

DECISION

**ON REGULATIONS ON ACTIVITIES OF MICROFINANCE PROGRAMS AND
PROJECTS OF POLITICAL ORGANIZATIONS, SOCIO-POLITICAL ORGANIZATIONS
AND NON-GOVERNMENTAL ORGANIZATIONS**

Pursuant to Civil Code dated November 24, 2015;

Pursuant to Law on organization of the Government dated June 19, 2015;

Pursuant to Law on State budget dated June 25, 2015;

Pursuant to Law on the State bank of Vietnam dated June 16, 2010;

Pursuant to Law on credit institutions dated June 16, 2010;

According to suggestion of the Governor of the State Bank of Vietnam;

The Prime Minister promulgates decision on regulations on activities of microfinance programs and projects of political organizations, political organizations and non-governmental organizations.

Chapter I

GENERAL PROVISIONS

Article 1. Scope

This decision provides regulations on activities of microfinance programs and projects (hereafter referred to as “microfinance programs”) of political organizations, socio-political organizations and non-governmental organizations.

Article 2. Regulated entities

1. Political organizations, socio-political organizations and non-governmental organizations.

2. Ministries, ministerial authorities, governmental authorities, People’s Committees of provinces, organizations and individuals related to activities of microfinance programs of political organizations, political organizations and non-governmental organizations.

Article 3. Definitions

For the purpose of this Decision, the terms below shall be construed as follows:

1. Microfinance activities include provision of loans in Vietnam dong to microfinance clients, receipt of compulsory and voluntary savings from microfinance clients.
2. A microfinance client means an individual who is a member of a poor household, near-poor household, household escaping poverty or household having average living standards; an individual having low income or a micro-enterprise.
3. Microfinance programs are programs related to microfinance activities and some other activities prescribed in Clause 3 Article 13 of this Decision aiming to meet the demand of microfinance clients without profit, create more jobs and reduce hunger and poverty.
4. Non-governmental organizations include domestic non-governmental organizations and foreign non-governmental organizations.
5. Domestic non-governmental organizations include associations, charity funds and other types of social organizations established to provide non-profit assistance in the development in accordance with the charter and regulations of Vietnam law.
6. Foreign non-governmental organizations include non-governmental organizations, social funds, private funds and other type of social organizations and nonprofit organizations established according to the foreign law that may operate in accordance with regulations of Vietnam law.
7. Compulsory savings means an amount that has to be deposited according to regulations of a microfinance program by a microfinance client.
8. Voluntary savings means an amount that is deposited to a microfinance program by a microfinance client on a voluntary basis
9. Capital for microfinance means the funding that is provided to prepare for and execute a microfinance program.
10. A manager of a microfinance program is a person holding the position of the head of Management Board or Director or an equivalent position and takes responsibility for the operation of a microfinance program according to regulations in this Decision.

Chapter II

APPLICATION FOR AND REVOCATION OF CERTIFICATE OF REGISTRATION OF MICROFINANCE PROGRAMS AND EXECUTION THEREOF

Article 4. Conditions for registration of a microfinance program

1. Political organizations, political organizations and non-governmental organizations shall apply for registration in accordance with regulations of this Decision when executing microfinance programs.

2. A political organization, political organization or non-governmental organization will be issued with the Certificate of registration of the microfinance program (hereafter referred to as “registration certificate”) if:

a) It owns legal capital for microfinance activities in accordance with regulations of law;

b) It has the organizational structure of the microfinance program as prescribed in Article 10 of this Decision;

c) It appoints a manager of the microfinance program who has a bachelor degree in economics, banking, finance, accounting or business management or higher degree or has at least 01 year’s experience in banking operations or microfinance operations;

d) It has internal regulations on the execution of the microfinance program;

dd) The non-governmental organization that is licensed by the Ministry of Foreign Affairs or Ministry of Home Affairs is permitted to execute the microfinance program by the Ministry of Foreign Affairs or the Ministry of Home Affairs;

e) The execution of the microfinance program approved by People’s Committee of the province or central-affiliated city (hereafter referred to as “province”) or People’s Committee of the district and People’s Committee of the commune that are authorized by People’s Committee of the province (hereafter referred to as “the competent People’s Committee”)

Article 5. Composition of an application for the registration certificate

1. An application form for registration of the microfinance program using Specimen 01 issued together with this Decision.

2. Documents related to the establishment and operation of the applicant.

3. A written explanation for the origin of capital for the microfinance program.

4. The expected organizational structure, administration and control of the microfinance program.

5. The appointed manager’s resume and document(s) proving that the manager fulfills the criteria prescribed in Point c Clause 2 Article 4 of this Decision.

6. Draft internal regulations prescribed in Article 11 of this Decision.

Article 6. Competence of issuance and revocation of registration certificates

1. Banking Supervision Agency (BSA) which is affiliated to the State bank of Vietnam has the power to issue and revoke registration certificates of microfinance programs operating in more than one province or executed by foreign non-governmental organizations.

2. A branch of State bank of Vietnam shall issue and revoke registration certificates of microfinance programs operating in one province

Article 7. Procedures for issuance and revocation of registration certificates

1. A political organization, political organization or non-governmental organization (the applicant) submits directly (or send by post) the application prescribed in Article 5 of this Decision to:

a) BSA if the microfinance program is one mentioned in Clause 1 Article 6 of this Decision; or

b) The branch of State bank of Vietnam if the microfinance program is one mentioned in Clause 2 Article 6 of this Decision;

2. Within 5 working days from the day on which the application is received, the State bank of Vietnam or the branch of State bank of Vietnam shall provide confirmation in writing of receipt of the valid application. If the application is not valid, the State bank of Vietnam or the branch of the State bank of Vietnam shall send the applicant a written request for additional documents.

3. Within 5 working days from the day on which the application is received, the branch of State bank of Vietnam shall send the State bank of Vietnam a written proposal for asking for opinions of Ministry of Foreign Affairs, Ministry of Home Affairs and the competent People's Committee about the execution of the microfinance program.

Within 5 working days from the day on which the written proposal of the branch of State bank of Vietnam is received or from the day on which the dossier of the microfinance program of the non-governmental organization prescribed in Clause 1 Article 6 of this Decision is received, the State bank of Vietnam shall:

a) Ask for opinions of Ministry of Foreign Affairs and Ministry of Home Affairs about the execution of the microfinance program and areas taking place this program of the non-governmental organization licensed by Ministry of Foreign Affairs or Ministry of Home Affairs.

b) Ask for opinions of the competent People's Committee about the execution of the microfinance program in its region.

Within 10 working days from the day on which the written consulting sent by the State bank of Vietnam is received, the Ministry of Foreign Affairs, Ministry of Home Affairs and the competent People's Committee shall make a written reply showing the opinions about the execution of the microfinance program (agree or not). Ministry of Foreign Affairs, Ministry of Home Affairs and the competent People's Committee shall provide the explanation to the applicant in cases of disagreement. When the abovementioned period expires, if the Ministry of Foreign Affairs, Ministry of Home Affairs and the competent People's Committee have no opinion, they shall be considered as consent.

4. If the application has gotten a written permission of Ministry of Foreign Affairs, Ministry of Home Affairs and the competent People's Committee, the State bank of Vietnam will not ask for opinions as prescribed in Clause 3 of this Article.

5. Within 20 working days (or 10 working days with regard to cases prescribed in Clause 4 of this Article) from the day on which the valid application is received:

a) The State bank of Vietnam shall inspect and issue the registration certificate to the microfinance program prescribed in Clause 1 Article 6 of this Decision using the specimen 02 issued together with this Decision;

b) The branch of State bank of Vietnam shall inspect and issue the registration certificate to microfinance programs prescribed in Clause 2 Article 6 of this Decision using the specimen 02 issued together with this Decision;

If the registration certificate is not issued, the State bank of Vietnam and the branch of the State bank of Vietnam will send a written explanation to the applicant.

6. Within 180 days from the day on which the registration certificate is received, the applicant shall execute the microfinance program. After the abovementioned period, if the applicant that fails to execute microfinance program, the registration certificate will expire.

7. The State bank of Vietnam and the branch of the State bank of Vietnam shall make a written revocation of the registration certificate that has been issued in the following cases:

a) The application for the microfinance program contains the fraudulent information;

b) The time limit for execution of the microfinance program defined in the registration certificate has been expired.

c) The microfinance program commits serious violations of regulations on this Decision and relevant regulations of law;

d) The applicant voluntarily terminates the operation of the microfinance program.

dd) The applicant terminate its operation.

8. The political organization, political organization or non-governmental organization shall shutdown the microfinance program from the day on which the written revocation of registration certificate takes effects.

Article 8. The execution of a microfinance program

1. Within 30 days before a microfinance program is executed, the political organizations, political organization or non-governmental organization shall:

a) Establish an organizational structure prescribed in Article 10 of this Decision;

b) Have a written assignment of capital for microfinance; appoint the manager of the program and issue internal regulations related to the microfinance program;

c) Have a head office, necessary equipment and vehicles to ensure the advantage and safety of the operation of the microfinance program

2. Operating contents, operating scope, operating areas and microfinance clients of the microfinance program shall be published at the head office of the program and announced on media or radio of the region where the microfinance program operates within 03 working days before the date of operation.

Article 9. Adjustments to information in the registration certificate

1. If a microfinance program has its operating area expanded beyond the registered province or city, the political organization, political organization or non-governmental organization shall return the registration certificate to the State bank of Vietnam or a branch of the State bank of Vietnam and apply for registration of the microfinance program as prescribed in Clause 2 Article 4, Article 5, Article 6 and Clause 1 Article 7 of this Decision.

2. If there is any change of capital for microfinance, the head office, the manager, the operating area in a province or city, microfinance clients or the operating content of the microfinance program, the applicant shall submit a report to BSA if the program is one mentioned in Clause 1 Article 6 of this Decision or the branch of the State bank of Vietnam if the program is one mentioned in Clause 2 of Article 6 of this Decision within 15 working days from the date of change.

Article 10. Organizational structure of a microfinance program

1. A microfinance program that operates within a province shall have the following organizational structure:

a) The organizational structure of a microfinance program having its capital of 3 billion dong or over consists of:

(i) The management board that manages and directs the operation of the microfinance program. The head of management board or the person holding an equivalent position takes responsibility for the operation of the microfinance program in his/her region and assigning members of the management board to perform their tasks related to management and direction of the microfinance program;

(ii) A risk management department that manages risks of microfinance activities and consists of the head of department or the person holding an equivalent position and at least 01 employee. The quantity of employee depends on the quantity of microfinance clients and scale of microfinance operation;

(iii) A lending department that carries out lending activities and consists of the head of department or the person holding an equivalent position and at least 01 employee. The quantity of employee depends on the quantity of microfinance clients and scale of microfinance operation;

(iv) A finance and accounting department that shall include a treasurer and be equipped with cabinets, safes or equipment used for safe management of money, documents and invoices;

(v) A controlling department that inspects and controls the entire operation of the microfinance program and consists of the head of department or the person holding an equivalent position and at least 01 fulltime inspector. The quantity of inspector depends on the quantity of microfinance clients and scale of microfinance operation. The head of controlling department shall be fulltime and not undertake any other position. A fulltime inspector shall not undertake any other position.

b) The organizational structure of a microfinance program having its capital under 3 billion dong:

(i) The Director or the person holding an equivalent position who takes responsibility for the operation of microfinance program within his/her region;

(ii) A management department that consists at least 01 employee who is in charge of risk management, 01 employee who is in charge of lending activities, 01 employee who is in charge of finance and accounting and 01 inspector. A full-time inspector shall not undertake any other position.

2. A microfinance program that operates within more than one province shall have the following organizational structure:

a) The organizational structure of the microfinance program having the microfinance capital of 3 billion dong or over consists of:

(i) The management board as prescribed in Point a (i) Clause 1 of this Article, the risk management department as prescribed in Point a (ii) Clause 1 of this Clause, the controlling department as prescribed in Point a (v) Clause 1 of this Article for all operating areas of the microfinance program;

(ii) The lending department as prescribed in Point (iii) Clause 1 of this Article and the finance and accounting department as prescribed in Point (iv) Clause 1 of this Article for each province.

b) The organizational structure of a microfinance program having the microfinance capital under 3 billion dong consists of:

(i) The director or the person holding an equivalent position prescribed in Point b (i) Clause 1 of this Article, at least 01 employee who is in charge of risk management and at least 01 full-time inspector for all operating areas of the microfinance program. The fulltime inspector shall not undertake any other position.

(ii) At least 01 employee who is in charge of lending and 01 employee who is in charge of finance and accounting for each province.

3. The organizational structure, functions and tasks of the management board, the director, departments and employees prescribed in Clauses 1 and 2 of this Article shall be defined in writing by the political organization, socio-political organization or non-governmental organization.

4. The Director, the head of the management board or the person holding an equivalent position, the heads of departments and the employee who is in charge of risk management, lending or finance and accounting or fulltime inspector prescribed in Clauses 1 and 2 of this Article shall have a bachelor degree in economics, banking, finance, accounting or business management or have at least 01 year's experience in banking or microfinance activities.

Article 11. Internal regulations

1. Domestic political organizations, political organizations and non-governmental organizations; the Directors, the Heads of the management boards of programs executed by foreign non-governmental organizations shall issue internal regulations as prescribed in Clause 2 of this Article. The internal regulations shall be reviewed, amended and supplemented annually to ensure the effective management of microfinance programs.

2. The internal regulations of a microfinance program consist of:

a) Internal regulations on the organization and operation of the management board that specify function, tasks and power of the head of the management board or the person holding an equivalent position and each member of the management board; tasks and

power of the Director, the assignment and authorization related to management of the microfinance program;

b) Internal regulations on organization and operation of the risk management department that specify tasks and power of the head or the person holding an equivalent position and members of this department, the assignment and authorization related to the risk management of microfinance activities.

If the microfinance program only has employees who are in charge of risk management instead of a department, tasks and power of these employees related to the risk management of the microfinance program shall be specified in the internal regulations.

c) Internal regulations on organization and operation of the lending department that specify tasks and power of the head or the person holding an equivalent position and members of the department, the assignment and authorization related to the assessment and approval for lending, ensuring of loans, inspection of the of loan capital, debt classification and debt collection, storage and preservation of dossiers, documents and invoices related to loans and debt collection.

If the microfinance program only has employees who are in charge of lending instead of a department, tasks and power of these employees shall be specified in the internal regulations.

d) Internal regulations on organization and operation of the finance and accounting department that specify tasks and power of the head or the person holding an equivalent position and members of the department, the assignment and authorization related to financial accounting, storage and preservation of dossiers, documents and invoices related to financial accounting.

If the microfinance program only has employees who are in charge of finance and accounting instead of a department, tasks and power of these employees shall be specified in the internal regulations.

dd) Internal regulations on organization and operation of the controlling department that specify tasks and power of the head or the person holding an equivalent position and members of this department, the assignment and authorization related to control of the operation of the microfinance program.

If the microfinance program only has inspectors instead of a department, their tasks and power related to control of the operation of the microfinance program shall be specified in the internal regulations.

e) Internal regulations on lending and loan management, compulsory savings, microfinance clients and other internal regulations related to the professional operation, inspection, supervision, assignment and authorization related to the operation of the microfinance program.

3. Within 60 days from the day on which the internal regulations are signed or amended, the political organization, political organization or non-governmental organization will send those to BSA if the microfinance program is one mentioned in Clause 1 Article 6 of this Decision or the branch of the State bank of Vietnam if the microfinance program is one mentioned in Clause 2 Article 6 of this Decision.

Chapter III

ACTIVITIES OF MICROFINANCE PROGRAMS

Article 12. The operating area and duration

1. A political organizations, socio-political organization or non-governmental organization may execute a microfinance program within its area and decide the operating duration of the microfinance program.

2. The operating area and duration will be registered and defined in the registration certificate of the microfinance program.

Article 13. Activities of a microfinance program

1. Raising of capital: The capital microfinance program will be raised through the following methods:

a) Receipt of refundable or non-refundable aids from the Government, domestic and foreign organizations and individuals;

b) Receipt of compulsory and voluntary savings of microfinance clients. The total amount of voluntary savings shall not exceed 30% of the total capital granted to the microfinance program.

c) Loans from credit institutions, financial organizations and domestic and foreign organizations in accordance with regulations of law.

2. The lending activity of a microfinance program will be carried out as follows:

a) Loans of microfinance clients are made according to the following principles:

(i) The microfinance program is self-control in lending and takes responsibility for its decision;

(ii) A loan of a microfinance client is made according to the agreement between the microfinance program and the microfinance client and ensures the safety in accordance with regulations of law. Contents of the abovementioned agreement shall be made in writing and specify rights and responsibility of the lender and the borrower, use

purposes of the loan; loan term; lending rates, time limit for repayment of the principal and its interest, interest rates and form of loan security;

(iii) The interest rate shall comply with regulations of law and be conformable with specific conditions of the microfinance program, the microfinance plan and expenditures for operation and growth of the program.

b) Conditions for lending:

(i) A microfinance client has legal personality and legal capacity in accordance with regulations of law on civil;

(ii) A loan of a microfinance client is guaranteed by compulsory savings and/or a group of microfinance clients;

(iii) Use purposes of the loan are legal.

c) The maximum loan rate of a microfinance client does not exceed 50 million Vietnam dong.

3. Other activities of the microfinance program include:

a) Receiving entrusted loan from organizations and individuals, microfinance programs of political organizations, sociopolitical organizations and non-governmental organizations in order to lend microfinance clients without profit.

b) Opening deposit accounts at commercial banks;

c) Providing insurance service to microfinance clients in accordance with regulations of law;

d) Providing microfinance clients with advices, assistance and training related to knowledge about use of loan capital, production, business, daily life, society, environment and other knowledge aiming to improve effects of production and business and material and spiritual lives of microfinance clients.

Article 14. Finance, accounting and reporting

1. Political organizations, sociopolitical organizations and non-governmental organizations shall comply with regulations on of finance, accounting and financial statement of microfinance programs in accordance with regulations of Ministry of Finance and relevant regulations of law.

2. Activities of a microfinance program shall be accounted for separately other activities of the political organization, socio-political organization or non-governmental organization.

3. The political organization, socio-political organization or non-governmental organization shall submit a report on operating situation of the program using Specimen 03 issued together with this Decision every 06 months and before January 31 and before July 31. To be specific:

a) The report on operating situations of a microfinance program prescribed in Clause 1 Article 6 of this Decision shall be sent to BSA; Ministry of Finance; Ministry of Foreign Affairs if the microfinance program is executed by an foreign non-governmental organization or Ministry of Home Affairs if the microfinance program is executed by a domestic non-governmental organization and People's Committee of the province which is the operating area of the microfinance program;

b) The report on operating situations of a microfinance program prescribed Clause 2 Article 6 of this Decision will be sent to the branch of State bank of Vietnam; the competent People's Committee, Department of Finance of the province or the central-affiliated city which is the operating area of the microfinance program.

Chapter IV

CONVERSION OF MICROFINANCE PROGRAMS INTO MICROFINANCE INSTITUTIONS

Article 15. Cases in which a microfinance program is converted into a micro institution

1. A domestic political organization, socio-political organization or non-governmental organization will convert its microfinance program into a micro institution if one of the following conditions is fulfilled:

a) The domestic political organization, socio-political organization or non-governmental organization voluntarily converts its microfinance program into a micro institution;

b) Total value of property of the microfinance program is at least 75 billion dong;

c) The total loans which microfinance clients have not repaid to the microfinance program are at least 50 billion dong.

2. Conditions and procedures for the conversion of a microfinance program into a micro institution shall comply with regulations of the State bank of Vietnam on issuance of license, organization and operation of microfinance institutions.

Article 16. Time limits for conversion

1. The time limit for the conversion of microfinance programs prescribed in Points b and c Clause 1 of Article 15 of this Decision is specified as follows:

a) A microfinance program that is commenced before this Decision takes effects shall be converted into a micro institution within 24 months from the day on which this Decision take effects.

b) A microfinance program that is commenced after this Decision takes effects shall be converted into a micro institution within 24 months from the day on which the latest report on the operating situation prescribed in clause 3 Article 14 of this Decision is submitted.

2. Within 12 months from the day on which the time limit prescribed in Clause 1 of this Article expires, the political organization, socio-political organization or non-governmental organization that fails to convert its microfinance program into a microfinance institution shall shutdown or downsize the program to avoid the situations mentioned in Points b and c Clause 1 Article 15 of this Decision.

3. A domestic political organizations, sociopolitical organization or non-governmental organization shall ensure that its microfinance program is converted in accordance with regulations of this Decision and relevant regulations of law.

Chapter V

STATE ADMINISTRATION OF ACTIVITIES OF MICROFINANCE PROGRAMS

Article 17. Tasks, power and responsibility of the State bank of Vietnam

1. The inspection and actions against violations related to activities of microfinance programs aiming to ensure their safe operation and their compliance with regulations shall be carried out by:

a) BSA if the microfinance program is one mentioned in Clause 1 Article 6 of this Decision;

b) Branches of State bank of Vietnam, the Office for banking supervision- Hanoi city and the Office for banking supervision - Hochiminh city if the microfinance program is one mentioned in Clause 2 Article 6 of this Decision. A branch of the State bank of Vietnam shall consolidate and submit a report on the registration and activities of the microfinance programs prescribed in Clause 2 Article 6 of this Decision using the Specimen 04 issued together with this Decision before February 15 every year.

2. The foreign exchange control related to the foreign currency capital of microfinance programs shall comply with regulations of law.

Article 18. Tasks, power and responsibility of the Ministry of Finance

1. The Ministry of Finance shall manage microfinance programs within its functions and tasks in accordance with regulations of law, including promulgation of regulations on

finance, accounting and financial statements of microfinance program prescribed in Clause 1 Article 14 of this Decision.

2. The Ministry of Finance shall take charge and cooperate with the State bank of Vietnam and relevant authorities and organizations in the formulation of policies on tax and financial assistance applied to microfinance programs.

Article 19. Tasks, power and responsibility of the Ministry of Foreign Affairs, Ministry of Home Affairs, Ministry of Planning and Investment and People's Committees of provinces

1. The Ministry of Foreign Affairs and Ministry of Home Affairs shall cooperate with the State bank of Vietnam in inspecting, supervising and taking actions against violations committed by non-governmental organizations licensed by Ministry of Foreign Affairs and Ministry of Home Affairs during the execution of their microfinance programs according to the request of the State bank of Vietnam.

2. The Ministry of Planning and Investment shall cooperate with the State bank of Vietnam in inspecting, supervising and taking actions against violations of management and use of foreign non - governmental capital sources, official development assistance (ODA) and preferential loans during the execution of microfinance programs according to the request of the State bank of Vietnam.

3. People's Committee of a province or a city shall cooperate with the State bank of Vietnam and the branch of People's Committee in inspecting, supervising and taking actions against violations committed by microfinance programs in the province according to the request of the State bank of Vietnam.

Article 20. The responsibility of political organizations, socio-political organizations and non-governmental organizations executing microfinance programs

1. A political organization, socio-political organization or non-governmental organization is responsible for the fulfillment of financial obligations related to its microfinance program and makes sure that the microfinance program shall comply with regulations of this Decision.

2. The political organization, socio-political organization or non-governmental organization shall not share or use profits generated from its microfinance program for activities that are not microfinance activities in any method.

3. The political organization, socio-political organization or non-governmental organization shall direct and supervise its microfinance program, publish the information about interest rates, regulations on compulsory savings, loans, information about microfinance clients and other information related to microfinance activities in accordance with regulations on protection of customers' rights.

Chapter VI

EXECUTION CLAUSE

Article 21. Transition clause

1. In the cases where a microfinance program has been commenced before this Decision takes effects, within 150 days from the day on which this Decision takes effects, the political organization, socio-political organization or non-governmental organization owning this program will send BSA if the program is one mentioned in Clause 1 Article 6 of this Decision or the branch of State bank of Vietnam if the program is one mentioned in Clause 2 Article 6 of this Decision the following documents:

a) An application form for registration of the microfinance program using Specimen 01 issued together with this Decision.

b) A report on the operation of the microfinance program using the Specimen 03 issued together with this Decision.

2. Within 10 working days from the day on which the valid application prescribed in Clause 1 of this Article is received, BSA shall consider issuing the registration certificate of the microfinance program mentioned in Clause 1 Article 6 of this Decision and the branch of State bank of Vietnam shall consider issuing the registration certificate of the microfinance program mentioned in Clause 2 Article 6 of this Decision.

3. A loan agreement between a microfinance program of a political organization, socio-political organization, domestic or foreign non-governmental organization and a microfinance client that is signed before the day on which this Decision takes effects continues to be executed until the period of this agreement expires. A loan agreement is only adjusted if the adjustments comply with regulations of this Decision.

4. Within 180 days from the day on which this Decision takes effects, if a microfinance program has not had the Director, the management board and other departments prescribed in Clauses 1 and 2 Article 10 of this Decision, the political organization, socio-political organization or non-governmental organization executing this program shall prepare a remedial plan and send it to BSA if the program is one mentioned in Clause 1 Article 6 of this Decision or the branch of State bank of Vietnam if the program is one mentioned in Clause 2 Article 6 of this Decision.

A remedial plan shall have the following contents:

a) The description of the current Director, the management board and departments;

b) A plan for ensuring that the microfinance program shall have a Director, a management board and adequate departments as prescribed in Clauses 1 and 2 Article 10 of this Decision within 18 months from the day on which this Decision takes effects.

5. Within 360 days from the day on which this Decision takes effects, a microfinance program having the manager who fails to satisfy the criteria prescribed in Point c Clause 2 Article 4 of this Decision shall prepare and carry out a remedial plan and submit it to BSA if the program is one mentioned in Clause 1 Article 6 of this Decision or the branch of State bank of Vietnam if the program is one mentioned in Clause 2 Article 6 of this Decision.

A remedial plan shall have the following contents:

a) Description of the manager's failures to fulfill the criteria prescribed in Point c Clause 2 Article 4 of this Decision.

b) A plan for ensuring that the microfinance program shall have a qualified manager according to Point c Clause 2 Article 4 of this Decision within 18 months from the day on which this Decision takes effects.

6. Within 360 days from the day on which this Decision takes effects, if a microfinance program has not had the internal regulations or had the internal regulations which fails to satisfy regulations in Article 11 of this Decision, the political organization, socio-political organization or non-governmental organization executing this program shall issue or amend the internal regulations and send them to the State bank of Vietnam, the branch of State bank of Vietnam and the competent authority in accordance with regulations of Clause 3 Article 11 of this Decision.

7. A microfinance program of a political organization, socio-political organization or non-governmental organization that has been commenced before this Decision takes effects and receives voluntary savings from clients except for microfinance clients or receives voluntary savings from microfinance clients exceeding the rates prescribed in Point b Clause 1 Article 13 of this Decision shall be dealt with as follows:

a) The microfinance program shall not receive voluntary savings anymore;

b) Within 180 days from the day on which this Decision takes effect, the political organization, socio-political organization or non-governmental organization executing the microfinance program shall prepare and carry out a remedial plan and send it to BSA if the program is one mentioned in Clause 1 Article 6 of this Decision or the branch of State bank of Vietnam if the program is one mentioned in Clause 2 Article 6 of this Decision.

A remedial plan shall have the following contents:

(i) Total number of microfinance clients; total number of clients except for microfinance clients having voluntary savings;

(ii) The remaining terms of the voluntary savings having the shortest term and the voluntary savings having the longest term;

(iii) Total balance of voluntary savings of microfinance clients and total balance of voluntary savings of clients except for microfinance clients;

(iv) Plans and solutions for ensuring that within the maximum term not exceeding the remaining term of the voluntary savings having the longest term shall comply with the prescribed rates.

Article 22. Effect

This decision takes effects from August 01, 2017.

Article 23. Implementation

Ministers, Heads of ministerial authorities, Heads of governmental authorities, Chairmen/Chairwomen of People's Committees of provinces and heads of relevant authorities and organizations are responsible for the implementation of this Decision.

PRIME MINISTER

Nguyen Xuan Phuc