**Announcement on issuance of Circular No.31/2016/TT-NHNN**

In order to facilitate the implementation of the Government’s objectives in Resolution No. 35/NQ-CP, dated May 16 2016, on supporting and developing enterprises towards 2020 - in the context of difficulties in socio-economy, production and business of enterprises - the State Bank of Vietnam (SBV) has issued Circular No. 31/2016/TT-NHNN on November 15 to revise a number of articles of Circular No. 24/2015/TT-NHNN (December 8, 2015) on the provision of foreign currency loans, by credit institutions and foreign bank branches, to resident borrowers.

Accordingly, licensed credit institutions and foreign bank branches have decided to approve foreign currency loans provided to resident borrowers to meet the demands of short–term capital in the domestic market in order to implement the plan on production and for the business of exported goods via Vietnam’s border gate, when borrowers have the required amount of foreign currencies from production revenues and business for debt payment; when credit institutions and foreign bank branches disburse the loans, the borrowers shall have to sell their foreign currencies to those credit institutions and foreign bank branches in the form of spot transactions, excluding those cases where customers’ loans are compulsorily used for payment purposes in foreign currencies in line with law. This regulation will be implemented until December 31, 2017.

This Circular will take effect from January 1, 2017.

Translated by Le Hang