

GOVERNMENT

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SOCIALIST REPUBLIC OF VIETNAM

Independence - Freedom - Happiness

Hanoi, Dated 07 May 2006 2005

DECREE OF THE GOVERNMENT

On prevention of money laundering

GOVERNMENT

In order to achieve the objective of preventing and combating money laundering, contributing to protect national security and social order and safety, rights and lawful interests of individuals, agencies and organizations;

Pursuant to the Criminal Code in 1999;

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

Pursuant to the Law on State Bank of Vietnam December 12, 1997 Law amending and supplementing some articles of the Law on State Bank of Vietnam June 17, 2003;

Pursuant to the Law on Credit Institutions December 12, 1997 Law amending and supplementing some articles of the Law on Credit Institutions June 15, 2004;

Pursuant to the Ordinance on Handling Administrative Violations July 2, 2002;

The proposal of the Governor State Bank of Vietnam,

DECREES

Chapter I

General Provisions

Article 1. Scope

Decree provisions on mechanisms and measures to prevent money laundering in Vietnam in the currency trading or other property, the liability of individuals, agencies and organizations in the prevention of money laundering; international cooperation in preventing and combating money laundering.

Article 2. Subjects of application

1. This Decree applies to individuals, agencies and organizations in Vietnam, individuals and foreign organizations and persons without citizenship residing or operating in the territory of Vietnam, trading or supply services to customers related to currency trading or other property in Vietnam.

2. This Decree also applies to individuals, foreign organizations are not residents, not operate on the territory of Vietnam, but there are transactions or provide services to customers related to currency trading or property other in Vietnam.

3. In cases where international treaties which the Socialist Republic of Vietnam has signed or acceded to otherwise to this Decree shall apply the provisions of international treaties it.

Article 3. Explanation terms

1. *Laundering* the behavior of individuals, organizations seek to legitimize money or property that the offender through the following specific activities:

- a) Join directly or indirectly in a transaction involving money or property by the offender that;
- b) Acquisition, captured, transition, conversion, transfer, transport, use, cross-border transportation of money, property offenses that do;
- c) Investment in a project, a work, to contribute capital to a business or find other cloaking, disguise or impede verification of origin, the true nature or location, the process of moving or ownership for the money, property offenses that do.

2. *Financial institutions* means any organization conducting business with one or more activities, including: receiving deposit loans; hire purchase financing; money or value; issuing and managing payment guaranty and a commitment to financial foreign exchange trading, and money market instruments, transferable securities; participation securities issued manage a portfolio of individual, collective management of cash liquidity or securities on behalf of another individual or collective; investment, fund or money managers representing individuals and collectives to; life insurance and insurance-related and other investments; page money.

3. *Transaction currency or other property* (hereinafter referred to as transactions) are transactions made the transition, transition or change of ownership of money and assets of individuals, agencies and organizations.

4. *Identify customers* are the necessary procedures comply with the provisions of this Decree in order to capture the information relevant to individuals and organizations that offer money or other property.

5. *Identifying information* the information obtained under paragraph 3 of Article 8 of this Decree, are used to identify the parties involved, the purpose and nature of the transaction.

6. *State agencies competent* is any state agency which has the function of managing, directing, guiding, gathering, processing information, investigation or treatment-related acts of money laundering under the provisions of this Decree.

7. *Suspicious transactions* any transaction which is showing signs of unusual or relating to money laundering, the State agency authorized alerts or determined under the provisions of this Decree.

Article 4. Principles of prevention of money laundering

1. Preventing, detecting, preventing, handling money laundering must be conducted in accordance with the provisions of law on the basis of ensuring sovereignty and national security; ensure normal operation of economic, investment, protecting the lawful rights and interests of individuals, agencies and organizations; against abuse of power, taking advantage the prevention of money laundering to infringe upon the lawful rights and interests of individuals, agencies and organizations involved.

2. International cooperation in preventing and combating money laundering to the principle of respect for independence, national sovereignty, mutual benefit and implemented in accordance with the laws of Vietnam, except treaties that the International Socialist Republic of Vietnam has signed or acceded to otherwise.

Article 5. Responsibilities involved prevention of money laundering

1. Prevention of money laundering is the responsibility of all individuals, agencies and organizations.

2. Strictly prohibited agencies, organizations and individuals participating in or facilitating money laundering.

3. State policies to encourage and protect individuals, agencies and organizations involved prevention of money laundering to encourage organizations and individuals that commit acts of money laundering was the first self-declared animal, or for the State competent; fight against organized crime related to money laundering.

Article 6. Individuals and organizations are responsible for preventing and combating money laundering

1. The financial institutions are responsible for implementing measures to prevent and combat money laundering under this Decree include:

- a) The organization established and operating under the provisions of the Law on Credit Institutions;
- b) Organizations brokerage, investment money or providing payment services in the territory of Vietnam;
- c) Organizations issuing, listing, trading, trading, custody, securities clearing;
- d) The organization registered trading currencies, gold, silver, precious stones;
- e) insurance companies, insurance brokers and other organizations have activities related to retirement plans or welfare, economic, social;
- e) Organizations in Vietnam on behalf of or representing the financial institutions of foreign countries.

2. Individuals, other organizations are responsible for prevention of money laundering under the provisions of this Decree include:

- a) The lawyers, the consulting firm legal offices lawyers, law firm partnership when making currency transactions or other property on behalf of clients;
- b) The business organization games of chance, casino or lottery other business organizations have great promotions for customers;
- c) The service companies traded real estate business registration;
- d) Individuals licensed to operate or business as one of the financial institutions referred to in paragraph 1 of this Article.

Chapter II

Measures to prevent and combat money laundering

Article 7. Measures to prevent them

1. The financial institutions referred to in paragraph 1 of Article 6 of this Decree shall have made the following measures:

- a) Develop process control, internal audit to ensure the prevention of money laundering effectively and in accordance with the provisions of current law;
- b) To allocate staff responsible for implementing policies, plans, procedures, measures to prevent money laundering;
- c) Develop processes to learn, update information and procedures for identifying clients under the provisions of Article 8 of this Decree;
- d) Storing, updating data and reporting transactions as prescribed in Article 12 of this Decree;

e) Timely implementation of the requirements of state agencies with authority and collaboration with individuals, agencies and other organizations in the prevention of money laundering;

e) Training staff to improve the responsibility of staff in the prevention of money laundering;

g) applied under the authority of the provisional measures prescribed in Article 11 of this Decree.

2. Individuals or organizations referred to in paragraph 2 of Article 6 of this Decree shall have to implement the provisions of Points c, d, e, g, Clause 1 of this Article.

Article 8. Identify customers

1. Cases to identify clients under the provisions of this Decree include:

a) When the customer is an individual or organization to open an account first;

b) When transactions occur in cash as stipulated in Article 9 of this Decree;

c) When the transaction is suspicious signs as prescribed in Article 10 of this Decree;

d) Depending on the nature and size of transactions that individuals and organizations mentioned in Article 6 of this Decree must know that.

2. Identify customer requirements:

a) To ensure the reliability and timeliness of information identifying customers;

b) To ensure confidentiality of information identifying the customer.

3. Content information identifying customers:

Individuals and organizations stated in Article 6 of this Decree are responsible for design customer identification, which must include the following elements:

a) Date, month and year to open accounts or conduct transactions;

b) Full name of person or persons representing agencies and organizations wishing to offer; of passport, identity card or other personal papers; address or place where the registered permanent residence ;

c) Name and full brief, the business registration, tax registration number and address of the organization is located or the owners needs or authorize any third party transaction;

d) Name, address, or proof of business registration of individuals and organizations related to the transaction, especially the authorized transaction and the benefit of such transactions;

e) The form, purpose, value transaction;

e) Full name individuals, employees made aware customers.

4. Measures to identify customers:

Where there is doubt about the customer identifying information provided by clients, individuals and organizations mentioned in Article 6 of this Decree may determine the authenticity of this information in the following ways:

a) Survey, collected by other organizations have or have relationships with customers and compare information with customer information provided;

b) collect information from the branches, representative offices, subsidiaries, companies depends ... at the origin of the information provided by the customer;

c) Approval of the competent authority at the place of origin of the information provided by the customer;

d) Other measures in accordance with the law and to ensure customer identification requirements.

5. Store information identifying customers:

In addition to store and preserve information according to current regulations, individuals and organizations mentioned in Article 6 of this Decree shall have to keep identifying information related to customer transactions defined in Clause This one at least 5 years from the date of account closure or 5 years from the end of the transaction.

Article 9. The price of the transaction must be reported in accordance

1. One or more transactions a day by individuals or organizations make a total cash value from the 200 million (two hundred million) or more or in foreign currency, gold equivalent value, unless where the law otherwise.

2. For transactions, the saving rate of the total value of one or more transactions in cash in a day by individuals and organizations make is VND 500,000,000 (five hundred million) or more or in foreign currency , a gold equivalent value.

3. Prime Minister to adjust the value of cash transactions reporting provisions of paragraphs 1 and 2 of this Article in accordance with the situation of economic development - economic development in each period.

Article 10. Suspicious transactions

1. Transactions were considered suspicious when one of the following:

a) The parties to the transaction related information identifying customers inaccurate, incomplete, inconsistent or persuade individuals and organizations providing services not report the transaction to state agencies authorized in accordance with law;

b) The transaction is done by order or authorization of individuals and organizations involved in criminal activity list statistics and warnings by the Ministry of Public Security set out to prevent and combat money laundering and anti-money or property used to facilitate or funding for criminal activity in or outside the territory of Vietnam;

c) Transactions which the identifying information or the review on the basis of economic and legal parties to the transaction can determine the relationship between the parties dealing with the activities range crime or related to individuals and organizations mentioned in Point b, Clause 1 of this Article;

d) Individuals and organizations participating in the transaction with the amount of great value not adequate or not related to daily activities or any other lawful activities that;

e) There was a sudden change in sales transactions on the account; deposits into and draw from your account quickly; large sales transactions a day, but your account balance is very small or zero;

e) The money transfer value from multiple accounts under different large sums or through many different accounts of an account in a short time or vice versa; money was transferred through several rounds heart account other stakeholders are not interested in transaction costs;

g) Use of letter of credit and financing methods other commercial value, discounting the value to transfer money between countries when the transaction is not related to regular customers;

- h) Legal persons not conduct transactions in a long time on my account since opening; domestic enterprises to open and operate accounts in foreign countries as legal entities or natural persons abroad;
 - i) Transfer large amount of money from the account of foreign exchange business to foreign countries after receiving several small amounts to be transferred by electronic transfers, checks, bills of exchange;
 - k) Foreign enterprises money abroad immediately after receiving investment capital or payment abroad is inconsistent with the nature or the needs of business;
 - l) The insurance companies often pay compensation or insurance for large amount for the same customers;
 - m) Organizations stock transfer does not conform to the securities business;
 - n) Any other transactions that financial institutions that have expressed unusual or legal basis is not reliable.
2. List of transactions suspicious signs are State Bank of Vietnam added periodically separate written after consultation with the ministries and departments concerned.
 3. Individuals and organizations stated in Article 6 of this Decree shall have to update the list specified at Point b, Clause 1 of this article to learn and perform.

Article 11. The provisional measures are applied in the prevention of money laundering

1. In the process of preventing and combating money laundering, may apply one of the following provisional measures:
 - a) Do not make the transaction;
 - b) freezing the accounts;
 - c) Sealing or hold property;
 - d) hold offenders;
 - e) preventive measures as prescribed by law.
2. The application of provisional measures must be implemented properly authorized, in accordance with the provisions of the law and does not affect the safety of the financial system and monetary.
3. Individuals and organizations stated in Article 6 of this Decree shall be entitled to apply measures not make a transaction when the transaction related to the list mentioned at Point b, Clause 1 of Article 10 of this Decree or upon reasonable to believe that the transaction performance requirements related to criminal activity, and report immediately to the information center prevention of money laundering or state agency has jurisdiction; freezing the accounts by request requirements of state agencies competent.
4. Investigating body is authorized to apply measures: freezing the accounts, seal or hold property, custody offenders and other preventive measures prescribed by law.

Article 12. Formality contents of the report and provide information

1. Individuals and organizations stated in Article 6 of this Decree must report transactions specified in Articles 9 and 10 of this Decree to the information center prevention of money laundering or state agencies have jurisdiction, particularly as follows:

a) Form of reporting: in writing, by electronic means or any lawful method does; in case of necessity can be reported immediately by phone, but then have to confirm with the form above; who signed the report or reports must be personally made the transaction, or staff in charge or competent organizations and agencies must report;

b) Content reports are: the information customers get to know the provisions of paragraph 3 of Article 8 of this Decree; period of time and conducting transactions or transaction has ordered other stakeholders to offer other papers and documents that the parties used in the transaction other preventive measures have been implemented;

c) Time reported: at least 48 hours from the time of the transaction arising under Article 9 or from the time of the transaction is stipulated in Article 10 of this Decree, or within 24 hours if the findings are signs related to the transaction are required to perform criminal activities. Governor State Bank of Vietnam stipulated time reports for each specific transaction.

2. Individuals, agencies and organizations mentioned in Article 6 of this Decree is to notify the concerned parties to the transaction on the report content and report or information provided.

3. Individuals, agencies and other organizations, if detecting signs of transactions suspicious, may denounce, information or notice in writing or by other legal methods for information center Information prevention of money laundering or other state agencies have jurisdiction. The State agencies competent to receive a visual element, the above information is responsible for processing information according to its competence prescribed by law and immediately notify the Center for Information prevention of money laundering.

4. Information relating to the transactions reported by this Decree shall be preserved by the regime and security provided to the competent authority as prescribed by law. Individuals, agencies and organizations shall make reports or provide information relating to transactions under the provisions of Clause 1 of this Article shall not be considered a violation of the provisions of the law on guarantee secret deposits and assets of clients or send other provisions to ensure confidentiality of information to customers.

Article 13. Information processing

1. Upon receiving information or reports on transactions defined in Articles 9 and 10 of this Decree, the Information Center, prevention of money laundering carried out:

a) Analysis of information and reports received;

b) Compare the information and reports received with statistics, information and information already stored in the information center prevention of money laundering;

c) Require or recommend any individuals, agencies and organizations that provide additional information and data relating to reports received;

d) Warning or recommendations to individuals and organizations mentioned in Article 6 of this Decree and the State agencies competent relevant issues arising from these transactions are reported.

2. When the base is determined if the transaction information and reports may be related to criminal activity, information center prevention of money laundering immediately notify the agency authorized to investigate and transfer all the record, and work closely with the investigation process to verify the contents of the work and provide information and documents related to the incident when asked.

Article 14. Information center prevention of money laundering

1. Establish information center prevention of money laundering directly under the State Bank of Vietnam; functioning as the focal point to receive and process information; may request the agencies, organizations and individuals concerned also level documents, records information about the transactions specified in Articles 9 and 10 of this Decree; provide documents and information under the provisions of this Decree; help the State Bank of Vietnam tasks specified in Article 15 and Clauses 1, 4, Article 20 of this Decree.
2. Information center prevention of money laundering is a Director and Deputy Director of the Governor State Bank of Vietnam appointed.
3. Information center prevention of money laundering has its own seal and is headquartered in the State Bank of Vietnam.
4. Functions, specific tasks, powers and organizational structure, working regime of the information center prevention of money laundering by the Governor of Vietnam State Bank regulations.

Chapter III

Responsibilities of State agencies the prevention of money laundering

Article 15. Responsibilities of the State Bank of Vietnam

1. Preside over and coordinate with the Ministry of Public Security and other relevant agencies develop and implement strategies, guidelines, policies, plans and prevention, combating money laundering in the territory of Vietnam; research and solutions to limit the payment of cash in the territory of Vietnam.
2. Annually or when the Government's request, discuss results of the prevention and combating money laundering with the relevant authorities and focal synthesis report to the Government.
3. Coordination with other agencies, organizations and individuals concerned in the implementation of measures to prevent money laundering as prescribed by law and this Decree.
4. Receiving organization, synthesis, analysis, processing, storage, information, documents and records as prescribed in Articles 12 and 13 of this Decree; transferred to the state agency authorized documents and records for possible money laundering related to inspection, investigation, treatment prescribed by law.
5. Conducting research and application of scientific and technical information processing technology for prevention of money laundering;
6. Training staff responsible for the units concerned of the State Bank of Vietnam and other financial institutions to analyze, process information and detect money laundering.

Article 16. Responsibilities of the Ministry of Public Security

1. Preside over and coordinate with other agencies, organizations and individuals concerned in the fight and combat crime related to money laundering; organizations to receive and process information about crimes related to money laundering .
2. Preside over and coordinate with agencies, organizations and individuals concerned propaganda and education on prevention of money laundering.
3. Organize forces to investigate crimes related to money laundering; guide other agencies conducted the initial investigation of crimes related to money laundering under the provisions

of criminal law and this Decree ; announce the result of investigation cases related to money laundering for the State Bank of Vietnam said.

4. Exchange information and documents necessary methods, tricks of the new activity criminals in money laundering in the country and abroad with the State Bank of Vietnam through the information center prevention of money laundering .

5. Training, retraining staff investigation, fight, fight crime related to money laundering.

Article 17. Responsibilities of the ministries, ministerial-level agencies, agencies of the Government

1. Instructions, check the units under the management of their implementation of the provisions of this Decree.

2. Within the powers prescribed by law and timely coordination with state agencies and authorized individuals, agencies and other organizations in the prevention of money laundering.

3. Coordination and support agencies under the Ministry of Public Security, the Institute of the Supreme People's Procuracy, Supreme People's Court in the investigation, prosecution and adjudication of money laundering offenses.

4. Before December 31 annual general prevention of money laundering in the fields of their management; report the results of the State Bank of Vietnam to the General Government.

Article 18. Responsibilities of the Inspectorate of the Ministry of

1. Informed information center prevention of money laundering or state agencies competent information and reports received or discovered about the transactions described in Articles 9 and 10 of this Decree and store information information and records related to at least 5 years.

2. Provide full and timely request of the Information Center, prevention of money laundering and state agencies competent investigation, prosecution, trial.

3. Organization of inspection, checking for the units under the management of the objects and branches when there are transactions related to money laundering at the request of the Information Center, prevention of money laundering or state agencies competent.

4. Handled by authorities for violations of administrative regulations in the Ordinance on Handling of Administrative Violations and Decree.

Article 19. Responsibilities of the People's Committees at all levels

1. Guidance units, departments directly under the research, implementation of the provisions of this Decree within the scope of functions, their duties.

2. Coordinate closely with state agencies authorized to implement and supervise the implementation of policies, lines, strategies, plans and prevention of money laundering.

Chapter IV

International cooperation on preventing and combating money laundering

Article 20. Responsibilities of state agencies in international cooperation on preventing and combating money laundering

1. State Bank of Vietnam is the focal point of negotiation, conclusion and organize the treaties and international agreements to exchange information on suspicious transactions related to money laundering.

2. Ministry of Public Security is responsible for presiding over the negotiation and conclusion of international treaties on judicial assistance, extradition and cooperation fight, fight crime related to money laundering; organize the implementation of guidelines, policies and international agreements on preventing and combating crimes related to money laundering.

3. Upon request international cooperation relating to prevention of money laundering, the State agency shall have a competent and timely inform the State Bank of Vietnam (the content-related cooperation exchange information prescribed in paragraph 1 of this article) or the Ministry of Public Security (the content-related legal assistance and justice under the provisions of paragraph 2 of this Article) the nature, content, time, the parties and the related cooperation programs related to money laundering and why deny the request for judicial assistance and general coordination for implementation.

4. State Bank of Vietnam, Ministry of Public Security is responsible for guiding the implementation require international cooperation for the agencies participating Join international cooperation on preventing and combating money laundering.

Article 21. Form and content requirements for international cooperation on preventing and combating money laundering

1. Cooperative:

a) Coordinate detect, prevent money laundering in accordance with the law of Vietnam and the countries concerned;

b) signing international agreements on multilateral and bilateral prevention and crime-related money laundering;

c) To collect, research, exchange information, experiences prevention of money laundering offenses;

d) To coordinate training and retraining, professional training analyst reports, information on suspicious transactions and in the investigation, prosecution, trial and crime related to money laundering for staff member agencies and organizations concerned;

e) To coordinate the conference, seminars on issues related to the prevention and combat of money laundering offenses;

e) Perform the request judicial assistance in investigating and handling crimes related to money laundering by individuals, foreign organizations in Vietnam and the individuals and organizations abroad Vietnam ;

g) Support for facilities, engineering, technology, legal capacity building in preventing and combating money laundering.

2. Method and content requested cooperation:

a) Request to be moved to cooperate in writing, signed by a responsible person and stamp of the competent authorities of the requesting country;

b) Depending on the content written request must be submitted to cooperate State Bank of Vietnam through the Center for Information prevention of money laundering or the Ministry of Public Security through INTERPOL offices in Vietnam.

c) In case of emergency, requesting cooperation can be sent by means of information and must be confirmed in writing as stipulated in Point a, Clause 2 of this Article within five working days following;

d) Content written request must include the cooperation of the following: organization name, country requirements and receiving the request; purpose, nature and duration required to support other details, characteristics identify property or crime to support the implementation of the cooperation required; copies of the evidence or the final decision of the competent authorities of the requesting country.

Article 22. Deny request judicial assistance

1. The State agencies competent to Vietnam's refusal to request legal assistance if:

a) Request assistance to harm the sovereignty, national security or other important interests of Vietnam;

b) Request assistance is inconsistent with the international treaties which the Socialist Republic of Vietnam has signed or acceded to and the law of Vietnam.

2. The State agencies competent Vietnam may refuse the request judicial assistance if:

a) Request assistance does not meet the conditions stipulated in Article 21 of this Decree;

b) Individuals mentioned in the request or with the assistance of the competent State authorities of Vietnam investigation, prosecution, trial or convicted of crimes related to money laundering by law of Vietnam.

3. State agencies competent to Vietnam's refusal to request legal assistance to notify the competent authorities of the countries that have sent requests.

Chapter V

Commendation and handling of violations

Article 23. Reward

Individuals, agencies and organizations that record achievements in the fight, money laundering shall be rewarded in accordance with the law.

Article 24. Handling violations

1. Offenders involved in money laundering shall be handled by the Criminal Code of the Socialist Republic of Vietnam.

2. Individual or organization is responsible for the prevention of money laundering if the violation of the provisions of this Decree, but not to the prosecution of criminal liability shall be sanctioned for administrative violations in accordance with the following:

a) Caution for acts of no statute controls, internal audit covers the provisions for prevention of money laundering; not arrange staff are responsible for implementing measures for prevention money laundering; not understand the process and procedures for identifying clients under the provisions of this Decree;

b) A fine of between VND 5,000,000 (five million) to 15,000,000 (fifteen million) for acts not notice or did not report the information center prevention of money laundering or state agency authorized under the provisions of Article 12 of this Decree; not keep books, records and documents related to transactions in time must be kept under the provisions of this Decree ; not notify the Information Center, prevention of money laundering or state agency authorized the detection of distortions in the records, documents, reports, books have been transferred to these agencies before it;

c) A fine of between VND 10,000,000 (ten million) to 30 million dong (thirty million) for acts announced for the transactions related to the contents of the report or information was

provided granted under Article 12 of this Decree; delayed or not implemented the requirements of the Information Center prevention of money laundering or agency authorized under the provisions of this Decree without plausible reasons;

d) Apart from being a warning or a fine of individuals and organizations may be violating revocation has no time limit or time limit for operating licenses, practice certificates are used to violation; confiscated material evidences and means used to violate the provisions of the Ordinance on Handling of Administrative Violations.

3. Those who abuse their positions and powers to violate the provisions of this Decree while performing tasks of prevention of money laundering activities depending on the nature and seriousness of their violations, be disciplined or prosecution for criminal liability; if causing damage, pay compensation in accordance with law.

Article 25. Complaints and denunciations

The complaints and denunciations and the settlement of complaints and accusations against the administrative decisions, administrative actions related to the handling of violations of the law on prevention of money laundering is done in accordance with the law law complaints and denunciations.

Chapter VI

Implementing Provisions

Article 26. Effect

This Decree takes effect from August 1, 2005.

Article 27. Implementation responsibility

1. Governor State Bank of Vietnam, the Minister of Public Security within the functions and duties of his responsibility to guide the implementation of this Decree.

2. The ministers, heads of ministerial-level agencies, heads of agencies under the Government, President's Committee of provinces and cities directly under the Central Government shall implement this Decree. /.

TM. GOVERNMENT

PRIME

(Signed)

Phan Văn Khải