

**AGREEMENT IN THE FORM OF AN EXCHANGE OF LETTERS BETWEEN  
THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND  
AND THE SOCIALIST REPUBLIC OF VIET NAM CONCERNING BANK  
EQUITY**

**No.1**

*His Excellency, Tran Ngoc An, Ambassador of the Socialist Republic of Viet Nam to the United Kingdom of Great Britain and Northern Ireland, to His Excellency, Gareth Ward, Her Majesty's Ambassador to Vietnam.*

*London  
29 December 2020*

Dear Ambassador,

In connection with the signing on this date of the Free Trade Agreement between the United Kingdom of Great Britain and Northern Ireland ("the United Kingdom") and the Socialist Republic of Viet Nam ("Viet Nam") ("the Agreement"), I have the honour to confirm that the following agreement has been reached between Viet Nam and the United Kingdom:

1. With respect to capital contribution in the form of buying shares in commercial banks, until 1 August 2025, the Vietnamese authorities shall favourably consider the proposal by the United Kingdom's financial institutions to allow the total equity held by foreign investors in one joint-stock commercial bank of Viet Nam up to 49 per cent of the enterprise's chartered capital.
2. Paragraph 1 does not apply to four commercial banks in which the Government of Viet Nam currently holds the majority of equity, namely the Bank for Investment and Development of Viet Nam (BIDV), the Viet Nam Joint Stock Commercial Bank for Industry and Trade (Vietinbank), the Joint Stock Commercial Bank for Foreign Trade of Viet Nam (Vietcombank) and the Viet Nam Bank for Agriculture and Rural Development (Agribank).
3. Paragraph 1 applies subject to a mutual and voluntary agreement between a relevant joint-stock commercial bank of Viet Nam and the financial institutions of the United Kingdom.
4. The acquisition of the equity by financial institutions of the United Kingdom in the joint-stock commercial bank in Viet Nam referred to in paragraph 1 shall be in full compliance with the relevant merger and acquisition procedures as well as other prudential and competition requirements, including limitations or caps on the percentage of ownership of shares applicable to each individual or institutional investor on national treatment basis, under the laws and regulations of Viet Nam.
5. For the avoidance of doubt, this letter shall be incorporated into and made part of the Agreement and shall be subject to the incorporated Chapter 15 (Dispute Settlement) of the EU-Viet Nam FTA.

6. For the avoidance of doubt, this shall not be subject to the Agreement between the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of the Socialist Republic of Viet Nam for the Promotion and Protection of Investment, done at Hanoi on 01 August 2002.

I have the honour to propose that this letter and your letter of confirmation in reply shall constitute an agreement between our two Governments, which shall enter into force on the date of entry into force of the Agreement as between Viet Nam and the United Kingdom.

Yours sincerely,

Tran Ngoc An,  
Ambassador of the Socialist Republic of Viet Nam to the United Kingdom of Great Britain  
and Northern Ireland

**No.2**

*His Excellency, Gareth Ward, Her Majesty's Ambassador to Vietnam, to His Excellency, Tran Ngoc An, Ambassador of the Socialist Republic of Viet Nam to the United Kingdom of Great Britain and Northern Ireland.*

*London  
29 December 2020*

Dear Ambassador,

I am pleased to acknowledge receipt of your letter of 29 December 2020, which reads as follows:

*"In connection with the signing on this date of the Free Trade Agreement between the United Kingdom of Great Britain and Northern Ireland ("the United Kingdom") and the Socialist Republic of Viet Nam ("Viet Nam") ("the Agreement"), I have the honour to confirm that the following agreement has been reached between Viet Nam and the United Kingdom:*

- 1. With respect to capital contribution in the form of buying shares in commercial banks, until 1 August 2025, the Vietnamese authorities shall favourably consider the proposal by the United Kingdom's financial institutions to allow the total equity held by foreign investors in one joint-stock commercial bank of Viet Nam up to 49 per cent of the enterprise's chartered capital.*
- 2. Paragraph 1 does not apply to four commercial banks in which the Government of Viet Nam currently holds the majority of equity, namely the Bank for Investment and Development of Viet Nam (BIDV), the Viet Nam Joint Stock Commercial Bank for Industry and Trade (Vietinbank), the Joint Stock Commercial Bank for Foreign Trade of Viet Nam (Vietcombank) and the Viet Nam Bank for Agriculture and Rural Development (Agribank).*
- 3. Paragraph 1 applies subject to a mutual and voluntary agreement between a relevant joint-stock commercial bank of Viet Nam and the financial institutions of the United Kingdom.*
- 4. The acquisition of the equity by financial institutions of the United Kingdom in the joint-stock commercial bank in Viet Nam referred to in paragraph 1 shall be in full compliance with the relevant merger and acquisition procedures as well as other prudential and competition requirements, including limitations or caps on the percentage of ownership of shares applicable to each individual or institutional investor on national treatment basis, under the laws and regulations of Viet Nam.*
- 5. For the avoidance of doubt, this letter shall be incorporated into and made part of the Agreement and shall be subject to the incorporated Chapter 15 (Dispute Settlement) of the EU-Viet Nam FTA.*
- 6. For the avoidance of doubt, this shall not be subject to the Agreement between the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of the Socialist Republic of Viet Nam for the Promotion and Protection of Investment, done at Hanoi on 01 August 2002.*

*I have the honour to propose that this letter and your letter of confirmation in reply shall constitute an agreement between our two Governments, which shall enter into force on the date of entry into force of the Agreement as between Viet Nam and the United Kingdom.”*

I have the honour to confirm that my Government shares this understanding, and that your letter and this letter of confirmation in reply shall constitute an agreement between our two Governments, which shall enter into force on the date of entry into force of the Agreement as between the United Kingdom and the Socialist Republic of Viet Nam.

Yours sincerely,

Gareth Ward  
British Ambassador to Vietnam