental agencies, other central regulatory agencies sorted by field; revenue and obligatory expenditure, level of deficit, ratio of revenue distribution and amount of additional funding for budget of each province;
 - m) Other documents explaining estimates of state budget revenues and expenditures and central government budget allocation plan; tax exemption or reduction in the state budget estimate report submitted to the National Assembly.
2. The government shall specify the documents about estimates and allocation plans of local government budgets to be submitted by the People’s Committees to the People’s Councils at the same level.

Article 48. Remaking state budget estimate

1. Before the state budget estimate and plan for allocation of central government budget are decided by the National Assembly, the government may remake and submit them to the National Assembly at the time decided by the National Assembly.
2. Before the estimate or allocation plan of a local government budget is decided by the People’s Council, the People’s Committee may remake and submit them to the People’s Council at the time decided by the People’s Council, which must not be later than the deadline prescribed by the government.

Chapter V

ENACTMENT OF STATE BUDGET

Article 49. Allocating and giving state budget estimates

1. After being given budget estimates by the government or the People’s Committee, budget estimate units level I shall allocate and give budget estimates to affiliated budget-using units

and units of inferior budgets. The allocation of budget estimates must comply with the deadlines and requirements in Article 50 of this Law.

2. Finance authorities of the same level shall inspect the budget estimates given by budget estimate units level I to their budget-using units. If the allocation is found incorrect in terms of total amount, fields, tasks, or policies, the budget estimate unit level I shall be requested to make correction within 10 working days from the day on which budget allocation report made by the budget estimate unit is received.

3. Apart from the agencies competent to give budget estimates, no other organization or individual may change the given budget tasks.

Article 50. Requirements and time limits for allocating and giving state budget estimates

1. Allocation of budget estimates to budget-using units must ensure:

a) Given budget estimates are complied with in terms of total amount and specific amounts by field and task;

b) Policies, standards, and limits on expenditure are complied with;

c) Capital and funding provided are sufficient to recover advances to be collected in the year, counterpart fund for projects funded by ODA of foreign sponsors under agreements;

d) Capital for investment in development provided complies with regulations of law on public investment, construction, and relevant regulations of law;

dd) Dedicated additional funding provided by superior budgets to inferior budgets is legitimate in terms of targets, recipients; commitment or regulations on allocation of local government budget to achievement of targets are complied with.

2. Time limits for allocating and giving state budget estimates:

a) With regard to budget estimates given according to Clause 5 and Clause 7 Article 44 of this Law, budget estimate units level I must finish allocating and giving budget estimates to affiliated budget-using units before December 31 of the last year according to Clause 8 Article 44 of this Law;

b) In case of additional budget estimates, the superior budget estimate unit and inferior People's Committee must finish allocating and giving the budget estimates within 10 working days.

Article 51. Temporary funding

1. At the beginning of the budget year, before the budget estimate and budget allocation plan is decided by the National Assembly or the People's Council, the finance authority and State Treasury may provide temporary funding for making obligatory expenditures that cannot be delayed until the budget estimate is decided by the competent authorities, including:

- a) Wages and wage equivalents;
 - b) Operating costs and working costs;
 - c) Provision of additional funding for inferior budgets;
 - d) Other expenditures necessary for maintenance of the state apparatus operation, except for equipment purchases and repairs;
 - dd) Expenditures on transitional projects of National target programs, projects of national importance; important and urgent transitional projects for recovery of disasters or epidemics.
2. The maximum temporary funding for the expenditures mentioned in Points a, b, c, d Clause 1 of this Article must not exceed the average monthly expenditure of the last year.
3. Government shall report expenditures on programs/projects funded by ODA and concessional loans that do not have budget estimates or exceed the budget estimates to Standing Committee of the National Assembly before enactment and submit a report to the National Assembly at the nearest meeting.

Article 52. Adjustments to state budget estimate

1. Overall adjustments to state budget in case of budget fluctuation compared to allocated budget estimates:
- a) The government shall estimate overall adjustments to state budget and submit them to the National Assembly for decision;
 - b) According to the National Assembly's Resolution on overall adjustments to state budget and budget revenue and obligatory expenditures given by superior agencies, People's Committees shall estimate overall adjustments to local government budgets and submit them to the People's Councils at the same level for decision.
2. The government shall request Standing Committee of the National Assembly to decide adjustments to revenue and obligatory expenditures of some Ministries, ministerial agencies, Governmental agencies, other central regulatory agencies, and some provinces, then submit a report to the National Assembly at the nearest meeting in the following cases:
- a) The revenue is expected to be lower than the estimated revenue decided by the National Assembly and some expenditures must be reduced;
 - b) There are urgent requirements in terms of national defense and security, or adjustments are necessary because of some objective reasons.
3. The People's Committee shall request Standing Committee of the People's Council at the same level to decide adjustments to local government budget estimate and submit a report to the People's Council at the nearest meeting in the following cases:
- a) The revenue is expected to be lower than the estimated revenue decided by the People's Council and some expenditures must be reduced;

b) Standing Committee of the National Assembly decides adjustments to budget estimates of some provinces as prescribed in Clause 2 of this Article;

c) Adjustments to budget estimates of some budget estimate unit or local governments are necessary.

4. The government shall request the People's Councils of provinces to adjust their budget estimates if they are not allocated in accordance with the National Assembly's Resolution.

5. The People's Committees shall request the People's Councils at inferior levels to adjust their budget estimates if they are not allocated in accordance with Resolution of the People's Councils at superior levels.

Article 53. Adjustments to budget estimates given to budget-using units

1. Budget estimates given to budget-using units shall be adjusted when:

a) The budget estimate is adjusted as prescribed in Article 52 of this Law;

b) The finance authority request the budget estimate unit level I to adjust its budget estimate as prescribed in Clause 2 Article 49 of this Law;

c) The budget estimate unit level I adjusts the budget estimates among its affiliated units within the total amount and specific amounts sorted b fields.

2. The budget estimate adjustment must ensure allocation and giving of estimate comply with the deadlines and requirements in Article 50 of this Law. After adjusting the estimate, the budget estimate unit level I shall send it to the local finance authority for inspection and the State Treasury for enactment.

3. Budget estimates given to budget-using units must be adjusted before November 15 of the current year.

Article 54. Organizing state budget management

1. Agencies, organizations, units, and individuals have the responsibility to, within their competence, work out solutions for achieving budget revenue and obligatory expenditures, fight against wastefulness and corruption; comply with financial rules and regulations.

2. All agencies, organizations, units, and individuals must fulfill their obligation to contribute to state budget in accordance with law and use state budget properly, frugally, and efficiently.

3. Finance authorities have the responsibility to maintain sources for making expenditures according to budge estimates.

Article 55. Organizing collection of state budget revenues

1. Collecting authorities include finance authorities, tax authorities, customs authorities, and other agencies assigned or authorized to collect state budget revenues.

2. Only collecting authorities may collect state budget revenues.
3. Collecting authorities have the following duties and entitlements:
 - a) Cooperate with other relevant regulatory agencies in collecting revenues properly, adequately, and timely as prescribed by law; comply with guidance and inspection by the Ministry of Finance, superior regulatory agencies, the People's Committees, and supervision by the People's Councils; cooperate with Vietnamese Fatherland Front and member organizations in encouraging other organizations and individuals to fulfill their obligation to contribute to state budget in accordance with this Law and relevant regulations of law;
 - b) Organize management and collection of taxes, fees, charges, and other receivables paid to State Treasuries. The amounts collected via a third party must be transferred in full and on schedule to State Treasuries as prescribed by the Ministry of Finance;
 - c) Collecting authorities must supervise other agencies, organizations, units, and individuals paying sufficiently and punctually the amounts payable to state budget;
 - d) Inspect, control sources of budget revenues; inspect the compliance of budget statement, collection, payment; take actions against violations as prescribed by law.
4. State Treasuries may open accounts at the State bank of Vietnam and commercial banks to concentrate state budget revenues; transfer them to the state budget, regulate and distribute the revenues among various levels of state budget as prescribed.

Article 56. Organizing state budget expenditure

1. Funding for the obligatory expenditures in the budget estimate must be adequately and punctually provided within the given budget estimate.
2. Capital and funding may be advanced for performance of contractual tasks of projects of investment and other urgent obligatory expenditures. The amount of advanced capital depends on the contract value, must not exceed the given budget estimate, and must comply with relevant regulations of law. Advanced capital and funding shall be returned when the completed tasks or works are paid for.
3. Inferior budgets may receive advance funding from the superior budget to make obligatory expenditures according to given budget estimates where necessary.
4. According to given budget estimates and requirements for task performance:
 - a) Heads of budget-using units shall decide the expenditures and send them to State Treasuries for enactment;
 - b) Inferior finance authorities shall draw additional funding from the superior budget at State Treasuries.
5. State Treasuries shall inspect the legitimacy of documents and make budget expenditures as soon as all conditions in Clause 2 Article 12 of this Law are satisfied. Expenditures may

be in the form of direct payments or advances as prescribed in Clause 2 and Clause 3 of this Article.

6. Heads of State Treasuries are entitled to reject the payments and reimbursement for the expenditures that fail to satisfy all conditions in Clause 2 Article 12 of this Law and shall take responsibility for their decisions.

Article 57. Advancing next year's funding

1. Central government budgets, budgets of provinces and districts may receive advance funding from next year's budget to execute projects of national importance, urgent projects of central and local governments on the plan for midterm investment of state budget decided by competent authorities. The advance funding must not exceed 20% of the estimated expenditure on investment in fundamental construction of the plan for midterm investment of state budget that is approved. When allocating the next year's budget estimate, the advance funding must be recovered in full. Otherwise, next year's advance funding is not permitted.

2. The government shall specify the principles, criteria, and conditions for advancing next year's funding.

Article 58. Organizing state budget management

1. If the central government budget is facing temporary deficit, advance funding provided by the central financial reserve fund and other legitimate financial sources may be provided and must be returned within the budget year; If the financial reserve fund and other sources cannot cover the deficit, the State bank of Vietnam shall provide advance funding to central government budget under a decision of the Prime Minister. Advance funding from the State bank of Vietnam must be returned within the budget year, except for special cases decided by Standing Committee of the National Assembly.

2. If the provincial government budget is facing temporary deficit, advance funding may be provided by local financial reserve fund, central financial reserve fund, and other legitimate financial sources and must be returned within the budget year.

3. If the provincial government budget is facing temporary deficit, advance funding may be provided by local financial reserve fund, central financial reserve fund, and other legitimate financial sources and must be returned within the budget year.

Article 59. Settlement of increases, decreases in revenue and expenditure during enactment of state budget

1. In case the actual revenue is lower than that in the estimate decided by the National Assembly or the People's Council, some expenditures shall be decreased as prescribed in Point a Clause 2 and Point a Clause 3 Article 52 of this Law.

2. The increase in revenue, except for that of local government budget derived from new projects put into operation during the budget stability period, must be transferred to the superior budget. The decrease in expenditure shall be used as follows:

- a) Reduce deficit, increase debt repayment, including principal and interest;
- b) Build up financial reserve fund;
- c) Supplement sources for implementation of wage policies;
- d) Implementation of some social security policies;
- dd) Increase expenditure on investment in some important projects;
- e) Perform the tasks prescribed in Clause 3 and Clause 4 of this Article.

The government shall make a plan for using the revenue increase and expenditure decrease of central government budget, submit a report to Standing Committee of the National Assembly for decision and to the National Assembly at the nearest meeting. The People's Committees shall plan the use of revenue increase and expenditure decrease of their budgets; submit a report to Standing Committee of the People's Council for decision and to the People's Council at the nearest meeting. The increase in revenue of local government budget derived from new sources of revenue during budget stability period shall be dealt with in accordance with Point d Clause 7 Article 9 of this Law.

3. At the end of the budget year, if the revenue of local government budget is lower than estimated because of some objective reason and is not able to balance local government budget after decreasing some expenditures as prescribed in Clause 1 of this Article and using other local legitimate financial sources, the superior budget shall provide funding within its capacity.

4. Bonus for excess revenues distributed between various levels of budgets:

a) If the revenue of central government budget increases due to the increases in revenues distributed between central government budget and local government budgets, not more than 30% of central government budget may be extracted to give bonuses for the local government budgets that have revenue increases. Nevertheless, the bonus must not exceed the last year's revenue increase.

According to the level of bonus decided by Standing Committee of the National Assembly, the People's Committee of the province shall request the People's Council at the same level to use the bonus to make investment in infrastructure projects, performance of important tasks, and giving bonus to inferior budgets;

b) The People's Committee of the province shall submit regulations on bonus for increases in revenues divided between various levels of local government budgets to the People's Council at the same level.

Article 60. Report on enactment of state budget

1. Tax authorities and customs authorities shall submit periodic reports to finance authorities at the same level and relevant agencies on collection of state budget revenues as prescribed by law.

2. State Treasuries shall submit periodic reports to finance authorities at the same level and relevant agencies on enactment of state budget revenues and expenditures as prescribed by law.

3. Budget estimate units level I shall submit periodic reports to finance authorities at the same level and relevant agencies on enactment of state budget revenues and expenditures as prescribed by law.

4. Local finance authorities shall submit periodic reports to the People's Committees at the same level and relevant agencies on enactment of state budget revenues and expenditures; submit periodic reports on use of dedicated additional funding provided by superior budgets to superior finance authorities.

5. The People's Committees shall submit reports on the issues mentioned in Clause 3 Article 52 and Clause 2 Article 59 of this Law, reports on enactment of local government budget at the year end's meeting, and additional assessment report at the midyear's meeting to Standing Committee of the People's Councils at the same level.

6. The People's Committees at inferior levels shall submit periodic reports on revenue and expenditures of local government budgets to superior finance authority; the People's Committees of provinces shall submit periodic reports on local state budget revenues and enactment of local government budgets to the Ministry of Finance.

7. The Ministry of Finance shall submit periodic reports on state budget revenues and expenditures to the government and relevant agencies as prescribed by law.

8. The government shall submit reports on the issues mentioned in Clause 2 Article 52 and Clause 2 Article 59 of this Law to Standing Committee of the National Assembly; the government shall submit reports on enactment of state budget at the year end's meeting and additional assessment report at the midyear's meeting to the National Assembly.

Article 61. Management and use of budget by budget-using units

1. Heads of budget-using units are responsible for management and use of their budgets according to given estimates, assess the performance of tasks, ensure efficiency, frugality, adherence to policies, standards, and limits on budget expenditure.

2. The person in charge of finance – accounting of the budget-using unit has the responsibility to adhere to regulations on budget – finance management, state accounting, internal inspection, prevent, discover violations and request the head of the unit or a finance authority at the same level to take punitive actions.

Article 62. Management of state fund

1. State fund is the entire money of the state in accounts of State Treasuries opened at the State bank of Vietnam and commercial banks, and cash in State Treasuries. State fund is derived from various levels of fund and deposits of financial of the state, units, and business organizations at State Treasuries.

2. State Treasury has the responsibility to manage state fund to ensure adequate, timely payment of expenditures of state budget and units making transactions at State Treasury; ensure safety and efficiency of state fund.

3. The government shall issue regulations on state fund management.

Chapter VI

ACCOUNTING, AUDIT, AND STATEMENT OF STATE BUDGET

Article 63. Accounting and statement of state budget

1. Agencies, organizations, units, and individuals related to state budget revenues and expenditures must do accounting and make statement of state budget in accordance with state accounting regulations and this Law.

2. Finance authorities are entitled to suspend budgets of agencies, organizations and units at the same level that fail to adhere to regulations on accounting, statement, or other financial statement, and take responsibility for their decision.

3. State Treasuries shall do accounting of state budget; consolidate state budget revenues and expenditures; submit reports to finance authorities at the same level and relevant agencies according to applicable regulations.

Article 64. Settlement of state budget revenues and expenditures at year's end

1. At the end of the budget year, agencies, organizations, units, and individuals related to budget revenue and expenditure shall close accounting books and make state budget statements.

2. The deadline for adjusting state budget statements is January 31 of the next year.

3. The estimated expenditures, including additional expenditures in the year that are not enacted or completely enacted at the end of the budget year, including the time for adjusting state budget statement prescribed in Clause 2 of this Article, must be cancelled, except for the following expenditures which are permitted to be carried over to the next year and recorded in the next year's budget:

a) Expenditure on development investment carried over to the next year's budget according to the Law on Public Investment;

b) Expenditures on equipment purchase that have adequate documents and purchase contracts signed before December 31 of the enactment year;

c) Sources for implementation of wage policies;

d) Autonomous budgets of public service agencies and regulatory agencies;

dd) Estimates added by competent authorities after September 30 of the enactment year;

e) Funding for scientific research.

4. The usable revenue increases and expenditure decreases prescribed in Clause 2 Article 59 of this Law; Such amounts may be carried over to next year's budget if permitted by a competent authority.

5. The government shall provide specific regulations on carrying over budget.

Article 65. Requirements applied to state budget statement

1. Information on the state budget statement must be accurate, truthful, and adequate.

2. The state budget revenue stated is the amount collected and accounted for as prescribed. Revenues of the last year's budget submitted to next year's state budget shall be recorded in the next year's budget. The state budget expenditure stated is the amount paid and accounted for as prescribed.

3. Information on state budget statements of budget-using units, investors, and various levels of state budgets must be compared and confirmed by State Treasuries where the transactions are made.

4. Contents of the state budget statement must be conformable with the state budget estimate given and list of state budget entries.

5. On budget statements of districts and communes, expenditure must not be higher than revenue.

6. Budget statements of budget-using units, superior budget estimate units, and various levels of state budget must be enclosed with the explanation and assessment of result, efficiency of budget expenditure associated with performance of tasks of units, local governments, fields, and target programs they are responsible for.

7. Budget statements of off-budget financial funds must be enclosed with explanation and assessment of result, efficiency of performance of their tasks.

8. Illegitimate state budget revenues must be returned to the payers; pending state budget revenues must be collected; illegitimate state budget expenditures must be recovered in full.

Article 66. Approving state budget statements

1. Annual statements shall be examined as follows:

a) Each revenue and expenditure shall be examined;

b) The revenues must be conformable with regulations of law on taxes, fees, charges, and other regulations of the State;

c) The expenditures must satisfy the conditions in Clause 2 Article 12 of this Law;

d) All revenues and expenditures must be accounted for in accordance with regulations on accounting of the State, list of state budget entries, and on schedule;

dd) Documents about revenues and expenditures must be legitimate; figures in accounting books and budget statements must match the documents and figures of State Treasury.

2. Annual budget statements are examined by the following agencies:

a) The superior budget estimate unit shall examine budget statements made by affiliated budget estimate units as prescribed;

b) In case the budget estimate unit level 1 is also a budget-using unit, the finance authority at the same level shall examine its budget statement.

3. The examining agency is entitled to:

a) Request State Audit Office of Vietnam or hire a independent audit organization to audit budget statements of large-scale target programs/projects to have more basis for examination;

b) Request provision of explanation or additional information necessary for examining the statement;

c) Request payment of amounts payable to state budget and remove expenditures that are illegitimate or not conformable with the approved estimate; take punitive actions or request a competent authorities to take punitive actions against the violations that cause losses to state budget.

d) Correct errors or request the remake of the budget statement if necessary.

4. When the examination of the annual budget statement is finished, the superior budget estimate unit shall send a notification of approval for budget statement to the inferior budget estimate unit; budget estimate units level I shall send the notification to the inferior budget estimate units and the finance authorities at the same level for verification.

The finance authority shall send notification of approval for budget statement budget estimate units level I that are also budget-using units.

5. The head of the examining agency is responsible for result of budget statement results, and incur penalties for undiscovered and overlooked violations.

Article 67. Verification of state budget statement

1. Verifying authorities:

a) Finance authorities shall verify annual budget statements of budget estimate units level I under their management, except for the case in Point b Clause 2 Article 66 of this Law;

b) Finance authorities of provinces and districts shall verify annual budget statements of inferior budgets;

c) The Ministry of Finance shall not verify annual budget statements of provinces.

2. Finance authorities shall verify annual budget statements of budget estimate units level I under their management as follows:

a) Examine the adequacy and consistency of figures; ensure consistency between figures on the statement and notification on approval for budget statement of the affiliated unit and confirmation by State Treasury;

b) Inspect the accuracy and legitimacy of the increases and decreases compared to the given budget estimate;

c) Make remarks about the annual budget statement.

3. Finance authorities of provinces and districts shall verify annual budget statements of inferior budgets as follows:

a) Inspect the adequacy and consistency of figures;

b) Inspect the accuracy and legitimacy of the increases and decreases compared to the given budget estimate;

c) Make remarks about the annual budget statement.

4. Verifying authorities are entitled to:

a) Request the budget estimate units level I and inferior finance authorities to provide additional information necessary for verification of the budget statements;

b) Request responsible authorities to remove, recover illegitimate expenditures and pay the amounts payable to state budget as prescribed;

c) Request the statement-examining authority to adjust the budget statements of budget estimate units if incorrect;

d) Request refund of the illegitimate revenues or request a competent authorities to request such refund.

5. When the annual budget statement is verified, the finance authority shall issue a notification which contains remarks and recommendations, and send it to the budget estimate unit level I or the People's Committee at the lower level.

If there are errors, the finance authority shall request the budget estimate unit level I to adjust the statement; the superior finance authority shall request the People's Committee at lower level to request the People's Council at the same level to adjust the statement.

Finance authorities shall deal with violations within its competence or request a competent authority to do so.

6. If discovering errors in a budget statement of a province during aggregation of state budget statements, the Ministry of Finance shall request the People's Committee of such province to request the People's Council of the same province to adjust the statement. The Ministry of Finance shall deal with violations within its competence or request a competent authority to do so.

Article 68. Making of state budget statements of budget estimate units and investors

1. Budget-using units shall make state budget statements and submit them to the superior budget estimate unit.

2. Every investor in fundamental construction programs/projects, National target programs, and projects of national importance shall:

a) At the end of the budget year: Make a statement of the capital sources, state budget capital, use of capital, amount of works completed and paid for in the year; send it to the provider of capital for fundamental construction, supervisory agency of the investor, and the finance authority at the same level;

b) When the fundamental construction program/project, National target program, or project of national importance is finished: Make a statement of capital sources and state capital enclosed with explanation of use of capital; send it to the provider of capital for fundamental construction and the agency competent to examine the budget statement of the fundamental construction or program/project as prescribed;

c) With regard to National target programs and projects of national importance the investment contents of which are decided by the National Assembly, the budget statement must be submitted to the National Assembly for consideration and submission to the National Assembly apart from the regulations in Point a and Point b of this Clause.

3. According to the approved budget statement of a budget-using unit, the superior budget estimate unit shall make a report on state budget statement within its competence and send it to the superior budget estimate unit; budget estimate units level I shall send it to finance authorities at the same level.

Budget estimate units level I shall impose deadline for submission of budget statements by affiliated budget estimate units in order to ensure the report on budget statement is submitted to the finance authority at the same level on schedule.

Article 69. Deadline and procedures for making statements of local government budgets

1. Based on the reports submitted by State Treasuries, result of examination and verification of budget statements of inferior budget estimate units level I, and statements of inferior budgets approved by the People's Council, the local finance authority shall consolidate and make a statement of local government budget, then submit it to the People's Committee at the same level.

2. The People's Committee shall send the statement of local government budget to the People's Council at the same level for verification and to the superior finance authority.

3. The People's Committee shall submit a report on statement of local government budget to the Standing Committee of the People's Council at the same level for opinions before submitting it to the People's Council.

4. The report on budget statement of the People's Committee and verification report of the People's Council shall be sent to Members of the People's Council the same level at least 05 working days before the opening date of the next midyear meeting of the People's Council.

5. The People's Council of each commune shall consider approving its budget statement, send it to the People's Committee of the district within 05 working days from the day on which the statements is approved. The People's Councils of the district shall consolidate and make a budget statement of the district, submit it to the People's Council of the same district for approval, and send it to the People's Committee of the province within 05 working days from the day on which the statement is approved. The People's Council each province shall consolidate and make a budget statement of the province, submit it to the People's Council of the same province for approval before December 31 of this next year.

The People's Council of each province shall specify time limits for approval budget statements of communes and districts; time limits for the People's Committees to send budget statements to the agencies mentioned in Clause 2 and Clause 3 of this Article.

6. In case the budget statements are yet to be approved by the People's Council, the People's Committee at the same level and the State Audit Office of Vietnam that audited such budgets must keep clarifying the contents requested by the People's Council and submit a report to the People's Council within 30 days from the deadline mentioned in Clause 5 of this Article.

Article 70. Deadline and procedures for making statements of central government budgets

1. Budget estimate units level I of central government budget shall make budget statements within their competence and send them to the Ministry of Finance and State Audit Office of Vietnam before October 01 of the next year.

2. The People's Committee of each province shall submit its provincial budget statement to the Ministry of Finance and State Audit Office of Vietnam before October 01 of the next year.

3. Within 05 working days from the day on which the People's Council of the province approves the provincial budget statement, the People's Council the province must send it to the Ministry of Finance and State Audit Office of Vietnam.

4. Based on the report made by State Treasury, result of verification of budget statements of budget estimate units level I of central government budget, and provincial budget statements approved by the People's Councils of provinces, the Ministry of Finance shall make a statement of central government budget, submit it to government and State Audit Office of Vietnam within 14 months after the end of the budget year.

5. The government shall submit a the central government budget statement to Standing Committee of the National Assembly within 16 months from the end of the budget year.

6. The statement of central government budget made by the government must be sent to Members of the National Assembly within 20 days before the opening date of the midyear meeting of the National Assembly.

7. The National Assembly shall consider approving the statement of central government budget within 18 months from the end of the budget year.

8. Procedures for agencies of the National Assembly to verify the statement of central government budget shall be decided by Standing Committee of the National Assembly.

9. If the statement of central government budget is yet to be approved by the National Assembly, the government, within its competence, advertisement State Audit Office of Vietnam must keep clarifying the contents requested by the National Assembly by the deadline imposed by the National Assembly.

Article 71. Auditing statements of central and provincial government budgets

1. State Audit Office of Vietnam shall audit the statement of central government budget before submitting it to the National Assembly for consideration and approval.

2. State Audit Office of Vietnam shall audit statements of provincial government budget before submitting them to the People's Councils of provinces for consideration and approval.

Article 72. Settlement state budget surplus

1. Surplus of central and provincial government budgets shall be used for payment of principal and interest of loans of state budget. If surplus still remains, 50% of it will be transferred to the financial reserve fund at the same level, the other 50% will be transferred to the next year's budget; if the financial reserve fund has reached 25% of annual budget expenditure estimate, the remaining surplus shall be included in next year budget revenue.

2. Surplus of budgets of districts and communes shall be included in next year budget revenue.

Article 73. Settlement of illegitimate state budget revenues and expenditures after the state budget statement is approved

In case illegitimate state budget revenues and expenditures are found after a state budget statement is approved, Clause 8 Article 65 of this Law shall apply and such amounts may be accounted for in the budget of the year in which they are dealt with.

Chapter VII

IMPLEMENTATION

Article 74. Instructions on implementation of some special regulations

1. Pursuant to this Law, the government shall promulgate regulations on management and use of budget for some fields related to national defense and security, diplomacy, some special budget – finance policies applied to Ho Chi Minh City, some provinces, and

administrative - economic units; a report shall be submitted to Standing Committee of the National Assembly for opinions before promulgation and to the National Assembly at the nearest meeting.

2. Hanoi shall implement some special state budget – finance policies according to the Law on Capital City.

Article 75. Transitional clause

1. The Law on State budget No. 01/2002/QH11 still applies to budget statements of 2015 and 2016.

2. Budget stability period 2011 – 2015 is extended to the end of 2015. The next budget stability period is 2017 – 2020. With regard to budget estimates of 2016 of Ministries, ministerial agencies, Governmental agencies, other central and local regulatory agencies:

a) Limits on allocation of estimate of recurrent expenditure estimate of the Prime Minister's Decision No. [59/2010/QĐ-TTg](#) dated September 30, 2010 shall apply to recurrent expenditure estimates;

b) Principles, criteria, and norms for allocation of investment capital derived from state budget 2016 – 2020 of Resolutions of Standing Committee of the National Assembly shall apply to budget estimates for expenditure on development investment, Budget estimates for expenditure on development investment 2016 must comply with the framework for midterm investment 2016 - 2020 and appropriate for the growth rate of state budget expenditure in 2016 compared to 2015.

Article 76. Effect

1. This Law comes into force from the budget year 2017.

2. The Law on State budget No. 01/2002/QH11 expires from the effective date of this Law.

Article 77. Specific regulations

The government shall promulgate specific regulations on some Articles and Clauses of this Law as assigned.

This Law is ratified by the 13th National Assembly of Socialist Republic of Vietnam during the 9th meeting on June 25, 2015.

**PRESIDENT OF THE NATIONAL
ASSEMBLY**

Nguyen Sinh Hung