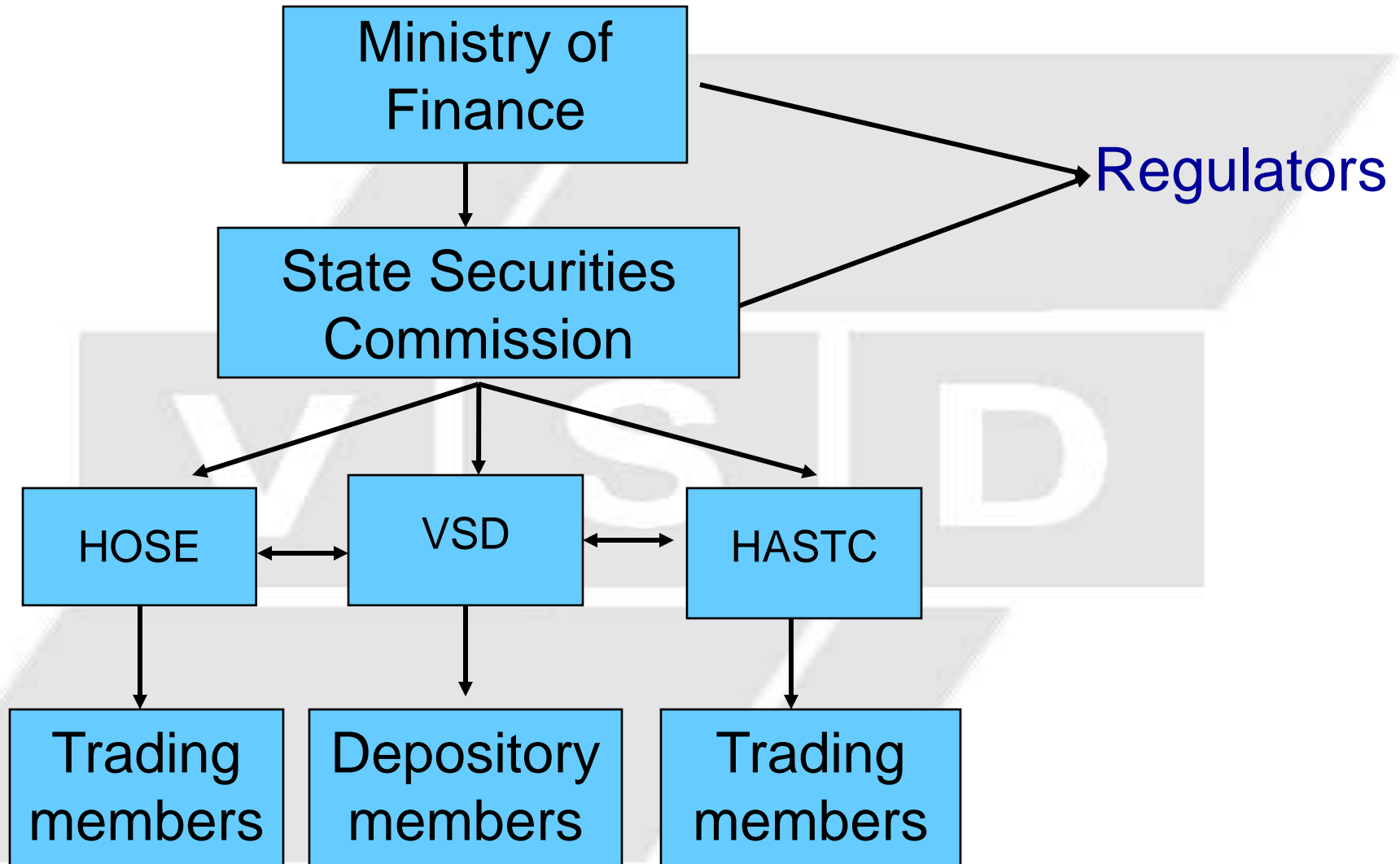


**VIETNAM SECURITIES DEPOSITORY**

# **VIETNAM SBL MARKET**

**Phuong Hoang Lan Huong**  
**Chief Executive Officer**

# VIETNAM MARKET STRUCTURE



# LEGAL FRAMEWORK ON SBL

- ***Legal framework on short sales:*** is stipulated in the Securities Law but has not effected in VN yet due to the absence of guidance documents from Ministry of Finance;
- ***Trading model of the Stock Exchange (HoSE & HaSTC):***
  - ✓ Periodic matching system;
  - ✓ No market makers system introduced;
- ***The OTC market:***
  - ✓ Has not been established yet;
  - ✓ All transactions are made by the negotiation between the sellers and buyers;
- ***Legal documents on securities transfers with SBL*** transactions lack of comprehensiveness.

# CURRENT STATE OF SBL IN VIETNAM

- ***Lending settlements coverage:***
  - ✓ For participants who are in a temporarily defaulting position;
  - ✓ Between securities companies and securities companies against their customers;
  - ✓ Refund by cash or securities according to the agreement.
- ***Securities pledge:***
  - ✓ Credit sources are almost offered by commercial banks;
  - ✓ To minimize the related risks, State Bank of Vietnam (SBV) promulgated the restricted regulation on the credit used for this service;

# CURRENT STATE OF SBL IN VIETNAM

## ■ *Repo securities services:*

- ✓ Standard regulations on repo transactions are not available in VN yet;
- ✓ Are applied to all government bonds, listed and unlisted equities;
- ✓ Are spontaneous action of commercial banks and securities companies to meet the demand of market and investors;
- ✓ Almost repo transactions in VN market now are in cash-driven ones with the previous repo prices are ranging from 50 to 70% of the market price and now are ranging from 20 to 30%.
- ✓ Pledge and repo rate are more than interest rate. Time limit and provisions of the contract are decided by both the borrowers and lenders;

# UPCOMING SOLUTIONS

- Securities market regulators and SBV are considering the promulgation of repo regulations, giving priority to government bonds;
- State Securities Commission is looking into the possibility of suspending equity repo transactions due to its being highly risky;
- VSD is taking part in developing an automatic SBL system because the fact that all government bonds must deposit in VSD;



**Thank you  
for your attention !**