

Relevant regulations and our recommendation

I. RELEVANT REGULATIONS

1. Regulation on account holder

According to the prevailing regulation, Account Holder of the corporate current account is the corporate which opens the current account. The legal representative or authorized representative (hereinafter referred to as legal representative) of the corporate that opens the account shall perform transactions over the current account on behalf of the corporate. As such, accounts of the corporate will be operated by its legal representative or its authorized person¹.

2. Regulations on chief accountant

2.1 Based on accounting regulations, accounting unit being enterprises established and operating under Vietnam laws and branches of foreign enterprises operating in Vietnam which make the financial statements² must appoint Chief Accountant except for extra-small enterprises as defined in the regulations on assistance for small and medium enterprises who may appoint a person in charge of accounting without having to appoint a chief accountant³.

In the event where the enterprise is not able to promptly appoint a chief accountant, it may appoint an acting chief accountant or to outsource the works of chief accountant. An acting chief accountant will hold the position for up to 12 months. After which, a chief accountant shall be appointed⁴.

2.2 The appointment of accountant of a representative office in Vietnam of a foreign enterprise, household business or artel shall be decided by the head of such representative office, household business or artel⁵.

2.3 For those holding position of managers and executive officers, they cannot be chief accountant simultaneously except for sole proprietorships, single-member limited liability companies owned by individuals, and other types of enterprises not funded by state budget and are extra-small enterprises defined in the regulations on assistance for small and medium enterprises⁶.

3. Regulations on authorized signatures on banking vouchers

The regulations on authorized signatures on banking vouchers and internet banking are as follows:⁷

¹ Item 3, Article 3, Circular 23/2014/TT-NHNN dated 19/8/2014(as amended by item 1, Article 1, Circular 02/2019/TT-NHNN dated 28/02/2019)

² Article 2 and Article 4, Law on accounting No.88/2015/QH13 dated 20/11/2015

³ Item 2, Article 20, Decree 174/2016/ND-CP dated 30/12/2016

⁴ Item 1, Article 20, Decree 174/2016/ND-CP dated 30/12/2016

⁵ Article 23, Decree 174/2016/ND-CP dated 30/12/2016

⁶ Item 3, Article 19, Decree 174/2016/ND-CP dated 30/12/2016

⁷ Item 2, Article 8, Decision 1789/2005/QĐ-NHNN dated 12/12/2005



- 3.1 For transactions performed with the bank through banking vouchers or internet banking by customers who are units, organizations that are required to have a chief accountant in accordance with the applicable laws, the voucher/ internet banking transaction must bear full signatures of/ approved by account holder, chief accountant or the person who is authorized to sign and the seal of the unit (in case of a paper voucher). Signature and seal (if any) of the customer on the voucher used for transaction with the bank must be identical to the specimen signature which has been registered with the bank (where the account is opened). The electronic signature in the electronic voucher must match with the signature granted by the bank where the account is opened (or by competent agency).
- 3.2 Chief Accountant (or authorized person) must not sign "per procuracy" by the head of the enterprise. The authorized person must not authorize to others⁸.

4. Principle in signing, processing or approving banking transactions

Banking vouchers drawn by or internet banking transactions processed/ approved by customers who are organizations that are required to have the chief accountant must have at least two groups representing for account holder and chief accountant.

II. OUR RECOMMENDATIONS

1. **Appointment of representative of account holder:** Based on above mentioned regulations, representative of account holder may be the legal representative or other authorized person in accordance with their Charter or a valid authorization letter. In case you have no otherwise instruction, the bank may assume that your legal representative is the person who may represent the account holder to operate the accounts at our bank.
2. **Appointment of chief accountant:** You shall follow the regulation on appointment of chief accountant. In case your company is not able to appoint a chief accountant at the time, it may appoint a person in charge of accounting for maximum 12 months or outsource chief accountant works. It is your responsibility to update the bank promptly whenever there is a change in the appointment of chief accountant.
3. **Authorized signature registration:** Signature of chief accountant, person in charge of accounting (and his/her authorized person), and signature of legal representative (and his/her authorized person) are required to register with the bank.
4. **Authorized person:** In case there are more than two authorized persons being legal representative and chief accountant, you must ensure such persons are authorized by account holder and chief accountant separately.
5. **Banking vouchers:** You must ensure banking vouchers must be signed by at least two authorized signatories representing for groups of chief accountant and account holder.
6. **Internet banking:** You must ensure that internet banking transactions are processed/ approved by groups representing both chief accountant and account holder.

⁸ Item 6, Article 118, Circular 200/2014/TT-BTC dated 22/12/2014