**SPEECH OF BANKING WORKING GROUP**

*Presented by*

*Natasha Ansell*

*Head of Banking Working Group*

Your Excellency Prime Minister Nguyen Xuan Phuc and Government Ministries,

Distinguished guests,

Today as we celebrate the 20th Anniversary of VBF, on behalf of 30 foreign bank members of the Bank Working Group, I would like to send our gratitude to the Government, Ministries, the WBG and other development partners for having this important Forum for policy dialogues between the Government and the private sector. We congratulate the Government on another year impressive economic growth, positioning Vietnam as one of the best performing economies with 6.7% GDP growth, to which successful monetary & credit policies, stable FX rate and NPL resolution efforts have contributed. We are very impressed with the determination and efforts of Government, the National Assembly, the State Bank of Vietnam and other Ministries on the new Resolution for Non-Performing Loans to address this core issue of the banking sector, release capital resources for the private sector to grow.

Our sincere congratulations to the Government of Vietnam on the successful APEC Leaders Summit and CEO Summit in November. The success of this largest event on the international affairs agenda positions Vietnam’s emerging strategic role in the region.

Reflecting on the over-arching theme of the APEC CEO Summit, Digitization embraces every sector, from agriculture to financial services. We are delighted that it is a priority on the Government agenda, there have been many international and national events hosted by the Government and Ministries to discuss the Industrial Revolution 4.0 and Innovation. We believe that it will be the core and fundamental element that will take Vietnam to the ASEAN 4 competitiveness level.

I personally have had the privilege to meet with Prime Minister Nguyen Xuan Phuc on the sidelines of APEC CEO Summit and Deputy Prime Minister Vuong Dinh Hue at the World Economic Forum and motivated by the Government Leaders’ interest in pursuing the digitalization/non-cash payment strategic plan. If implemented timely and correctly, digitization will expedite the administrative reforms and financial inclusion. We appreciate that the State Bank of Vietnam has been taken proactive actions reviewing necessary changes to be recommended to the Government to contemplate new laws. We ask for the Government support at the top level to drive and coordinate the implementation in the most comprehensive and timely manner to benefit what digitation brings us. Pending new laws and regulations to facilitate digitalization, Government may consider to allow pilot programs similar to the “sandbox” tool that has been used effectively by many Governments, for which Singapore is an excellent example.

1. **Advanced account solutions for multinational corporations’ operations in Vietnam**

FDI has been and will continue to drive the economic growth for Vietnam and there is an increasing need for their better working capital and liquidity management solutions. However, there is yet any regulation to enable advanced account structure like pooling in Vietnam. BWG appreciate SBV hosting workshops for international experts to share best practices. We recommend the Government assign relevant Ministries e.g MOF, MOJ, MPI, MOJ to consider issuing necessary regulations allowing these solutions for multinational corporations operating in Vietnam.

1. **Banking Documentation simplification**

The FX management regulations give banks the discretion to decide on supporting documents to be checked against FX transactions. However, there has been different interpretation by banks and law enforcement agencies over the rules for supporting documentation checking. BWG recommend relevant agencies including the Public Security, the Prosecution and Supreme Court to provide interpretation and guidance coherent with the State Bank of Vietnam’s regulations for FX management to help with our efforts to simplify banking documentation.

1. **Bank accounts of entities who are not legal persons under the Vietnam Civil Code**

The 2015 Civil Code effective from 1st January 2017, prescribes that entities in civil transactions include individuals and legal entities. As a result, those organizations that are not legal entities shall not be independent entities to enter into civil transaction contracts (including opening and using bank accounts). VBF working groups including BWG have been working with the MPI, SBV, SSC and MOJ on this topic. While we are looking forward to the final guidance, we would like to seek a regulatory decision to continue maintaining bank accounts of these entities as corporate accounts for all contracts signed before 1st January 2017.

***Conclusion***

In our roles to facilitate investments in Vietnam, we believe that the issues raised above will help the Government to further improve the business and investment environment in Vietnam. The Banking Working Group is committed to support the Government in building a stronger banking sector in Vietnam in any way we can. All BWG members wish H.E The PM, Ministries leaders, the Governor, good health and continued success.