

**VIETNAM JOINT STOCK COMMERCIAL BANK  
FOR INDUSTRY AND TRADE**

**SOCIALIST REPUBLIC OF VIETNAM  
Independence - Freedom - Happiness**

108 Tran Hung Dao, Hoan Kiem, Hanoi  
Tel: 024.39421030

Hanoi, April 26th, 2024

Business Registration Certificate No. 0100111948  
13<sup>th</sup> revision dated January 8<sup>th</sup> 2024

## **PROPOSAL**

*Ref. adding the provision of clearing and settlement services for securities transactions to VietinBank's operations*

### **For the attention of: The General Meeting of Shareholders of Vietnam Joint Stock Commercial Bank for Industry and Trade**

*Pursuant to the Law on Securities dated November 26, 2019 (“the Law on Securities”);*

*Pursuant to the Decree No.155/2020/NĐ-CP dated December 31, 2020 by the Government detailing the implementation of some articles of the Law on Securities (“Decree No.155”);*

*Pursuant to Circular No. 40/2011/TT-NHNN dated December 15, 2011 of the Governor of the State Bank of Vietnam (“SBV”) regulating the issuance of licenses and the organization and operation of commercial banks and foreign banks’ branches, representative offices of foreign credit institutions, other foreign organizations having banking activities in Vietnam;*

*Pursuant to Circular No. 28/2021/TT-NHNN dated December 31, 2021 of the SBV on amending and supplementing a number of articles of Circular No. 40/2011/TT-NHNN dated December 15, 2011 of the SBV (“Circular 28”);*

*Pursuant to Securities Depository Operation License No. 77/UBCK-GCN issued by the State Securities Commission (“SSC”) on September 24, 2010;*

*Pursuant to the Certificate of Depository Member No. 127/GCNTVLK issued by the Vietnam Securities Depository and Clearing Corporation (VSDC) for the first time on December 28, 2010, registered for revision of Depository Member information for the third time on December 16, 2021;*

*Pursuant to Resolution No. 359/NQ-HĐQT-NHCT-VPHDQT1 dated October 6, 2023 on approval of the request for inclusion of the supervisory bank operation and provision of clearing and settlement services for securities transactions into VietinBank's License for Establishment and Operation and implementation of procedures for providing clearing and settlement services for securities transactions.*

*Pursuant to the License for Establishment and Operation of VietinBank No. 13/GP-NHNN issued by the SBV on June 17, 2022 and Decision No. 2080/QĐ-NHNN dated November 3, 2023 of the SBV on adding operation to VietinBank's License for Establishment and Operation (“Decision 2080”);*

*Pursuant to the Charter on Organization and Operation of Vietnam Joint Stock Commercial Bank for Industry and Trade.*

VietinBank's Board of Directors would like to seek the approval from the General Meeting of Shareholders of the below contents:

**1. The necessity of adding the provision of clearing and settlement services for securities transactions to VietinBank's operations**

Clearing and settlement services for securities transactions according to the current payment mechanism are part of the custody services that VietinBank has been licensed to offer and is offering to customers as users of depository services of VietinBank. According to the provisions of the Law on Securities and Decree 155, the provision of clearing and settlement services for securities transactions by commercial banks is to be carried out according to a new mechanism - the central clearing counterparty mechanism and is separated from the custody function. The Stock Exchanges and VSDC are currently developing a clearing and payment system according to the new mechanism for official launch in the near future.

According to the provisions of Clause 3, Article 1, Circular 28, banks are allowed to carry out clearing and settlement activities for securities transactions in accordance with the provisions of the law on securities upon obtainment of the license and/or approval by State regulators, including the SBV, SSC, and VSDC. Therefore, depository members who are commercial banks need to apply for licenses to become clearing members for their customers.

VietinBank's current scope of operations only includes custody services while does not include the provision of clearing and settlement services for securities transactions under the central clearing partner mechanism. Therefore, in order to have sufficient legal ground for providing clearing and settlement services for securities transactions upon the launch of the clearing system under the new mechanism, VietinBank has submitted and been approved by the SBV for inclusion of the *"Provision of clearing and settlement services for securities transactions according to Point a, Clause 4, Article 56 of the Law on Securities"* into VietinBank's License for Establishment and Operation (*according to Decision 2080 mentioned above*).

However, VietinBank needs to obtain a Certificate of eligibility to provide clearing and settlement services for securities transactions from the SSC and VSDC's approval of the registration as clearing members according to the provisions of law. In particular, Clause 4, Article 151, Decree 155 on conditions for providing clearing and settlement services for securities transactions stipulates that **"the implementation of providing clearing and settlement services for securities transactions must be approved by the General Meeting of Shareholders or the Council of Members or the company's owners** .

**2. Content proposed for approval by the General Meeting of Shareholders**

In light of the foregoing, in order to complete the dossier to submit to the SSC for issuance of the Certificate of eligibility to provide clearing and settlement services for securities transactions and VSDC for approval of the registration as a clearing member according to the provisions of the law, the Board of Directors of VietinBank would like to seek the approval from the General Meeting of Shareholders of the below contents:

- i.* Adding the provision of clearing and settlement services for securities transactions as prescribed in Point a, Clause 4, Article 56 of the Law on Securities to VietinBank's operations, ensuring compliance and conformity with the applicable laws;
- ii.* Authorizing VietinBank's Board of Directors to decide and direct the execution of procedures and other related work with competent State agencies regarding the content in Section i above according to regulations.

Looking forward to the approval of the General Meeting of Shareholders./.

**PP. THE BOARD OF DIRECTORS  
CHAIRMAN OF THE BOARD OF DIRECTORS**

**Tran Minh Binh**