

## **20120109 SBV issues Circular on forex management of overseas loan extension and recovery of credit institutions**

**Source: State Bank of Vietnam**

The State Bank of Vietnam (SBV) issued Circular No. 45/2011/TT-NHNN on December 30, 2011 on guiding forex management of overseas loan extension and recovery of credit institutions.

The Circular specifies conditions, sequences and procedures of overseas loan extension and recovery of credit institutions.

The Circular reflects prudent and strict management orientation in overseas loan extension and recovery of credit institutions in order to manage possible risks in their operations in international markets. The Circular also defines responsibilities of credit institutions for proactively developing credit process, loan evaluation and risk provisioning, and complying with prudent ratios and credit growth rates in line with the SBV regulations from time to time.

The main substances of the Circular prescribes the following issues:

1. Conditions of overseas loan extension of credit institutions.
2. The scope of overseas loan extension.
3. Dossiers, sequences, procedures, registration procedures and registration of overseas loan changes of credit institutions.
4. Reporting and coordinating mechanism among the SBV departments in managing overseas loan extension and recovery of credit institutions.

The Circular will contribute to improving the system of legal documents on capital transactions, and creating a legal framework for domestic credit institutions to provide forex services in international markets.,

**NovaRes Team**