

**MINISTRY OF FINANCE**

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**SOCIALIST REPUBLIC OF VIETNAM**

**Independence - Freedom - Happiness**

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No: /2024/TT-BTC

*Hanoi, day..... month.... 2024*

**CIRCULAR**

**Amendments, supplements to several articles of the Circulars regulating securities transactions on securities trading system; clearing and settlement of securities transactions; activities of securities companies and disclosure of information on the securities market.**

*Pursuant to the Law on Securities dated November 26, 2019;*

*Pursuant to the Government's Decree No.155/2020/ND-CP dated December 31, 2020 on elaboration of the Law on Securities;*

*Pursuant to the Government's Decree No. 14/2023/ND-CP dated April 20, 2023 defining functions, tasks, powers and organizational structure of the Ministry of Finance of Vietnam;*

*At the request of the Chairperson of the State Securities Commission of Vietnam (SSC);*

*The Minister of Finance promulgates Circular on amendments, supplements to several articles of the Circulars regulating securities transactions on securities trading system; clearing and settlement of securities transactions; activities of securities companies and disclosure of information on the securities market.*

**Article 1. Amendments, supplements to Circular No. 120/2020/TT-BTC by Minister of Finance dated December 31<sup>st</sup>, 2020 on trading of listed and registered shares, fund certificates, corporate bonds and covered warrants listed on securities trading system (hereinafter referred to as Circular No. 120/2020/TT-BTC)**

1. Point a, Clause 1, Article 7 shall be amended, supplemented as follows:

“a) Investors may only place orders to buy securities when there is sufficient cash in their securities trading account, except for the following transactions:

- Margin trading as prescribed in Article 9 of this Circular.
- Transactions that not require 100% cash prefunding of foreign institutional investors as prescribed in Article 9a of this Circular.

- Transactions by investors opened securities depository account at custodian bank where there is a settlement guarantee or confirmation from the custodian bank on accepting the settlement request for investors' securities transactions”.

2. Article 9a shall be supplemented after Article 9 as follows:

“Article 9a. Transactions that not require 100% cash prefunding of foreign institutional investors

1. Securities company is allowed to accept the buy orders from client who is foreign institutional investor when the client account is not enough for 100% of buy order value.

2. Securities company shall assess the client's capacity in order to determine the prefunding ratio in line with the Contract signed between the securities company and the client.

3. Foreign institutional investors shall deposit the pre-funding amount in cash and make full payment for securities purchase transactions.

4. In the event that a foreign institutional investor is in shortage of money to pay, the securities company where the investor placing order shall be responsible for making payment for the shortage amount of investor through the proprietary trading account of securities company, except for the case specified in Clause 5 of this Article. Securities company shall sell out securities right after securities delivered to their proprietary trading account. The difference resulting from this case shall be handled in accordance with the agreements in the contract between securities company and client.

5. The custodian bank where foreign institutional investors opening securities depository account shall be responsible for paying the cash in shortage in case of incorrect confirmation of the customer's deposit balance with the securities company, resulting in the cash shortage for securities transaction settlement.

8. If the market stabilization measure is required, the SSC has the right to temporarily halt the 100% no-prefunding transaction of foreign institutional investors.”

**Article 2. Amendments and supplements to several Articles of the Circular No. 119/2020/TT-BTC dated December 31, 2020 of the Minister of Finance on registration, depository, clearing and settlement of securities (hereby called Circular No. 119/2020/TT-BTC)**

1. Article 35a is supplemented after Article 35 as follows:

“Article 35a. Settlement of non-prefunding buy order of foreign institutional investors.

1. Foreign institutional investors shall have cash available in their account for their securities buy order before the time that depository member confirming the trade result with VSDC. The clearing, settlement of securities transactions shall comply with the law and the Regulations of the VSDC.

2. In the event that foreign institutional investor failed to suffice enough cash within time period as regulated in Clause 1 of this Article, the settlement obligation for this securities purchase transaction where investor is in shortage of cash for settlement shall be born by securities company where the investor placing the order for the clearing and settlement as follows:

a) In the case that foreign institutional investor opening depository account at the securities company, the securities company shall notify to VSDC about the situation that foreign investor not having enough cash for settlement of securities transaction and the trade information for requesting the transfer of settlement obligation into the obligation of securities company.

b) In the case that foreign institutional investor opening depository account at custodian bank, the custodian bank shall notify to VSDC about refusing to settle for the transaction that is in shortage of cash for settlement by foreign investor.

c) Based on the notifications as in point a, b of this Clause, the VSDC shall transfer the settlement obligation for the securities purchase transaction that is in shortage of cash for settlement by the foreign institutional investor into settlement obligation of securities company where investor placing the buy orders (through the proprietary trading account of the securities company).

3. The securities company where foreign institutional investors place orders to buy securities specified in Article 9a Circular No. 120/2020/TT-BTC is obliged to settle the cash shortage transaction of foreign institutional investors prescribed in clause 2 this Article. Securities company shall ensure to have sufficient capital for settlement. If they become default/insolvent, they shall be handled in accordance with laws and the regulations of VSDC.

**Article 3. Amendments and supplements to several Articles of the Circular No. 121/2020/TT-BTC dated December 31, 2020 of the Minister of Finance prescribing operation of securities companies (hereby called Circular No. 121/2020/TT-BTC)**

1. Clause 8 Article 16 is amended as follows:

“8. In case clients open depository accounts at the depository members who are not trading members, trading members and depository members must

enter into contracts under which trading members are bound to execute trading orders; depository members are bound to examine the percentage of customers' prefunding of cash and securities, ensuring their customers are paid in accordance with laws, except for the cases mentioned in clause 9 this Article.”

2. Clause 9 is supplemented after clause 8 Article 16 as follows:

“9. Securities companies providing service of no-prefunding transaction of 100% of foreign institutional investors' cash are obliged to settle for customer's cash shortage transaction.

3. Point h is supplemented after point g clause 4 Article 28 as follows:

“h) Providing no-prefunding transaction of 100% of foreign institutional investors' cash for purchase orders of the securities company receiving purchase orders, or of the company that the securities company is a large shareholder of, or of the parent company of the securities company receiving the purchase order.”

4. Clause 6 Article 28 is supplemented as follows:

“6. Where any securities company makes investments in excess of the prescribed limit due to its underwriting in the form of firm commitment, M&A or any change in assets or equity of its own or capital contributors, it must take necessary actions to comply with the limits specified in clause 2, 3 and 4 of this Article for a maximum period of 01 year. Where any securities company invests more than the prescribed limit due to its provision of no-prefunding transaction of 100% of foreign institutional investors' cash, it is not allowed to continue providing the above service until it complies with the investment limit prescribed in clause 2, 3 and 4 of this Article.”

**Article 4. Amending and supplementing several articles of Circular 96/2020/TT-BTC dated November 16, 2020 of the Minister of Finance guiding information disclosure on the stock market (hereinafter referred to as Circular No. 96/2020/TT-BTC)**

1. Amend and supplement Article 5 as follows:

“Article 5. Languages used for information disclosure on the securities market

1. The languages of information published on the securities market are Vietnamese and English. Public companies disclosing information in English must ensure accuracy, truthfulness, and consistency with the content of information disclosed in Vietnamese. In case there are differences or different interpretations between information in Vietnamese and English, the information in Vietnamese is the original source for reference.

2. Public companies disclose information in English according to the following schedule:

a) Large-size public, listed companies shall periodically disclose information in English from January 1, 2025;

b) Large-size public, listed companies shall disclose ad-hoc and at request information in English from January 1, 2026;

c) Public companies that are not as defined in point a, b of this Clause shall periodically disclose information in English from January 1, 2027;

d) Public companies that are not as defined in point a, b of this Clause shall disclose ad-hoc and at request information in English from January 1, 2028.

3. The Vietnam Stock Exchange and the Vietnam Securities Depository and Clearing Corporation publish information in both Vietnamese and English.

2. Amendments, supplements to point a Clause 1 Article 33 as follows:

“a) Before the intended date of conducting transaction three business days, the internal persons and related persons shall disclose information about intended transaction in line with the form as stipulated in Annex XIII or Annex XIV issued together with this Circular, except for the case that the securities company is the related person of the internal person of the listed entity, trade registered entity or listed public fund, when conducting settlement for the transaction in accordance with Clause 2 Article 35a Circular 119/2020/TT-BTC.”

3. Add Clauses 8 and 9 after Clause 7, Article 33 as follows:

“8. In case that the securities company is related party to an internal personnel of a listed company, registered for trading company or a listed public fund, shall report to the State Securities Commission, the Stock Exchange, and notify to the listed company or registered for trading company or the securities investment fund management company as the form stipulated in Annex 1 of this Circular within 24 hours from the time of completing the transaction as follows:

a) Completing the settlement as stipulated in Clause 2 Article 35a of Circular 119/2020/TT-BTC.

b) Completing the selling of securities as stipulated in clause 4 Article 9a of Circular 120/2020/TT-BTC.

9. In case a foreign institutional investor does not fulfil its settlement obligations in accordance with laws or agreements with securities company, the securities company where the foreign investor places the trading order shall disclose to the SSC, Stock Exchange about the transaction within 24 hours from the time of completing settlement for the transaction that was in shortage of cash."

### **Article. Implementation**

1. This Circular comes into effect from the date of.....month ..... 2024.
2. The VSDC shall operate the clearing and settlement of securities transactions and the management, use of settlement support fund in accordance with Article 35a and clause 3 Article 45 of Circular 119/2020/TT-BTC until the Central Counterparty model is officially in operation.
3. State Securities Commission, Vietnam Stock Exchange, Hanoi Stock Exchange, Ho Chi Minh City Stock Exchange, Vietnam Securities Depository and Clearing Corporation, securities companies, depository members, securities investment fund management companies and other relevant organizations and individuals are responsible for implementing this Circular./.

**MINISTER**

***Recipient places:***

- Central Secretariat Committee of the Party;
- Office of the Party Central Committee and Party Committees;
- Office of the General Secretary; Office of the President;
- Office of the National Assembly;
- Prime Minister, Deputy Ministers
- Office of the Government, State Audit;
- Supreme People's Procuracy, Supreme People's Court;
- Ministries, ministerial agencies, Governmental agencies;
- People's Council, People's Committees of provinces and central-affiliated cities;
- The Department of Legal normative document – Ministry of Justice;
- Gazette; Portal of Office of the Government;
- Portal of Ministry of Finance;
- Portal of State Securities Commission;
- Save: Clerical section, SSC ( b).

**Ho Duc  
Phoc**

## Appendix I

(Promulgated with the Circular No        /TT-BTC on        of the  
Minister of  
Finance)

**NAME OF SECURITIES COMPANY**        **THE SOCIALIST REPUBLIC OF VIETNAM**  
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**Independence - Freedom – Happiness**  
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No: .../BC-....        ....., month ... day ..... year ....

**Report on transaction of shares/fund certificates/covered warrants conducted by securities companies, that are internal persons (or affiliated persons of internal persons) of public companies/fund management companies, when conducting a transaction through propriety trading in place of non-domestic institutional investors that failed to complete the transaction.**

To: - **The State Securities Commission;**  
- **The Stock Exchange;**

- Name of securities company:
- Address of head office:
- Telephone:
- Charter capital:
- Stock symbol:

Fax:

Email:

1. *Information on the non-domestic organization that failed to complete the transaction:*

- Name of organization:
  - Country:
  - Number of Enterprise Registration Certificate, Operation License or equivalent legal documents, date of issue, place of issue:
  - Address of head office:
- Telephone:..... Fax:.....Email:.....  
Website:.....

2. *Names/symbols of the securities for which securities companies will fulfill payment through propriety trading in place of the non-domestic institutional investor that failed to complete the transaction:*

3. *Quantity of shares/fund certificates/covered warrants registered to purchase/transfer/be transferred to/swap:*

4. *Expected value of transaction (calculated based on par value).*

*Value of covered warrants (at the latest issuing price) expected to be traded (in cases where traded securities are covered warrants):*

5. *Information on the person that is both an internal person of the public company/fund management company and an affiliated person of the organization executing the transaction (in cases where the person executing the transaction is an affiliated person of an internal person of the public company/fund management company):*

*-Name of internal person:*

*- Nationality:*

*- ID card/Passport No.:*

*- Permanent address:*

*- Telephone: ..... Fax: ..... Email: .....*

*- Current position in the public company or the fund management company:*

*- Relationship between the organisation executing transaction and the internal person:*

*- Quantity and ownership percentage of shares/fund certificates/covered warrants held by the internal person (if any):*

6. *Trading accounts holding shares/fund certificates/covered warrants mentioned at item 3 above: ..... (accounts) offered by the securities companies: .....*

*\*/Quantity and ownership percentage of underlying securities held by the securities company before executing the covered warrants \*;*

7. *Quantity and ownership percentage of shares/fund certificates/covered warrants held by the securities company before the transaction:*

8. *Quantity and ownership percentage of shares/fund certificates/covered warrants the securities company expected to hold after the transaction:*

9. *Purpose of transaction:*

10. *Method of transaction:*

11. *Trading period: từ ngày/from.... đến ngày/ to ....*

*\* Quantity and ownership percentage of underlying securities the securities company held on the day of trading notice:*

- Archived

**CONFIRMATION BY THE COMPANY'S  
LEGAL REPRESENTATIVE**  
(Signature, full name and seal)



